THIRD QUARTER

FINANCIAL REPORT

2020-2021

Q3

CBC Radio-Canada

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

As Canada's national public broadcaster, we take very seriously our obligation to be transparent and accountable to Canadians. To meet our responsibilities, we provide access on our corporate website to information about our activities and the way we manage our public resources. In addition to these activities, we are currently developing an environmental sustainability plan that will be released in the next fiscal year.

HR COMPLIANCE

- Annual Review on Implementation of Section 41 of the *Official Languages Act* to Canadian Heritage
- Annual Review on Parts IV, V and VI of the *Official Languages Act* to Treasury Board of Canada Secretariat
- Annual Report on Employment Equity to Employment and Social Development Canada (ESDC)
- Annual Report on Multiculturalism to Immigration, Refugees and Citizenship Canada
- Triennial Diversity and Inclusion Plan

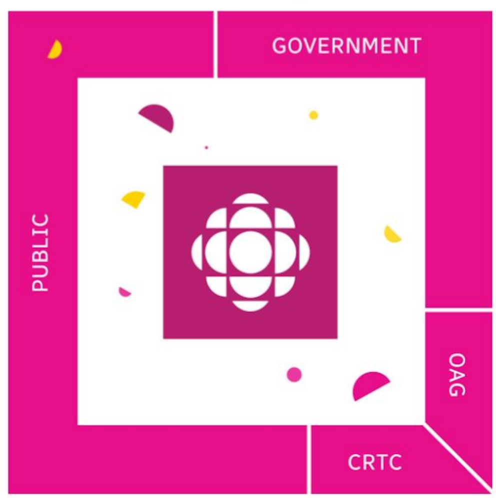
RESPONSES TO ACCESS TO INFORMATION AND PRIVACY (ATIP) REQUESTS

CORPORATE REPORTS

- Annual Report
- Quarterly financial reports
- Corporate Plan and Corporate Plan Summary
- CBC Pension Annual Report
- Public Accounts of Canada
- Environmental performance reports
- Reports on the implementation of the *Access to Information Act* and *Privacy Act*, and on any disclosure of wrongdoings (under the *Public Servants Disclosure Protection Act*)

POLICIES AND PRACTICES

- Journalistic Standards and Practices
- Code of Conduct



OMBUDS REPORTS

- Board must respond to Ombuds Reports and table responses with the CRTC

VALUES AND ETHICS COMMISSIONER ANNUAL REPORT

- Reports on the implementation of our Code of Conduct and the Policy on Conflicts of Interest, and outlines how complaints regarding employee behaviour are handled

APPEARANCES BEFORE PARLIAMENTARY COMMITTEES

OFFICE OF THE AUDITOR GENERAL (OAG)

- Annual OAG Attest Audit
- OAG Special Examinations

PROACTIVE DISCLOSURE

- Travel and hospitality expenses of the Chair, Board members and Executives
- Board meeting documents
- Corporate policies

ANNUAL PUBLIC MEETING

REPORTING TO THE CRTC

- Periodic licence renewals
- Annual reporting to the CRTC covering each of the Corporation's licensed radio, television and discretionary services
- Official Language Minority Communities (OLMCs) reports

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to filing an annual report, we are required – like most Canadian federal Crown corporations – to file quarterly financial reports for the first three quarters of each fiscal year. The following Management Discussion and Analysis (MD&A) aims to provide readers with an overview of our activities and performance for the third quarter of 2020-2021, and should be read in conjunction with our most recent Annual Report. In keeping with our commitment to transparency and effective oversight of public funds, we are pleased to present this quarterly report for the third quarter ended December 31, 2020. 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, 2020 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. These seasonal patterns are currently being impacted by the COVID-19 pandemic.

FORWARD-LOOKING STATEMENTS
This report contains forward-looking statements about strategy, objectives, 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

Q3
2020-2021: $137M
2019-2020: $142M
TOTAL DECREASE
$5M

Revenue decreased by 3.5% this quarter, mainly due to the pandemic's adverse impacts on Canadian TV advertising and on the declining demand for our facilities and production services from third parties.

We continue to observe lower advertising and subscription revenues from our traditional platforms, partially offset by higher digital revenue as audiences migrate to our digital platforms.

GOVERNMENT FUNDING

Q3
2020-2021: $309M
2019-2020: $289M
TOTAL INCREASE
$20M

Government funding recognized this quarter increased by 7.1%, consistent with our expected needs for operating funding in the third quarter.

EXPENSES

Q3
2020-2021: $464M
2019-2020: $453M
TOTAL INCREASE
$11M

Our expenses were higher by 2.5% this quarter, largely due to increased programming expenses as the launch of our fall television schedule was delayed from September into October.

Other operating expenses also increased as we continued to invest in our digital platforms and to incur incremental costs to ensure the health and safety of our employees.

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
Revenue	136,915	141,891	(3.5)	342,557	373,107	(8.2)
Government funding	309,355	288,848	7.1	893,660	866,597	3.1
Expenses	(464,490)	(453,368)	2.5	(1,201,488)	(1,251,060)	(4.0)
Results before other gains and losses	**(18,220)**	**(22,629)**	**(19.5)**	**34,729**	**(11,356)**	**N/M**
Other gains and losses	(114)	(1,063)	(89.3)	271	(8,583)	N/M
Net results under IFRS for the period	**(18,334)**	**(23,692)**	**(22.6)**	**35,000**	**(19,939)**	**N/M**
Budget Results for the period[1]	**1,222**	**1,871**	**(34.7)**	**57,797**	**29,241**	**97.7**

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.

Third quarter **Net results under IFRS** were a loss of $18.3 million, compared to a loss of $23.7 million in the same period of last year. This quarter, higher government funding recognized more than offset lower revenues and higher expenses. Year-to-date **Net results under IFRS** have also improved compared to the previous year, driven by lower expenses and higher government funding recognized, which were partly offset by lower revenue.

For the third quarter and on a year-to-date basis, **Budget Results** were higher than the Net Results under IFRS because this non-IFRS measure excludes non-cash expenses not funded by our operating budget, such as depreciation and our non-cash pension expense.

BUSINESS HIGHLIGHTS

Content and Services

Canada's national public broadcaster continued to serve Canadians this quarter, focusing on bringing trusted news to Canadians when they needed it most, while showcasing Canada's stories here at home and bringing them to audiences around the world. During National Newspaper Week in October, we launched Local News Matters, the first national directory of its kind, to help Canadians find and support local media serving their communities. In December, we provided an update on our diversity and inclusion initiatives, improving our workplace culture in tangible, concrete ways, while taking a fresh look at the content we produce and commission to ensure representation of creators from across our society, as well as diversity of opinions and perspectives. In collaboration with the Canada Council for the Arts, we unveiled a diverse selection of digital projects created by Canadians artists on CBC.ca and Radio-Canada.ca, the result of funding from the Digital Originals initiative. We wrapped up 2020 with great holiday and New Year's Eve programming, breaking audience records.

French Services

The news teams covered provincial elections in British Columbia and Saskatchewan, and the elections in the United States, bringing the latest results and electoral outcomes to Canadians, in addition to the latest pandemic updates.

A year ago, we successfully launched Radio-Canada OHdio, our one-stop destination for all French-language audio content. With more than 60 new podcasts offered over the last 12 months, from *Urgence sur la ligne*, produced in Quebec City, to *Laissez-nous raconter : L'histoire crochie* from Maliotenam, Quebec–based First Nations production company Terre Innue, which features a different perspective of the history of colonization, there was something for everyone. A dozen new podcasts were released to mark OHdio's first-year anniversary, including *French Connection : Marseille, Montréal, New York*, our first co-production with France Culture.

To mark the end of 2020, Radio-Canada teams joined forces to offer original and creative programming for the holiday season to entertain Canadians, many of whom were not able to be with their loved ones. Special New Year's Eve programming — including *En direct du jour de l'An*, *À l'année prochaine*, *Infoman 2020*, *Bye Bye 2020* and *Dans les coulisses du Bye Bye 2020* — all broke records for numbers of viewers and audience share. *Bye Bye 2020* is now the all-time most-watched show in French-Canadian TV history, with an average audience of 4.6 million viewers.[1] Given COVID-19 production restrictions, we are proud of this accomplishment. ICI TOU.TV also offered premieres this quarter, including the new season of *L'effet secondaire*, a favourite of younger audiences. Finally, ICI TÉLÉ and three other major francophone broadcasters — Noovo, Télé-Québec and TVA — also offered the variety show *Tout le monde ensemble*, live from Place des Arts in Montreal, to celebrate the end of 2020 with francophone artists.

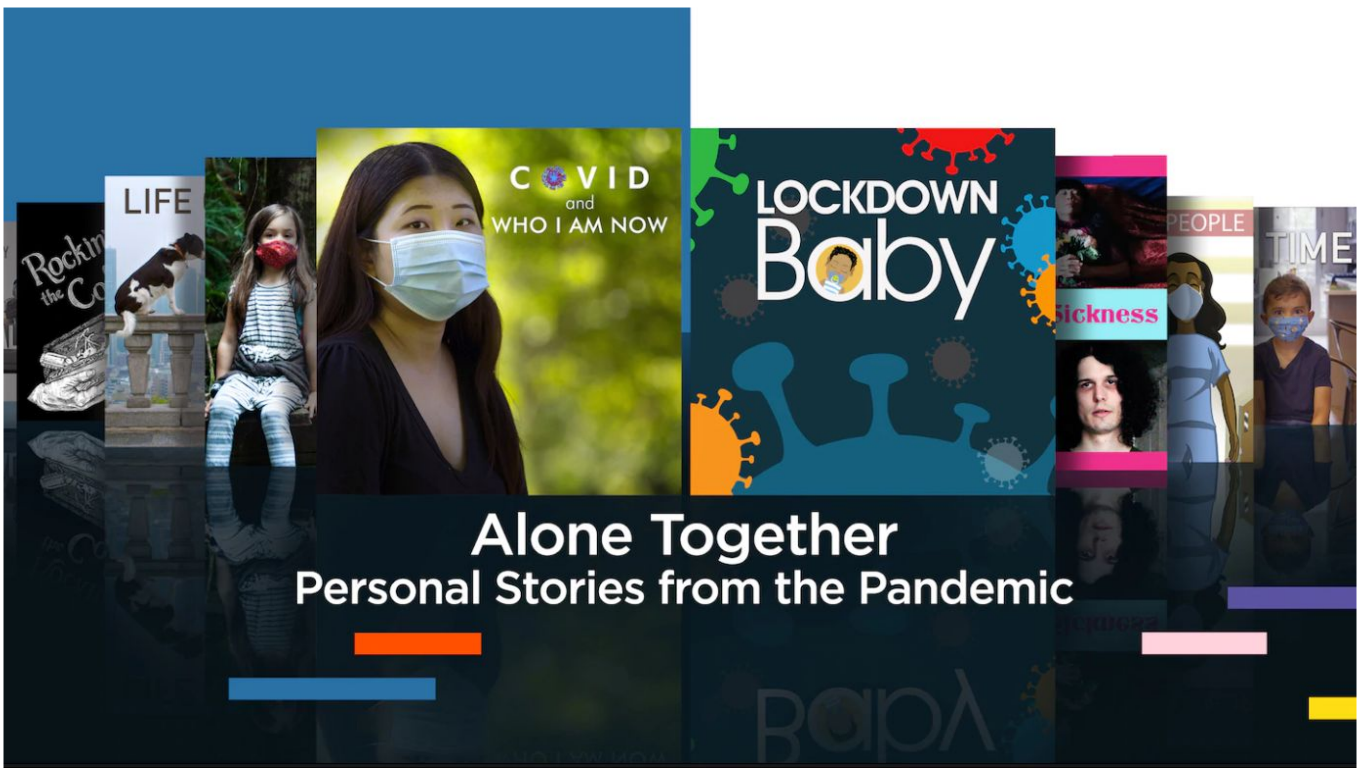
Bye Bye 2020, Radio-Canada

[1] Source: Numeris PPM, AMA, francophones in Quebec aged 2+.

