

