English Services

This fall our programming included the return of long-time favourites and some exciting new projects, across all platforms. CBC TV launched the 60th season of *The Nature of Things* — TV's longest-running science program — which continues to inspire and entertain audiences by engaging with the people and personalities behind the science and the phenomena that shape our world.

This quarter, as part of the national public broadcaster's commitment to bring Canadian film to audiences across the country, CBC aired the exclusive broadcast and streaming world premiere of Oscar®-nominee Deepa Mehta's new film *Funny Boy* on CBC TV and on CBC Gem, where it is still available to stream. In December, CBC also announced that Canada's first Black-led TV series, *The Porter*, would begin filming in 2021. Inspired by real events, *The Porter* is a gripping story of empowerment and idealism that highlights the moment when railway workers from both Canada and the United States joined together to give birth to the world's first Black union. To showcase our current reality in Canada, CBC also released *Alone Together: Personal Stories from the Pandemic*, a collection of 15 original short documentaries funded through our CBC Creative Relief Fund and available to stream on CBC Gem. These stories, from a diverse group of Canadian filmmakers, offer their unique perspectives on life during the early stages of the COVID-19 pandemic.



Alone Together, CBC

CBC News also announced that award-winning journalist and anchor Ginella Massa joined CBC News as a national host for a new weeknight prime-time program *Canada Tonight*. Launched early in 2021 on CBC News Network, it explores the issues that matter to contemporary Canada. *Canada Tonight* is part of CBC News' recent focus on expanded political and prime-time news programming, including the launch of the new weekly program *Rosemary Barton Live, CBC News Live with Vassy Kapelos*, and the move of *Power & Politics* to primetime on weekday evenings.

Technology and Infrastructure

As part of our commitment to partnering on sustainability initiatives, the new Allied Data Centre located in the Canadian Broadcasting Centre in Toronto was launched this quarter. It employs Enwave cooling technology to keep equipment safe at the optimal temperature, using cold water from Lake Ontario. The transition to the new process and data centre will also result in cost and energy savings.

By the end of 2020, the new Maison de Radio-Canada in Montreal had six radio programs on air and four operational studios, with more than 75% of post-production moved to our new spaces. Teams are also preparing to broadcast the first live television programming later this year.

Canada Tonight with Ginella Massa, CBC

People and Culture

For the second year in a row, CBC/Radio-Canada was named one of Canada’s Top 100 Employers by Mediacorp Canada Inc. and was recognized once again with a Platinum certification for gender parity by Women in Governance. This quarter, we also continued to provide timely human resources support to employees and managers in the context of the ongoing pandemic, ensuring the safe and sustainable operation of our services and the safety of our employees.

In December 2020, Catherine Tait provided a diversity and inclusion update to Canadians to report on our progress and where we are headed. Our focus continues to be on our content, workplace culture and workforce. This quarter saw the 100-day milestone of "Be Heard," a platform where employees can anonymously report acts of racism that they have experienced or witnessed in the workplace, and included additional promotion of the initiative to employees. We also announced the expansion of the Developing Diverse Emerging Leaders program to equip employees from underrepresented groups with insights, tools and strategies to advance their careers. We are accelerating and tracking the representation at all levels of the organization of underrepresented groups, with special emphasis on Indigenous peoples, Black people, people of colour and people with disabilities. Finally, we look forward to providing further progress updates to Canadians later this year on our commitment to double the promotion and retention rates of employees from those same groups.

Other Business Matters

Legal Services
In October, CBC/Radio-Canada's Access to Information team received the Information Commissioner's Award for 2020, an award recognizing their innovation, leadership and performance, helping to promote an open and democratic society and to enable debate on the conduct of Canada's national public broadcaster.

Corporate Secretariat
The Minister of Canadian Heritage announced the appointment of Rita Shelton Deverell to the CBC/Radio-Canada Board of Directors, effective November 28, 2020. The appointment was a replacement for Rob Jeffery, who had served on the Board since April 2015.

PERFORMANCE UPDATE

Our Performance – Mandate and Vision

As Canada's national public broadcaster, establishing metrics to track and assess the perception of our performance is essential to demonstrating our accountability to Canadians. The Mandate and Vision Perception Survey allows us to monitor Canadians' perceptions of their public broadcaster and how well they believe our services fulfill the Corporation's mandate. The data are collected via a survey conducted among representative samples of anglophone and francophone Canadians.

Highlights based on the fall 2020 survey results follow.

78% of Canadians use at least one of our services in a typical month

85% (69% + 16%) of Canadians say it is important for Canada to have a national public broadcaster like CBC/Radio-Canada

82% (64% + 18%) of Canadians agree that there is a clear need and role for CBC/Radio-Canada into the future

Our Overall Strengths
The vast majority of Canadians agree that CBC/Radio-Canada…

	Strongly Agree (8-10)	Agree (6-7)	Total
Is informative	62	20	82
Is a trusted source of information	58	20	78
Supports the creation of original Canadian content	57	23	80

Our Programming Strengths
The vast majority of our users agree that CBC/Radio-Canada's programming*…

	Strongly Agree (8-10)	Agree (6-7)	Total
Reflects regions of Canada	66	23	89
Is of high quality	64	23	87
Reflects diversity of Canada	54	28	82

Strongly Agree (8-10) + **Agree (6-7)** = **Total**

Source: The Mandate and Vision Perception Survey, Leger's online panel (LEO), fall 2020 (October 15 to November 3, 2020). Each perception result represents the percentage of Canadians who agree (i.e., 6 or 7 on a 10-point scale) and who strongly agree (i.e., 8, 9 or 10 on a 10-point scale) with each statement.
** Users of CBC/Radio-Canada's main services (i.e., CBC TV, CBC Radio One, CBC.ca, ICI TÉLÉ, ICI PREMIÈRE or ICI Radio-Canada.ca).*

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.[2] These priorities continue to shape our strategic initiatives.

Targets are specific to the markets we operate in and consider a number of factors such as market realities, competition and service penetration rate. Annual targets for 2020-2021 were established using our best estimates of the impacts of the COVID-19 pandemic.

As outlined below, the third quarter results vary from those annual targets due to the extended duration of the pandemic. We anticipate that performance metrics may remain volatile in the final quarter of 2020-2021 as the duration and severity of the pandemic remains unknown.

INDICATORS	MEASUREMENTS	TARGETS 2020-2021	RESULTS APR 1 TO DEC 31, 2020
Customized digital services			
1. Digital reach of CBC/Radio-Canada[3]	*Monthly average unique visitors*	**21.5M**	**24.0M**
2. Digital engagement with CBC/Radio-Canada[4]	*Monthly average minutes per visitor*	**43 min/vis**	**50 min/vis**
Engaging with young audiences			
3. Digital visits to CBC/Radio-Canada kids content[5]	*Monthly average visits*	**2,066K**	**3,118K**
Prioritizing our local connections			
4. Digital engagement with CBC News/Regions[4]	*Monthly average minutes per visitor*	**25 min/vis**	**26 min/vis**
5. Digital engagement with Radio-Canada Info/Régions[4]	*Monthly average minutes per visitor*	**16 min/vis**	**20 min/vis**
Reflecting contemporary Canada			
6. Employment equity representation[6]	*% of new external hires*	**38.4%**	**31.1%**

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

The third quarter continues to be highly impacted by the COVID-19 pandemic. As a result of Canadians turning to our digital services in large numbers to be informed and entertained, our digital reach and digital engagement continue to trend significantly above target.

Engaging with young audiences

Traffic to our overall digital offering for kids content has also been impacted by the pandemic, as many young Canadians and parents turned to our youth programming during the period. The result continues to trend above target, with 3.1 million visits on average each month.

[2] The KPIs for *Your Stories, Taken to Heart* is the complete measurement framework for the Corporation, and replaces our KPIs and Accountability Plan from the previous strategic plan. Our fifth strategic priority – taking Canada to the world – is measured via an internal KPI.
[3] 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.
[4] 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.
[5] 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.
[6] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.

Prioritizing our local connections

Digital engagement for our news and regions sections is currently trending above target for both CBC and Radio-Canada due to the coverage of major regional news events such as the provincial elections and COVID-19 pandemic.

Reflecting contemporary Canada

Employment equity representation of our new employees is currently tracking behind target but is expected to continue to grow in the last quarter of the year as we continue to implement our Diversity and Inclusion Plan across the Corporation.

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 2020-2021 were established using our best estimates of the impacts of the COVID-19 pandemic.

The third quarter results vary from our annual targets due to the severe impact of the pandemic that continued throughout the period. We anticipate that performance metrics may remain volatile in the final quarter of 2020-2021 as the duration and severity of the pandemic remains unknown.

Radio-Canada 2020-2021 Results

INDICATORS	MEASUREMENTS	TARGETS 2020-2021	RESULTS APR 1 TO DEC 31, 2020
Customized digital services			
Digital reach[7]	*Monthly average unique visitors*	**5.1M**	**6.1M**
Digital engagement[8]	*Monthly average minutes per visitor*	**47 min/vis**	**61 min/vis**
Engaging with young audiences			
Digital visits to kids content[9]	*Monthly average visits*	**379K**	**488K**
Prioritizing our local connections			
Digital engagement with Radio-Canada Info/Régions[8]	*Monthly average minutes per visitor*	**16 min/vis**	**20 min/vis**
Reflecting contemporary Canada			
Employment equity representation[10]	*% of new external hires*	**21.7%**	**14.5%**
Television and Radio			
ICI TÉLÉ[11]	*Prime-time audience share*	**21.4%**	**25.1%**[12]
ICI RDI, ICI ARTV and ICI EXPLORA[11]	*All-day audience share*	**5.3%**	**6.4%**
ICI PREMIÈRE and ICI MUSIQUE	*All-day audience share*	**25.5%**	**N/A**[13]
Revenue			
Total revenue[14]	*Conventional, discretionary, online*	**$184M**	**$153M**

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.

[7] 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.
[8] 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.
[9] Source: Adobe Analytics, average of monthly visits to kids content on zone Jeunesse and ICI TOU.TV, April to March.
[10] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.
[11] Source: Numeris PPM, francophones in Quebec aged 2+, ICI TÉLÉ: September to April (regular season); ICI RDI, ICI ARTV and ICI EXPLORA: April to March.
[12] As at January 3, 2021.
[13] Due to COVID-19, the Numeris fall 2020 radio diary was not produced and therefore Radio-Canada's combined radio share will not be reported in 2020-2021.
[14] Includes Radio-Canada advertising revenue, subscription revenue and other revenue (e.g., content sales).

Customized digital services

Since the beginning of a year that has been greatly impacted by COVID-19 and sustained consumption of digital content, our digital reach and engagement have remained at unprecedentedly high levels.

Engaging with young audiences

Digital visits to kids content were above target, thanks to increased video consumption driven by the COVID-19 pandemic. *L'effet secondaire*, *Marika* and *Les Sapiens* were particularly popular with our young audiences on ICI TOU.TV.

Prioritizing our local connections

Digital user engagement with news and regional content was very high, driven by regional COVID-19 coverage and provincial elections in British Columbia and Saskatchewan.

Reflecting contemporary Canada

Despite the progress made this quarter, employment equity representation of our new employees was tracking below the annual target. We expect a better result by year-end as we continue to implement a number of diversity and inclusion initiatives during the last quarter.

Television and Radio

Since the start of the regular season, ICI TÉLÉ's prime-time audience has been tracking well ahead of target, driven primarily by news shows such as *Fragile* and *C'est comme ça que je t'aime*, but also by the success of the most recent season of *District 31*.

Similarly, since the start of the year, the combined share of our three discretionary channels has been tracking well ahead of our annual target, mostly due to ICI RDI's coverage of COVID-19 and the US presidential election.

Revenue

Despite the pandemic's pressure on advertising markets, our revenues are tracking toward target thanks to stronger-than-expected advertising performance, as well as growth in subscription revenues from digital platforms.

Tout le monde ensemble, Radio-Canada

CBC 2020-2021 Results

INDICATORS	MEASUREMENTS	TARGETS 2020-2021	RESULTS APR 1 TO DEC 31, 2020
Customized digital services			
Digital reach[15]	*Monthly average unique visitors*	**18.1M**	**20.2M**
Digital engagement[16]	*Monthly average minutes per visitor*	**35 min/vis**	**36 min/vis**
Engaging with young audiences			
Digital visits to kids content[17]	*Monthly average visits*	**1,687K**	**2,630K**
Prioritizing our local connections			
Digital engagement with CBC News/Regions[16]	*Monthly average minutes per visitor*	**25 min/vis**	**26 min/vis**
Reflecting contemporary Canada			
Employment equity representation[18]	*% of new external hires*	**47.7%**	**57.6%**
Television and Radio			
CBC Television[19]	*Prime-time audience share*	**5.0%**	**4.9%**
CBC News Network[19]	*All-day audience share*	**1.7%**	**2.2%**
CBC Radio One and CBC Music[20]	*All-day audience share in the 5-PPM markets*	**15.1%**	**16.3%**
CBC Radio One and CBC Music[21]	*Monthly average national reach*	**12.2M**	**11.6M**
Revenue			
Total revenue[22]	*Conventional, discretionary, online*	**$184M**	**$146M**

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

CBC has retained some of the gains recorded at the beginning of the pandemic resulting from a strong news cycle. In the third quarter, CBC saw some of the highest-ever engagement driven by improvements to the overall user experience, expanded video offering on cbc.ca, and growth in both CBC Gem and CBC Listen.

Engaging with young audiences

Digital visits to CBC Kids continued to grow this quarter largely driven by the games section on cbckids.ca, along with a couple of stand-out stories that were also responsible for helping maintain these levels, such as *Transgender teen on why 'deadnaming' Elliot Page is harmful* from CBC Kids News and *Teen To 60-Year-Old Woman: 'Your Mask Is Completely Inappropriate'* from CBC Parents.

Prioritizing our local connections

Digital engagement with CBC News/Regions continues to draw audiences with coverage of the pandemic and other major regional news stories such as British Columbia Votes.

[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: October to April (regular season); CBC News Network: April to March.
[20] Source: Numeris PPM, persons aged 2+ in the Toronto, Vancouver, Calgary, Edmonton and Montreal-anglophone markets.
[21] Source: Numeris PPM, persons aged 2+.
[22] Includes CBC advertising revenue, subscription revenue and other revenue (e.g., content sales).

Reflecting contemporary Canada

Employment equity representation is currently trending above target, which is a direct result of the ongoing focus on implementing and delivering on our Diversity and Inclusion Plan.

Television and Radio

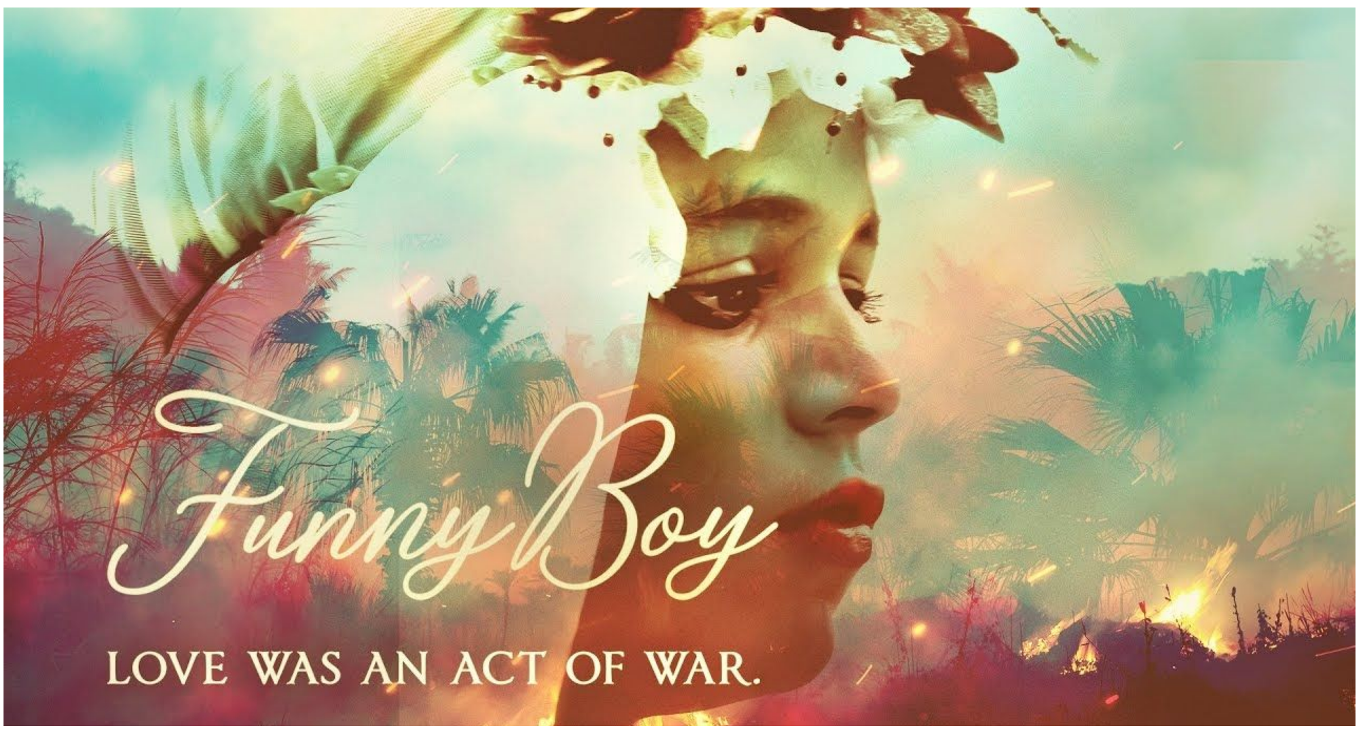
CBC Television was close to target and is expected to continue this trend as we move into the winter schedule.

CBC News Network continued to have a strong performance in this quarter, led predominantly by significant news stories including the US elections and the aftermath, which dominated the month of November, coverage of the pandemic, and Remembrance Day.

Reach for CBC Radio One and CBC Music is trending below target due to a change in listening habits, with fewer people commuting during the pandemic. Despite this decline in reach, CBC Radio experienced an increase in share.

Revenue

Continued demand on digital and social media platforms and the shift from TV to digital contributed to the positive advertising revenue performance. Subscription revenue from CBC News Network and CBC Gem continued to trend above our annual target.



Funny Boy, CBC

Measuring our Canadian Content

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

	YEARLY CONDITIONS OF LICENSE	RESULTS SEP 1, 2018 TO AUG 31, 2019	RESULTS SEP 1, 2019 TO AUG 31, 2020
ICI TÉLÉ			
Broadcast day	75%	79%	**79%**
Prime time	80%	91%	**93%**
CBC Television			
Broadcast day	75%	78%	**78%**
Prime time	80%	84%	**83%**

Laissez-nous raconter : L'histoire crochie, Radio-Canada

DISCUSSION OF RESULTS

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

Results under IFRS and Budget Results

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
Revenue	136,915	141,891	(3.5)	342,557	373,107	(8.2)
Government funding	309,355	288,848	7.1	893,660	866,597	3.1
Expenses	(464,490)	(453,368)	2.5	(1,201,488)	(1,251,060)	(4.0)
Results before other gains and losses	**(18,220)**	**(22,629)**	**(19.5)**	**34,729**	**(11,356)**	**N/M**
Other gains and losses	(114)	(1,063)	(89.3)	271	(8,583)	N/M
Net results under IFRS for the period	**(18,334)**	**(23,692)**	**(22.6)**	**35,000**	**(19,939)**	**N/M**
Items not included in our operating budget						
Pension and other employee future benefits	10,014	15,552	(35.6)	25,702	43,135	(40.4)
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	1,070	3,321	(67.8)	7,685	9,947	(22.7)
Other provisions for non-cash items	8,472	6,690	26.6	(10,590)	(3,902)	N/M
Budget Results for the period[1]	**1,222**	**1,871**	**(34.7)**	**57,797**	**29,241**	**97.7**

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

We have implemented a financial contingency plan in response to the COVID-19 pandemic that includes reducing operating expenses, significantly postponing capital expenditures and managing programming expenses to offset expected revenue losses. This has resulted in favourable gains compared to prior periods. We anticipate TV advertising revenue to remain challenged and our expenses to increase in the final quarter of the year.

3 MONTHS – A loss of $18.3 million, a $5.4 million improvement relative to the same quarter last year, was due to:

- Higher expenses by $11.1 million (↑2.5%), mainly from increased programming expenses. Productions and events have been delayed or cancelled since the start of the COVID-19 pandemic, and we have continuously adjusted our content offerings in response. The launch of our fall television schedule was moved from its usual start in September into October, which resulted in higher expenses compared to the third quarter of last year. We also continued to make investments in digital platforms, in accordance with our strategic plan, and to incur incremental costs related to health and safety and facilities management.

- A $5.0 million (↓3.5%) decrease in revenue, as our TV advertising was adversely impacted by the economic slowdown during the pandemic. In addition, delays and cancellations of productions and events have softened the demand for our facilities and production services from third parties.

These negative impacts to our results were more than offset by higher government funding recognized this quarter of $20.5 million (↑7.1%).

9 MONTHS – A gain of $35.0 million compared to a loss of $19.9 million for the same period last year, mostly driven by the $49.6 million (↓4.0%) reduction of our operating expenses compared to the same period last year. This reduction of our operating expenses was the result of the lower cost of programs broadcast on TV relative to last year, due to delays and cancellations caused by the COVID-19 pandemic. We also reduced our operating costs and had a lower pension expense compared to the same period last year. Lower operating expenses, in addition to a $27.1 million (↑3.1%) increase in government funding recognized in income, allowed us to manage a $30.6 million (↓8.2%) decrease in revenue.

Other gains and losses also improved by $8.8 million, as we recognized a non-cash charge from the transfer of a building to the province of Saskatchewan last year.

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. 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 contribution 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.

3 MONTHS – Our Budget Results for the three-month period were a gain of $1.2 million. Compared to the prior year, higher expenses and lower revenue were not completely offset by higher government funding recognized, which resulted in a decrease of $0.7 million relative to the same quarter last year.

9 MONTHS – Our Budget Results for the nine-month period increased by $28.6 million. The improved results reflect our lower expenses, as discussed above, and the timing of recognition of government funding into income. We expect pressure on TV advertising revenue to persist and our expenses to increase in the final quarter of the year.

Revenue

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
Advertising[1]						
English Services	39,850	35,952	10.8	85,599	85,614	N/M
French Services	44,039	45,051	(2.2)	94,823	103,561	(8.4)
	83,889	81,003	3.6	180,422	189,175	(4.6)
Subscriber fees						
English Services	15,536	15,823	(1.8)	46,866	48,006	(2.4)
French Services	15,195	15,045	1.0	45,920	45,002	2.0
	30,731	30,868	(0.4)	92,786	93,008	(0.2)
Financing, investment and other income[1]						
English Services	5,803	11,890	(51.2)	22,777	29,941	(23.9)
French Services	6,691	6,364	5.1	15,359	17,835	(13.9)
Corporate Services	9,801	11,766	(16.7)	31,213	43,148	(27.7)
	22,295	30,020	(25.7)	69,349	90,924	(23.7)
TOTAL	**136,915**	**141,891**	**(3.5)**	**342,557**	**373,107**	**(8.2)**

N/M = not meaningful

[1]The Corporation modified the classification of its revenue arising from social media platforms. More information is provided in Note 13 *Revenue* of our Interim Financial Statements.

Our revenue decreased by $5.0 million (↓3.5%) in the third quarter of 2020-2021 and by $30.6 million (↓8.2%) on a year-to-date basis. Significant variances by revenue stream are explained below.

Advertising (Q3: ↑3.6%; YTD: ↓4.6%)

Our advertising revenue depends on the different events of significant importance we cover throughout the quarter, the overall health of the advertising market and the success of our programming schedule. Conventional television advertising revenue is experiencing downward pressure as consumer content consumption habits are increasingly shifting towards digital platforms.

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
TV advertising	66,565	67,818	(1.8)	140,337	158,812	(11.6)
Digital advertising[1]	17,324	13,185	31.4	40,085	30,363	32.0
	83,889	**81,003**	**3.6**	**180,422**	**189,175**	**(4.6)**

[1]The Corporation modified the classification of its revenue arising from social media platforms. More information is provided in Note 13 *Revenue* of our Interim Financial Statements.

3 MONTHS – Revenue from TV advertising decreased by $1.3 million (↓1.8%) this quarter, driven by the sustained impact of the COVID-19 pandemic on demand for Canadian TV advertising. This decline was more than offset by higher digital advertising revenue of $4.1 million (↑31.4%) as traffic increased on digital and social media platforms during the pandemic, but was also driven by the coverage of the US elections this quarter.

9 MONTHS – Revenue from TV advertising decreased by $18.5 million (↓11.6%) and revenue from digital advertising increased by $9.7 million (↑32.0%) for the aforementioned reasons.

Subscriber fees (Q3: ↓0.4%; YTD: ↓0.2%)

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

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
Discretionary TV platforms	25,639	27,414	(6.5)	78,196	83,222	(6.0)
Digital platforms	5,092	3,454	47.4	14,590	9,786	49.1
	30,731	**30,868**	**(0.4)**	**92,786**	**93,008**	**(0.2)**

3 MONTHS and 9 MONTHS – Our subscriber revenue remained nearly flat when compared to last year. Fewer subscribers drove a decrease in subscriber revenue from discretionary TV platforms. This was mostly offset by continued subscriber growth on our digital platforms (ICI TOU.TV EXTRA and CBC Gem), accelerated by the COVID-19 pandemic.

Financing, investment and other income (Q3: ↓25.7%; YTD: ↓23.7%)

Financing, investment and other income depends 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.*

3 MONTHS and 9 MONTHS – Financing, investment and other income decreased by $7.7 million during the third quarter and $21.6 million on a year-to-date basis. Production revenue has decreased as a result of the COVID-19 pandemic, due to fewer sports and artistic events being produced and less demand from third parties for our facilities and services. Last year also saw additional retroactive royalties recognized for retransmission rights.

Operating expenses

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
Television, radio and digital services costs						
English Services	248,007	241,340	2.8	628,135	658,112	(4.6)
French Services	190,804	188,633	1.2	503,424	523,377	(3.8)
	438,811	429,973	2.1	1,131,559	1,181,489	(4.2)
Other operating expenses						
Transmission, distribution and collection	16,227	14,766	9.9	42,042	43,825	(4.1)
Corporate management	2,893	2,701	7.1	7,817	8,101	(3.5)
Finance costs	6,559	5,928	10.6	20,070	17,645	13.7
	25,679	23,395	9.8	69,929	69,571	0.5
TOTAL	**464,490**	**453,368**	**2.5**	**1,201,488**	**1,251,060**	**(4.0)**

Our total operating expenses increased by $11.1 million (↑2.5%) in the third quarter of 2020-2021, and decreased by $49.6 million (↓4.0%) on a year-to-date basis. The main variances are discussed below.

Television, radio and digital services costs (Q3: ↑2.1%; YTD: ↓4.2%)

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.

3 MONTHS – Television, radio and digital services costs increased by $8.8 million as a result of higher costs of programs broadcast on TV relative to the same quarter last year as we adjusted our programming offer in response to the pandemic. The launch of our fall television schedule was delayed from its usual start in September into October, which resulted in higher expenses compared to the third quarter of last year.

We continued to invest in our digital content and expand our technical capabilities in accordance with our strategic plan. We also incurred additional costs for the cleaning of our facilities and the purchase of protective equipment due to the pandemic.

9 MONTHS – Expenses decreased by $49.9 million, partly driven by the lower cost of programs broadcast on TV relative to last year, due to delays and cancellations caused by the COVID-19 pandemic. In addition, operating costs were reduced in line with our financial contingency plan and our pension expense was lower compared to the same period last year. Finally, royalty expenses decreased following a tariff decision by the Copyright Board of Canada earlier this year.

Other operating expenses (Q3: ↑9.8%; YTD: ↑0.5%)

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.

3 MONTHS – Other operating expenses increased by $2.3 million, mainly due to higher **transmission, distribution and collection costs**, as projects originally planned for earlier in the year were started.

9 MONTHS – Other operating expenses remained stable (↑0.5%) compared to the same period last year.

Government funding

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
Parliamentary appropriations for operating expenditures	282,632	261,255	8.2	817,211	783,821	4.3
Parliamentary appropriations for working capital	1,001	1,001	-	3,000	3,001	N/M
Amortization of deferred capital funding	25,722	26,592	(3.3)	73,449	79,775	(7.9)
TOTAL	**309,355**	**288,848**	**7.1**	**893,660**	**866,597**	**3.1**

N/M = not meaningful

Parliamentary appropriations for operating expenditures *are recognized based on our expected needs, according to budgeted revenue and expenditures for the period.*

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.*

3 MONTHS and 9 MONTHS – **Parliamentary appropriations for operating expenditures** increased by $21.4 million (↑8.2%) this quarter and by $33.4 million (↑4.3%) on a year-to-date basis. Our government funding recognized was higher due to the timing of our expected needs.

3 MONTHS and 9 MONTHS – **Amortization of deferred capital funding** was lower by $0.9 million (↓3.3%) and by $6.3 million (↓7.9%) on a year-to-date basis, consistent with our smaller asset base.

Other gains and losses

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
Gain (loss) on disposal of property and equipment and intangibles	(114)	(1,063)	(89.3)	271	(8,583)	N/M
TOTAL	**(114)**	**(1,063)**	**(89.3)**	**271**	**(8,583)**	**N/M**

N/M = not meaningful

3 MONTHS and 9 MONTHS – The loss of $0.1 million this quarter and the gain of $0.3 million in the first nine months of the year were related to the retirement of assets in the regular course of our operations. There were no significant disposals in the third quarter this year.

In the previous year, the loss of $1.1 million in the third quarter was mostly driven by other net losses from the retirement of assets in the regular course of our operations. The loss of $8.6 million in the first nine months of last year was mostly due to a non-cash charge from the transfer of a building to the province of Saskatchewan in exchange for a long-term lease arrangement, as well as other net losses from the retirement of assets in the regular course of our operations.

Total comprehensive income (loss)

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
Net results for the period	(18,334)	(23,692)	(22.6)	35,000	(19,939)	N/M
Other comprehensive income (loss)						
Remeasurements of defined benefit plans	(18,463)	202,421	N/M	(397,423)	177,864	N/M
Total comprehensive income (loss) for the period	**(36,797)**	**178,729**	**N/M**	**(362,423)**	**157,925**	**N/M**

N/M = not meaningful

Remeasurements of defined benefit plans are driven by significant non-cash fluctuations in our pension plans' 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 period.

3 MONTHS – Total comprehensive income (loss) recognized this quarter was $36.8 million, compared to a gain of $178.7 million in the same period last year. In addition to our net results, total comprehensive income (loss) includes remeasurements of defined benefit plans as described above.

A loss of $18.5 million was recognized this quarter on remeasurements of defined benefit plans. This was mostly due to a 23 basis-point decrease in the discount rate, which increased the defined benefit obligation by $309.3 million. This was partly offset by a gain on plan assets of $290.8 million from a higher return on plan assets than estimated in our actuarial assumptions.

A gain of $202.4 million was recognized in the same period last year on remeasurements of defined benefit plans. This was mostly due to a 16 basis-point increase in the discount rate, which decreased the defined benefit obligation by $189.8 million and a gain on plan assets of $12.6 million as return on plan assets was higher than estimated in our actuarial assumptions.

9 MONTHS – A loss of $397.4 million was recognized on a year-to-date basis on remeasurements of defined benefit plans. This was mostly due to a 131 basis-point decrease in the discount rate, which increased the defined benefit obligation by $1.6 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 $1.2 billion from a higher return on plan assets than estimated in our actuarial assumptions.

Last year, a gain of $177.9 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 $424.9 million from a higher return on plan assets than estimated in our actuarial assumptions. This was partly offset by a 20 basis-point decrease in the discount rate, which increased the defined benefit obligation by $247.1 million.

CAPITAL RESOURCES, FINANCIAL CONDITION AND LIQUIDITY

Revenue and Other Sources of Funds

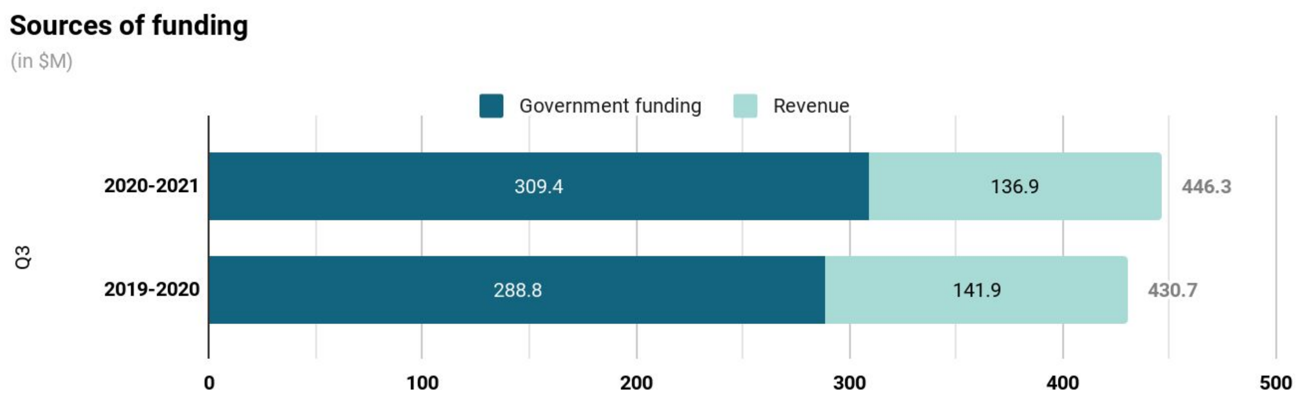
We have four sources of direct funding: government appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income.

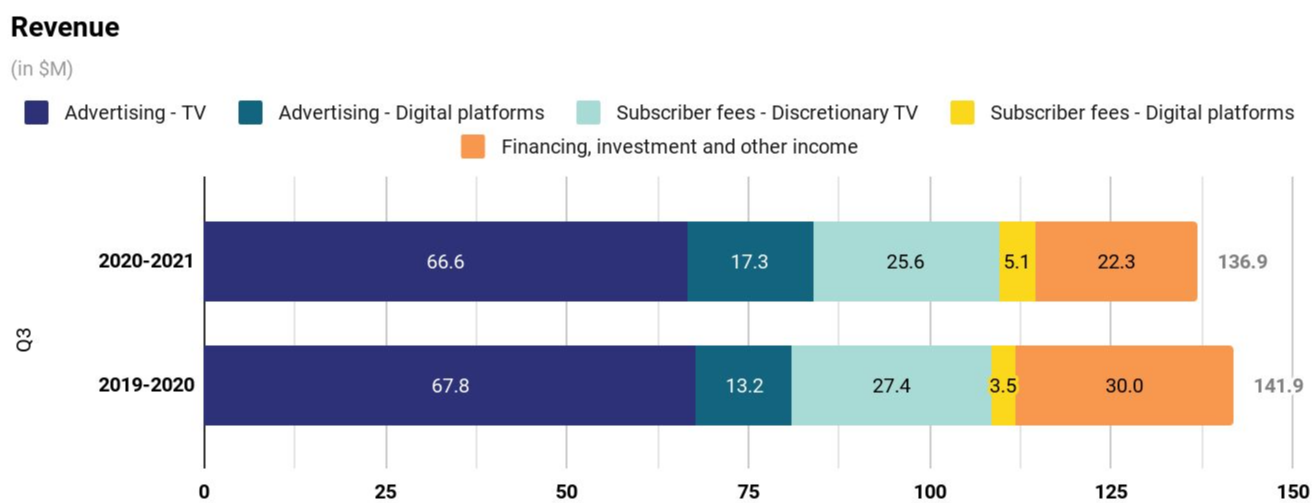
Government funding: This quarter, we recognized operating funding of $282.6 million, capital funding of $25.7 million and working capital funding of $1.0 million.

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

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.

Financing and other income: This includes ongoing 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 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.

Cash position

	For the **three** months ended December 31			For the **nine** months ended December 31		
	2020	2019	% change	**2020**	2019	% change
Cash - beginning of the period	**112,676**	**148,628**	**(24.2)**	**72,386**	**89,697**	**(19.3)**
Changes in the period						
Cash from operating activities	43,816	10,459	N/M	121,914	24,433	N/M
Cash used in financing activities	(29,247)	(27,148)	7.7	(64,794)	(57,854)	12.0
Cash from (used in) investing activities	(22,907)	(8,628)	N/M	(25,168)	67,035	N/M
Net change	**(8,338)**	**(25,317)**	**(67.1)**	**31,952**	**33,614**	**(4.9)**
Cash - end of the period	**104,338**	**123,311**	**(15.4)**	**104,338**	**123,311**	**(15.4)**

N/M = not meaningful

Cash from operating activities

Cash from operating activities includes cash inflows from our drawdowns of parliamentary appropriations for operating expenditures and working capital.

3 MONTHS and 9 MONTHS – This quarter, cash inflows from operating activities were $43.8 million, an increase of $33.4 million. On a year-to-date basis, cash inflows from operating activities were $121.9 million compared to $24.4 million last year, an increase of $97.5 million. Fluctuations in working capital have a significant impact on cash received or disbursed in the course of our operations. Cash receipts were also higher compared to the same period last year 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.

3 MONTHS and 9 MONTHS – Cash outflows for financing activities increased by $2.1 million this quarter and by $6.9 million on a year-to-date basis. The increase is mostly explained by higher payments for lease obligations because the lease for the new Maison de Radio-Canada started in the fourth quarter of 2019-2020.

Cash from (used in) investing activities

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

3 MONTHS – This quarter, cash outflows used in investing activities increased by $14.3 million. As a result of the pandemic, some capital projects have been deferred as part of our contingency plans. We have therefore reduced our parliamentary appropriations for capital funding drawdowns accordingly.

9 MONTHS – Cash outflows used in investing activities was $25.2 million, a decrease of $92.2 million relative to last year. During the first quarter of fiscal year 2019-2020, several Canada Mortgage Bonds held by the Corporation matured; this accounted for the large cash inflows. There were no similar transactions this year.

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

As Canada’s national public broadcaster, we occupy an important place in the Canadian broadcasting system and face a unique set of risks to our plans and operations. Like all broadcasters, we must adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. Given our statutory mandate to serve all Canadians, we also face unique 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 2019-2020 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 discussed throughout this report.

We are operating with a financial contingency plan that includes reducing operating expenses, significantly postponing capital expenditures and managing programming expenses to offset expected revenue losses. The duration and severity of the pandemic may adversely impact the ability of the Corporation to meet all of its programming obligations.

The effects of COVID-19 will persist into fiscal year 2021-2022, including continuing economic pressures and programming disruptions. The Corporation’s budget for 2021-2022 is being developed to include mitigation measures for the pressures of the ongoing pandemic. We will need to 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.

Two other updates to the risks identified in the 2019-2020 Annual Report are provided below:

Government's cultural policies modernization and CRTC license renewal

On November 2, the Government tabled amendments to the *Broadcasting Act*, Bill C-10, which aim to introduce regulatory balance between broadcasters and online content providers. We will monitor and assess developments and potential impacts on our operations as Bill C-10 moves through the legislative process.

COVID-19 has resulted in the delay of the CRTC's public hearing, originally scheduled for May 2020. The CRTC has administratively renewed our licenses for one year to August 31, 2021. The rescheduled virtual public hearings for our license renewals were held from January 11 to 28, 2021. We continue to advocate that the upcoming licenses must grant us flexibility in order to respond to the evolving broadcasting system and changing audience behaviours. Our conditions of license effective September 1, 2021 will likely be confirmed in late spring or early summer.

FINANCIAL REPORTING DISCLOSURE

Our third quarter condensed interim consolidated financial statements ("interim financial statements") were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (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 February 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, 2020 ("2019-2020 audited annual financial statements"). Our interim financial statements do not include all of the notes required in the 2019-2020 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 2020-2021 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 nine months of 2020-2021. Our key accounting estimates and critical judgments are disclosed in the relevant notes to our 2019-2020 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

Michael Mooney
Acting Executive Vice-President and Chief Financial Officer

Ottawa, Canada
February 18, 2021

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

THIRD QUARTER

FINANCIAL REPORT

2020-2021

Q3

CBC Radio-Canada

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 December 31 **2020**	As at March 31 2020
ASSETS			
Current			
Cash		104,338	72,386
Marketable securities		3,791	-
Bonds receivable	*4, 16*	59,281	85,680
Promissory notes receivable		3,684	3,498
Trade and other receivables	*5, 16*	148,989	138,398
Programming	*6*	401,576	319,475
Prepaid expenses		39,364	37,215
Investment in finance lease		4,074	3,878
Derivative financial instruments		-	1,410
Assets classified as held for sale	*7*	66	46
		765,163	**661,986**
Non-current			
Bonds receivable	*4, 16*	26,808	-
Property and equipment	*7*	793,476	797,997
Intangible assets	*8*	22,978	24,861
Right-of-use (ROU) assets	*9*	341,579	358,501
Pension plan asset	*11*	297,596	689,590
Promissory notes receivable		25,068	27,855
Programming	*6*	69,617	79,966
Investment in finance lease		27,265	30,346
Deferred charges		28,855	29,142
		1,633,242	**2,038,258**
TOTAL ASSETS		**2,398,405**	**2,700,244**
LIABILITIES			
Current			
Accounts payable and accrued liabilities		65,910	115,968
Provisions	*10*	25,855	29,745
Pension plans and employee-related liabilities	*11*	184,076	200,609
Financial obligations		31,837	34,607
Lease liabilities	*12*	19,116	18,296
Deferred revenue and other liabilities		17,226	17,092
Deferred operating vote drawdown	*14*	184,639	-
Derivative financial instruments	*16*	467	-
		529,126	**416,317**
Non-current			
Deferred revenue and other liabilities		31,504	36,715
Pension plans and employee-related liabilities	*11*	265,051	234,492
Financial obligations		201,458	230,823
Lease liabilities	*12*	314,304	330,063
Deferred capital funding	*14*	497,461	529,910
		1,309,778	**1,362,003**
TOTAL LIABILITIES		**1,838,904**	**1,778,320**
EQUITY			
Retained earnings		558,785	921,214
Total equity attributable to the Corporation		558,785	**921,214**
Non-controlling interests		**716**	**710**
TOTAL EQUITY		**559,501**	**921,924**
TOTAL LIABILITIES AND EQUITY		**2,398,405**	**2,700,244**

Contingent liabilities (NOTE 10) and 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 December 31 **2020**	2019	For the **nine** months ended December 31 **2020**	2019
REVENUE	*13*				
Advertising		83,889	81,003	180,422	189,175
Subscriber fees		30,731	30,868	92,786	93,008
Other income		20,525	27,282	63,964	82,596
Financing and investment income		1,770	2,738	5,385	8,328
		136,915	**141,891**	**342,557**	**373,107**
GOVERNMENT FUNDING	*14*				
Parliamentary appropriation for operating expenditures		282,632	261,255	817,211	783,821
Parliamentary appropriation for working capital		1,001	1,001	3,000	3,001
Amortization of deferred capital funding		25,722	26,592	73,449	79,775
		309,355	**288,848**	**893,660**	**866,597**
EXPENSES					
Television, radio and digital services costs		438,811	429,973	1,131,559	1,181,489
Transmission, distribution and collection costs		16,227	14,766	42,042	43,825
Corporate management costs		2,893	2,701	7,817	8,101
Finance costs		6,559	5,928	20,070	17,645
		464,490	**453,368**	**1,201,488**	**1,251,060**
Results before other gains and losses		**(18,220)**	**(22,629)**	**34,729**	**(11,356)**
OTHER GAINS AND LOSSES					
Gain (loss) on disposal of property and equipment and intangibles		(114)	(1,063)	271	(8,583)
Net results for the period		**(18,334)**	**(23,692)**	**35,000**	**(19,939)**
Net results attributable to:					
The Corporation		(18,340)	(23,785)	34,994	(19,990)
Non-controlling interests		6	93	6	51
		(18,334)	**(23,692)**	**35,000**	**(19,939)**

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

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

(in thousands of Canadian dollars)	*NOTE*	For the **three** months ended December 31 **2020**	2019	For the **nine** months ended December 31 **2020**	2019
COMPREHENSIVE INCOME (LOSS)					
Net results for the period		(18,334)	(23,692)	35,000	(19,939)
Other comprehensive income (loss) - not subsequently reclassified to net results					
Remeasurements of defined benefit plans	*11*	(18,463)	202,421	(397,423)	177,864
Total comprehensive income (loss) for the period		**(36,797)**	**178,729**	**(362,423)**	**157,925**
Total comprehensive income (loss) attributable to:					
The Corporation		(36,803)	178,636	(362,429)	157,874
Non-controlling interests		6	93	6	51
		(36,797)	**178,729**	**(362,423)**	**157,925**

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

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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 September 30, 2020		595,588	710	596,298
Changes during the period				
Net results for the period		(18,340)	6	(18,334)
Remeasurements of defined benefit plans	*11*	(18,463)	-	(18,463)
Total comprehensive income for the period		**(36,803)**	**6**	**(36,797)**
Balance as at December 31, 2020		**558,785**	**716**	**559,501**

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	**Total**
Balance as at September 30, 2019		698,794	594	699,388
Changes during the period				
Net results for the period		(23,785)	93	(23,692)
Remeasurements of defined benefit plans	*11*	202,421	-	202,421
Total comprehensive income for the period		**178,636**	**93**	**178,729**
Balance as at December 31, 2019		**877,430**	**687**	**878,117**

(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		34,994	6	35,000
Remeasurements of defined benefit plans	*11*	(397,423)	-	(397,423)
Total comprehensive income for the period		**(362,429)**	**6**	**(362,423)**
Balance as at December 31, 2020		**558,785**	**716**	**559,501**

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	**Total**
Balance as at March 31, 2019		719,556	636	720,192
Changes during the period				
Net results for the period		(19,990)	51	(19,939)
Remeasurements of defined benefit plans	*11*	177,864	-	177,864
Total comprehensive income for the period		**157,874**	**51**	**157,925**
Balance as at December 31, 2019		**877,430**	**687**	**878,117**

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 December 31 **2020**	2019	For the **nine** months ended December 31 **2020**	2019
CASH FLOWS FROM (USED IN)					
OPERATING ACTIVITIES					
Net results for the period		(18,334)	(23,692)	35,000	(19,939)
Adjustments for:					
(Gain) loss on disposal of property and equipment and intangibles		114	1,063	(271)	8,583
Financing and investment income	*13*	(1,770)	(2,738)	(5,385)	(8,328)
Finance costs		6,559	5,928	20,070	17,645
Change in fair value of financial instruments designated as fair value through profit and loss	*16*	770	248	1,878	391
Depreciation and amortization	*7,8,9*	26,974	29,718	81,333	89,798
Change in deferred charges		(203)	695	287	(2,222)
Net change in programming asset	*6*	915	1,228	10,977	(14,072)
Amortization of deferred capital funding	*14*	(25,722)	(26,592)	(73,449)	(79,775)
Change in deferred appropriations for operating expenditures		52,217	(7,256)	184,639	81,178
Change in deferred revenue and other liabilities [non-current]		(1,562)	(1,324)	(5,839)	36,520
Change in pension plan asset	*11*	23,364	(182,168)	391,994	(135,149)
Change in pension plans and employee-related liabilities	*11*	(6,104)	194,093	(356,722)	188,301
Amortization of bond premium		87	67	249	155
Movements in working capital	*15*	(13,489)	21,189	(162,847)	(138,653)
		43,816	**10,459**	**121,914**	**24,433**
FINANCING ACTIVITIES					
Payment of lease liabilities	*12*	(4,632)	(3,656)	(13,206)	(9,881)
Repayment of financial obligations		(13,995)	(13,104)	(27,536)	(25,786)
Interest paid		(10,620)	(10,388)	(24,052)	(22,187)
		(29,247)	**(27,148)**	**(64,794)**	**(57,854)**
INVESTING ACTIVITIES					
Parliamentary appropriations for capital funding	*14*	7,500	25,001	41,000	83,000
Additions to property and equipment and intangible assets	*7,8*	(33,491)	(34,412)	(72,386)	(107,014)
Acquisition of bonds receivable	*4*	(57,931)	(85,996)	(87,145)	(127,678)
Acquisition of marketable securities		(10)	-	(3,791)	-
Net proceeds from disposal of property and equipment	*7*	334	28	884	207
Collection of financial assets	*4*	59,104	84,313	91,498	211,054
Interest received		1,587	2,438	4,772	7,466
		(22,907)	**(8,628)**	**(25,168)**	**67,035**
Change in cash		**(8,338)**	**(25,317)**	**31,952**	**33,614**
Cash, beginning of the period		**112,676**	**148,628**	**72,386**	**89,697**
Cash, end of the period		**104,338**	**123,311**	**104,338**	**123,311**

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2020 (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, 2020. This section also shows new and future changes in policies and whether they are effective in 2020 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 from Divisions I to IV of Part X of this *Act*.

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 also comply with IAS 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board (IASB) and adopted by the Accounting Standards Board (AcSB).

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 February 18, 2021.

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

B. Significant Items in the Current Period

COVID-19 Pandemic

This quarter, the COVID-19 pandemic continued to impact certain financial information and related estimates and judgments disclosed in these condensed interim consolidated financial statements. We reviewed the December 31, 2020 statement of financial position, and results of operations for the third quarter then ended, for all known effects of the pandemic. The most critical areas of review and any resulting impacts include:

<u>Programming assets</u>
The COVID-19 pandemic resulted in certain programming activities being delayed or cancelled. During the period, we recorded a write-down to the licence we hold to broadcast NHL hockey as the 2020-21 calendar was announced with a shorter regular season. There was no change made to the measurement of the other programming assets.

<u>Advertising sales and trade receivables</u>
Our main source of advertising revenue is derived from agreements with large agencies. The global advertising industry continues to be affected by the economic slowdown resulting from the COVID-19 pandemic since this industry is closely linked to macroeconomic activity. Management is monitoring the credit ratings of large advertising agencies. In addition, we continue to carefully monitor the aging and collection performance of our accounts receivable, especially as small to medium sizes agencies and direct advertisers are particularly challenged by the current economic environment. This did not result in a significant increase in our estimated expected credit losses (ECL) during the quarter.

<u>Pension accounting</u>
Long term government bond yields and Canadian corporate bond yields have decreased since March 2020. Bond yields have fallen as the continued impact of the COVID-19 pandemic dampens the prospect of an economic recovery in the short term. At the same time, the uncertainty seen in credit markets at the start of the pandemic has receded, which led to a narrowing of credit spreads since March 2020.

As a result, our pension discount rate has decreased by more than 100 basis-points (bp) when compared to our March 31 year-end. In the meantime, global equity markets have rallied since March but they continue to experience significant volatility. A sustained economic slowdown could impact actuarial assumptions and pension plan valuations.

In the third quarter, bond yields remained relatively unchanged. Long term government bond yields increased very slightly, while Canadian corporate bond yields decreased as credit spreads tightened.

C. 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, 2020 ("2019-2020 audited annual financial statements"). Accordingly, they should be read in conjunction with the 2019-2020 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 2019-2020 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.

This year, seasonal trends are being impacted by COVID-19 and may not be reflective of past results. Refer to Note 2.B for more details.

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. Refer to Note 2.B for a discussion of the effect of the pandemic on estimates and judgments.

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

At the date of this report, there were no new pronouncements issued by the IASB or the IFRS Interpretations Committee that impacted these 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 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 in order to fund future commitments. The following table presents the carrying value of bonds receivable based on their contractual maturity profile:

	December 31, 2020	March 31, 2020
Less than one year	59,281	85,680
Later than one year but not later than five years	26,808	-
Total	**86,089**	**85,680**

For the three and nine months ended December 31, 2020, interest revenue generated from bonds receivable and presented as Financing and investment income was respectively $0.1 million (2019 – $0.4 million) and $0.4 million (2019 – $1.4 million).

5. TRADE AND OTHER RECEIVABLES

	December 31, 2020	March 31, 2020
Trade receivables	136,774	125,639
Allowance for doubtful accounts	(618)	(384)
Other	12,833	13,143
	148,989	**138,398**

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

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

6. PROGRAMMING

A. Programming by Category

	December 31, 2020	March 31, 2020
Completed programs	183,129	178,875
Programs in process of production	141,296	100,712
Broadcast rights available for broadcast within the next twelve months	77,151	39,888
	401,576	**319,475**
Broadcast rights not available for broadcast within the next twelve months	69,617	79,966
	471,193	**399,441**

B. Movement in Programming

	December 31, 2020	March 31, 2020
Opening balance	399,441	316,356
Additions	830,007	1,198,534
Programs broadcast	(758,255)	(1,115,449)
Balance, end of period	**471,193**	**399,441**

Programs broadcast include programming write-offs for the three and nine months ended December 31, 2020 of $1.9 million (2019 – $1.5 million) and $2.9 million (2019 – $3.0 million) respectively. Programming write-offs are mainly due to terminated projects, programming not suitable for telecast or pilots not progressing into a series. Additional write-offs were also made as a result of COVID-19. Refer to Note 2.B for more details.

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, 2020	107,790	459,590	182,739	977,756	148,652	90,639	1,967,166
Additions	101	-	-	5,576	5,489	43,814	54,980
Transfers (refer to Note 8)	-	7,498	(262)	7,925	5,714	(19,689)	1,186
Assets classified as held for sale	(64)	501	-	-	-	-	437
Disposals and write-offs	-	(6,691)	(74)	(17,482)	(1,435)	-	(25,682)
Cost as at December 31, 2020	**107,827**	**460,898**	**182,403**	**973,775**	**158,420**	**114,764**	**1,998,087**
Accumulated depreciation as at March 31, 2020	-	(260,652)	(41,585)	(758,470)	(108,462)	-	(1,169,169)
Depreciation for the period	-	(15,102)	(5,954)	(30,457)	(8,440)	-	(59,953)
Reclassification of depreciation on assets classified as held for sale	-	(465)	-	-	-	-	(465)
Reclassification of depreciation on disposals and write-offs	-	6,466	36	17,039	1,435	-	24,976
Accumulated depreciation as at December 31, 2020	**-**	**(269,753)**	**(47,503)**	**(771,888)**	**(115,467)**	**-**	**(1,204,611)**
Net carrying amount as at December 31, 2020	**107,827**	**191,145**	**134,900**	**201,887**	**42,953**	**114,764**	**793,476**

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2019	107,746	476,560	69,895	1,013,947	158,140	122,400	1,948,688
Additions	-	21	-	12,631	5,375	106,398	124,425
Transfers (refer to Note 8)	-	10,032	116,403	8,711	7,697	(138,159)	4,684
Assets classified as held for sale	44	(12)	-	16	-	-	48
Disposals and write-offs	-	(27,011)	(3,559)	(57,549)	(22,560)	-	(110,679)
Cost as at March 31, 2020	**107,790**	**459,590**	**182,739**	**977,756**	**148,652**	**90,639**	**1,967,166**
Accumulated depreciation as at March 31, 2019	-	(254,443)	(40,290)	(761,823)	(118,843)	-	(1,175,399)
Depreciation for the year	-	(26,568)	(4,344)	(51,916)	(12,053)	-	(94,881)
Reclassification of depreciation on assets classified as held for sale	-	12	-	(5)	-	-	7
Reclassification of depreciation on disposals and write-offs	-	20,347	3,049	55,274	22,434	-	101,104
Accumulated depreciation as at March 31, 2020	**-**	**(260,652)**	**(41,585)**	**(758,470)**	**(108,462)**	**-**	**(1,169,169)**
Net carrying amount as at March 31, 2020	**107,790**	**198,938**	**141,154**	**219,286**	**40,190**	**90,639**	**797,997**

The contractual commitments for the acquisition of property and equipment were $15.6 million as at December 31, 2020 (March 31, 2020 – $10.6 million).

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the first, second and third quarter of 2020-2021 (2019-2020 – nil).

C. Assets Classified as Held for Sale

Consistent with our financial plan to reduce our real estate footprint, properties were classified as held for sale for accounting purposes as at December 31, 2020 with a total carrying value of $0.1 million (March 31, 2020 – $0.1 million). These properties 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 third quarter of 2020-2021.

The small net gain during the three and nine months ended December 31, 2020 resulted from the disposal or retirements of equipment as part of the Corporation's normal asset refresh cycle.

8. INTANGIBLE ASSETS

	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	3,831	4,531
Transfers (refer to Note 7)	732	1,554	(3,472)	(1,186)
Disposals and write-offs	(4,322)	(67)	-	(4,389)
Cost as at December 31, 2020	**135,914**	**53,790**	**5,579**	**195,283**
Accumulated amortization as at March 31, 2020	(137,450)	(34,016)	-	(171,466)
Amortization for the period	(661)	(4,567)	-	(5,228)
Reclassification of amortization on disposals and write-offs	4,322	67	-	4,389
Accumulated amortization as at December 31, 2020	**(133,789)**	**(38,516)**	**-**	**(172,305)**
Net carrying amount as at December 31, 2020	**2,125**	**15,274**	**5,579**	**22,978**

	Internally developed software	Acquired software	Uncompleted capital projects	**Total**
Cost as at March 31, 2019	142,311	46,823	5,668	194,802
Additions	-	1,014	13,279	14,293
Transfers (refer to Note 7)	1,087	7,956	(13,727)	(4,684)
Disposals and write-offs	(3,894)	(4,190)	-	(8,084)
Cost as at March 31, 2020	**139,504**	**51,603**	**5,220**	**196,327**
Accumulated amortization as at March 31, 2019	(140,335)	(32,532)	-	(172,867)
Amortization for the year	(1,009)	(5,667)	-	(6,676)
Reclassification of amortization on disposals and write-offs	3,894	4,183	-	8,077
Accumulated amortization as at March 31, 2020	**(137,450)**	**(34,016)**	**-**	**(171,466)**
Net carrying amount as at March 31, 2020	**2,054**	**17,587**	**5,220**	**24,861**

The contractual commitments for the acquisition of intangible assets were $0.7 million as at December 31, 2020 (March 31, 2020 - $2.6 million).

There were no impairment losses recorded or reversed during the first, second and third quarter of 2020-2021 (2019-2020 – nil).

9. RIGHT-OF-USE (ROU) ASSETS

ROU assets consist primarily of real estate leases for the rental of office and production space and technical equipment for transmission activities. The lease of office and production space typically runs for periods between 2 and 37 years, and lease of technical equipment (including transmission assets) for periods between 5 to 35 years.

As at December 31, 2020	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the period	2,296	317,056	4,362	17,865	**341,579**
Depreciation charge for the period	262	12,636	451	2,803	**16,152**

As at March 31, 2020	Land	Buildings	Leasehold improvements	Technical equipment	**Total**
Net carrying amount for the year	2,270	333,527	4,813	17,891	**358,501**
Depreciation charge for the year	344	11,551	602	3,859	**16,356**

Additions to the ROU assets during the three and nine months ended December 31, 2020 were $6.6 million (2019 – $0.2 million) and $17.5 million (2019 – $7.8 million) respectively.

10. PROVISIONS AND CONTINGENT LIABILITIES

As at December 31, 2020	Legal and other	Environmental	Termination benefits	**Total**
Opening balance	29,472	273	-	29,745
Additional provisions recognized	4,337	-	796	5,133
Provisions utilized	(2,225)	(199)	-	(2,424)
Reductions resulting from remeasurement or settlement without cost	(6,599)	-	-	(6,599)
Balance, end of period	**24,985**	**74**	**796**	**25,855**

Various claims and legal 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 condensed interim consolidated financial statements.

All matters are classified as current because, where estimable, we are working to resolve these matters within 12 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	
	December 31, 2020	March 31, 2020	**December 31, 2020**	March 31, 2020
Pension plan asset	**-**	**-**	**297,596**	**689,590**
Pension plans liability	-	-	142,908	120,375
Other post-employment plans	-	-	122,143	114,117
Vacation pay	73,138	68,136	-	-
Termination benefits	8,542	6,231	-	-
Salary-related liabilities	102,396	126,242	-	-
Total pension plans and employee-related liabilities	**184,076**	**200,609**	**265,051**	**234,492**

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
			December 31, 2020			March 31, 2020
Fair value of plan assets	8,699,254	-	-	7,470,541	-	-
Defined benefit obligation	8,401,658	142,908	122,143	6,780,951	120,375	114,117
Net asset (liability) arising from defined benefit obligation	**297,596**	**(142,908)**	**(122,143)**	**689,590**	**(120,375)**	**(114,117)**

B. Significant Actuarial Assumptions

As disclosed in Note 15 *Pension Plans and employee-Related Liabilities* of the Corporation's 2019-2020 audited annual financial statements, the Corporation reviews its actuarial assumptions at each reporting period to ensure that the net defined benefit (liability) asset recognized in the financial statements is updated for significant changes arising from non-recurring events. The impact on the net defined benefit (liability) asset arising from any such changes in assumptions is recognized in other comprehensive income as a remeasurement for the period.

Refer to Note 2 B. for discussion of the impact of COVID-19 on pension accounting.

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

Assumptions – annual rates	**December 31, 2020**	March 31, 2020
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.79%	3.32%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	2.48%	3.79%
Discount rate - long service gratuity	1.91%	3.48%
Discount rate - LTD benefit	1.91%	3.48%
Discount rate - life insurance	2.38%	3.75%

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 December 31		For the **nine** months ended December 31	
	2020	2019	**2020**	2019
Benefits paid directly to beneficiaries	2,944	3,356	8,832	10,068
Employer regular contributions to pension benefit plans	13,548	13,445	45,073	42,876
Total cash payments for defined benefit plans	**16,492**	**16,801**	**53,905**	**52,944**

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
		December 31, 2020		March 31, 2020
Opening defined benefit obligation	6,901,326	114,117	7,192,327	122,580
Current service cost	81,753	3,165	124,783	5,398
Interest cost	193,887	2,577	236,484	3,685
Contributions from employees	43,039	-	61,423	-
Remeasurements:				
Actuarial losses arising from changes in demographic assumptions	-	-	106,831	1,943
Actuarial (gains)/losses arising from changes in financial assumptions	1,567,018	11,116	(531,049)	(4,531)
Actuarial (gains)/losses arising from experience adjustments	(2,667)	-	30,856	-
Benefits paid	(239,790)	(8,832)	(320,329)	(14,958)
Closing defined benefit obligation	**8,544,566**	**122,143**	**6,901,326**	**114,117**

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
		December 31, 2020		March 31, 2020
Opening fair value of plan assets	7,470,541	-	7,566,902	-
Administration fees (other than investment management fees)	(6,000)	-	(7,000)	-
Interest income on plan assets	209,316	-	247,736	-
Return on plan assets, excluding interest income	1,177,075	-	(134,645)	-
Contributions from employees	43,039	-	61,423	-
Contributions from the Corporation	45,073	8,832	56,454	14,958
Benefits paid	(239,790)	(8,832)	(320,329)	(14,958)
Closing fair value of plan assets	**8,699,254**	**-**	**7,470,541**	**-**

F. Defined Benefit Plans Costs

Amounts recognized in Other Comprehensive Income (Loss)

	For the **three** months ended December 31		For the **nine** months ended December 31	
	2020	2019	**2020**	2019
Current service cost	28,306	32,261	84,918	96,783
Administration fees (other than investment management fees)	2,000	1,750	6,000	5,250
Interest cost on defined benefit obligation	65,488	59,906	196,464	179,718
Interest income on plan assets	(69,772)	(61,934)	(209,316)	(185,802)
Other	133	(85)	969	57
Expense recognized in net results	26,155	31,898	79,035	96,006
Less:				
Remeasurements recognized in other comprehensive income (loss)	(18,463)	202,421	(397,423)	177,864
Total	**44,618**	**(170,523)**	**476,458**	**(81,858)**

Retained earnings include $776.4 million of cumulative actuarial gains as at December 31, 2020 (March 31, 2020 gains – $1,173.8 million).

Expense recognized in net results

	For the **three** months ended December 31		For the **nine** months ended December 31	
	2020	2019	**2020**	2019
Television, radio and digital services costs	25,109	30,622	75,874	92,166
Transmission, distribution and collection costs	785	957	2,371	2,880
Corporate management costs	261	319	790	960
Total	**26,155**	**31,898**	**79,035**	**96,006**

12. LEASE LIABILITIES

	December 31, 2020	March 31, 2020
Land	2,209	2,198
Buildings	307,679	321,270
Leasehold improvements	4,750	5,195
Technical equipment	18,782	19,696
Total	**333,420**	**348,359**

Maturity Analysis

	December 31, 2020	March 31, 2020
Contractual undiscounted cash flows		
Less than one year	27,379	27,498
One to five years	94,829	99,854
More than five years	350,384	354,513
Total undiscounted lease liabilities	**472,592**	**481,865**
Lease liabilities included in the Condensed Interim Consolidated Statement of Financial Position	**333,420**	**348,359**

Amounts recognized in our Condensed Interim Consolidated Statement of Cash Flows

For the three and nine months period ended December 31, 2020, total cash outflows for leases amounted to $6.8 million (2019 - $4.7 million) and $19.8 million (2019 - $12.8 million). Interest expenses related to lease liabilities included in the three and nine months period ended December 31, 2020 amounted to $2.4 million (2019 - $1.2 million) and $7.1 million (2019 - $3.5 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 the Corporation's revenue and government funding for the period and supplemental cash flow information.

13. REVENUE

	For the **three** months ended December 31		For the **nine** months ended December 31	
	2020	2019	**2020**	2019
TV advertising[1]	66,565	67,818	140,337	158,812
Digital advertising	17,324	13,185	40,085	30,363
Subscriber fees	30,731	30,868	92,786	93,008
Production revenue[2]	6,948	8,565	17,373	25,694
Program license sales	3,960	6,470	15,647	16,154
Retransmission rights	1,413	2,089	4,492	12,951
Program sponsorship	85	156	239	1,206
Other services	869	874	2,603	1,746
Revenue from contracts with customers	**127,895**	**130,025**	**313,562**	**339,934**
Foreign exchange gain (loss)	193	(263)	950	(11)
Net loss from the change in fair value of financial instruments	(770)	(248)	(1,878)	(391)
Leasing income	7,827	9,639	24,538	23,929
Financing and investment income	1,770	2,738	5,385	8,328
Other gains and losses	-	-	-	1,318
Other sources of income*	**9,020**	**11,866**	**28,995**	**33,173**
	136,915	**141,891**	**342,557**	**373,107**

* Out of scope of IFRS 15 *Revenue from Contracts with Customers*.

[1] For the three and nine months ended December 31, 2020, TV advertising included revenue from exchange of services of $0.3 million (2019 - $0.5 million) and $0.8 million (2019 - $1.3 million), respectively.

[2] For the three and nine months ended December 31, 2020, Production revenue included revenue from exchange of services of $1.8 million (2019 - $2.7 million) and $6.7 million (2019 - $9.6 million) respectively.

Changes in Presentation

The Corporation modified the classification of its revenue arising from social media platforms to better reflect the nature of this revenue stream. As a result, a total of $1.0 million and $2.2 million was reclassified from "Program license sales" to "Digital advertising" for the three and nine months ended December 31, 2019 respectively.

Advertising Revenue

	For the **three** months ended December 31		For the **nine** months ended December 31	
	2020	2019	**2020**	2019
English services	39,850	35,952	85,599	85,614
French services	44,039	45,051	94,823	103,561
Total advertising revenue	**83,889**	**81,003**	**180,422**	**189,175**

Subscriber Revenue

	For the **three** months ended December 31		For the **nine** months ended December 31	
	2020	2019	**2020**	2019
English services	15,536	15,823	46,866	48,006
French services	15,195	15,045	45,920	45,002
Total subscriber revenue	**30,731**	**30,868**	**92,786**	**93,008**

Other Income

	For the **three** months ended December 31		For the **nine** months ended December 31	
	2020	2019	**2020**	2019
Production revenue				
English services	2,210	4,475	7,368	13,644
French services	4,738	4,090	10,005	12,050
Total production revenue	**6,948**	**8,565**	**17,373**	**25,694**
Program license sales				
English services	2,389	4,157	11,216	10,430
French services	1,571	2,313	4,431	5,724
Total program license sales	**3,960**	**6,470**	**15,647**	**16,154**
Leasing income*	7,827	9,639	24,538	23,929
Retransmission rights	1,413	2,089	4,492	12,951
Program sponsorship	85	156	239	1,206
Other services	869	874	2,603	1,746
Other gains and losses*	-	-	-	1,318
Foreign exchange gain (loss) *	193	(263)	950	(11)
Net loss from the change in fair value of financial instruments*	(770)	(248)	(1,878)	(391)
	9,617	**12,247**	**30,944**	**40,748**
Total other income	**20,525**	**27,282**	**63,964**	**82,596**

* Out of 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 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 or overseas. 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 $12.3 million of contract assets as at December 31, 2020 (March 31, 2020 – $9.1 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 our performance, 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 include $7.6 million of contract liabilities as at December 31, 2020 (March 31, 2020 - $7.7 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 December 31		For the **nine** months ended December 31	
	2020	2019	**2020**	2019
Operating funding	334,849	253,999	1,001,850	864,999
Capital funding	7,500	25,001	41,000	83,000
Working capital funding	1,001	1,001	3,000	3,001
	343,350	**280,001**	**1,045,850**	**951,000**

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.

	December 31, 2020	March 31, 2020
Operating funding received during the period	1,001,850	1,098,114
Less: Parliamentary appropriation for operating expenditures recognized in the Condensed Interim Consolidated Statement of Income (Loss) during the period	(817,211)	(1,098,114)
Balance, end of period	**184,639**	**-**

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.

	December 31, 2020	March 31, 2020
Opening balance	529,910	528,170
Government funding for capital expenditures	41,000	108,684
Amortization of deferred capital funding	(73,449)	(106,944)
Balance, end of period	**497,461**	**529,910**

15. MOVEMENTS IN WORKING CAPITAL

	For the **three** months ended December 31		For the **nine** months ended December 31	
	2020	2019	**2020**	2019
Changes in Working Capital are comprised of:				
Trade and other receivables	(25,310)	(24,108)	(10,117)	2,948
Programming asset	25,067	8,905	(82,101)	(102,609)
Prepaid expenses	861	2,799	(2,316)	(4,308)
Accounts payable and accrued liabilities	(9,196)	5,104	(37,182)	(26,183)
Provisions	1,496	655	(3,890)	369
Pension plans and employee-related liabilities	(5,197)	26,257	(26,590)	(11,509)
Programming liability	-	-	-	(5,659)
Deferred revenue and other liabilities	(1,210)	1,577	(651)	8,298
	(13,489)	**21,189**	**(162,847)**	**(138,653)**

OTHER

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

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:

	December 31, 2020		March 31, 2020			
	Carrying values	Fair values	Carrying values	Fair values	Method[1]	Note
Financial instruments measured at fair value through profit and loss on a recurring basis:						
Cash	104,338	104,338	72,386	72,386	Level 1	(a)
Marketable securities	3,791	3,791	-	-	Level 1	(a)
Derivative financial instruments	-	-	1,410	1,410	Level 2	(c)
Financial assets	**108,129**	**108,129**	**73,796**	**73,796**		
Derivative financial instruments	467	467	-	-	Level 2	(d)
Financial liabilities	**467**	**467**	**-**	**-**		
Financial instruments measured at amortized cost:						
Bonds receivable (current)	59,281	59,326	85,680	86,090	Level 2	(b)
Promissory notes receivable (current)	3,684	3,684	3,498	3,498	Level 2	(a)
Trade and other receivables	148,989	148,989	138,398	138,398	Level 2	(a)
Investment in finance lease (current)	4,074	4,074	3,878	3,878	Level 2	(a)
Bonds receivable (non-current)	26,808	26,906	-	-	Level 2	(b)
Promissory notes receivable (non-current)	25,068	28,275	27,855	31,682	Level 2	(c)
Investment in finance lease (non-current)	27,265	32,572	30,346	36,216	Level 2	(c)
Financial assets	**295,169**	**303,826**	**289,655**	**299,762**		
Accounts payable and accrued liabilities	65,910	65,910	115,968	115,968	Level 2	(a)
Financial obligations (current)	31,837	31,837	34,607	34,607	Level 2	(a)
Financial obligations (non-current)	201,458	255,152	230,823	279,374	Level 2	(d)
Financial liabilities	**299,205**	**352,899**	**381,398**	**429,949**		

[1]Method refers to the hierarchy levels described in Note 2.C of our 2019-2020 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 nine months ended December 31, 2020.

(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 allowances for potential credit losses based on an ECL model in accordance with IFRS 9. Actual losses have not exceeded management's expectations in the past. Our maximum exposure to credit risk at December 31, 2020 and March 31, 2020 is the carrying value of the assets they relate to.

i) Trade and other receivables

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

Trade and other receivables over 30 days	**December 31, 2020**	March 31, 2020
31 - 60 days	32,786	24,321
61 - 90 days	20,772	13,700
Over 90 days	20,303	16,906
Total	**73,861**	**54,927**

Movement in allowance for doubtful accounts	**December 31, 2020**	March 31, 2020
Opening balance	(384)	(506)
Amounts written off during the period as uncollectible	208	281
Net increase in allowance for new impairments	(442)	(159)
Balance, end of period	**(618)**	**(384)**

ii) 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 June 2021 and December 2023. None of these assets had been 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. The following transactions were carried out with related parties:

	Rendering of services		Receipt of services	
For the **nine** months ended December 31	**2020**	2019	**2020**	2019
Other related entities[1]	100	98	114	176
	100	**98**	**114**	**176**

[1] Transactions with other related entities primarily relate to administration services provided to the Corporate Pension Plan.

	Rendering of services		Receipt of services	
For the **three** months ended December 31	**2020**	2019	**2020**	2019
Other related entities[1]	33	33	-	38
	33	**33**	**-**	**38**

[1] Transactions with other related entities primarily relate to administration services provided to the Corporate Pension Plan.

In addition, cash payments for the Corporation's contributions to the defined benefit plans are disclosed in Note 11.C.

A. Transactions with Related Parties Excluding Government-Related Entities

There are no amounts owing to related parties and no amounts owing by related parties at December 31, 2020 (March 31, 2020 – 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, $86.1 million was invested in Canada Mortgage Bonds (CMB) during the period (March 31, 2020 - $85.7 million). CMB are issued by Canada Housing Trust (CHT), a special purpose trust guaranteed by CMHC, another Crown Corporation, and backed by the Government of Canada.

Contract with other Government-Related Entity
Mauril is a new, 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 new 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 $7.5 million from the Government of Canada for the provision of services required to create this new platform and acquire content, which we recorded as deferred revenue.

18. COMMITMENTS

Commitments are discussed in Note 27 *Commitments* of the Corporation's 2019-2020 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 third quarter of 2020-2021.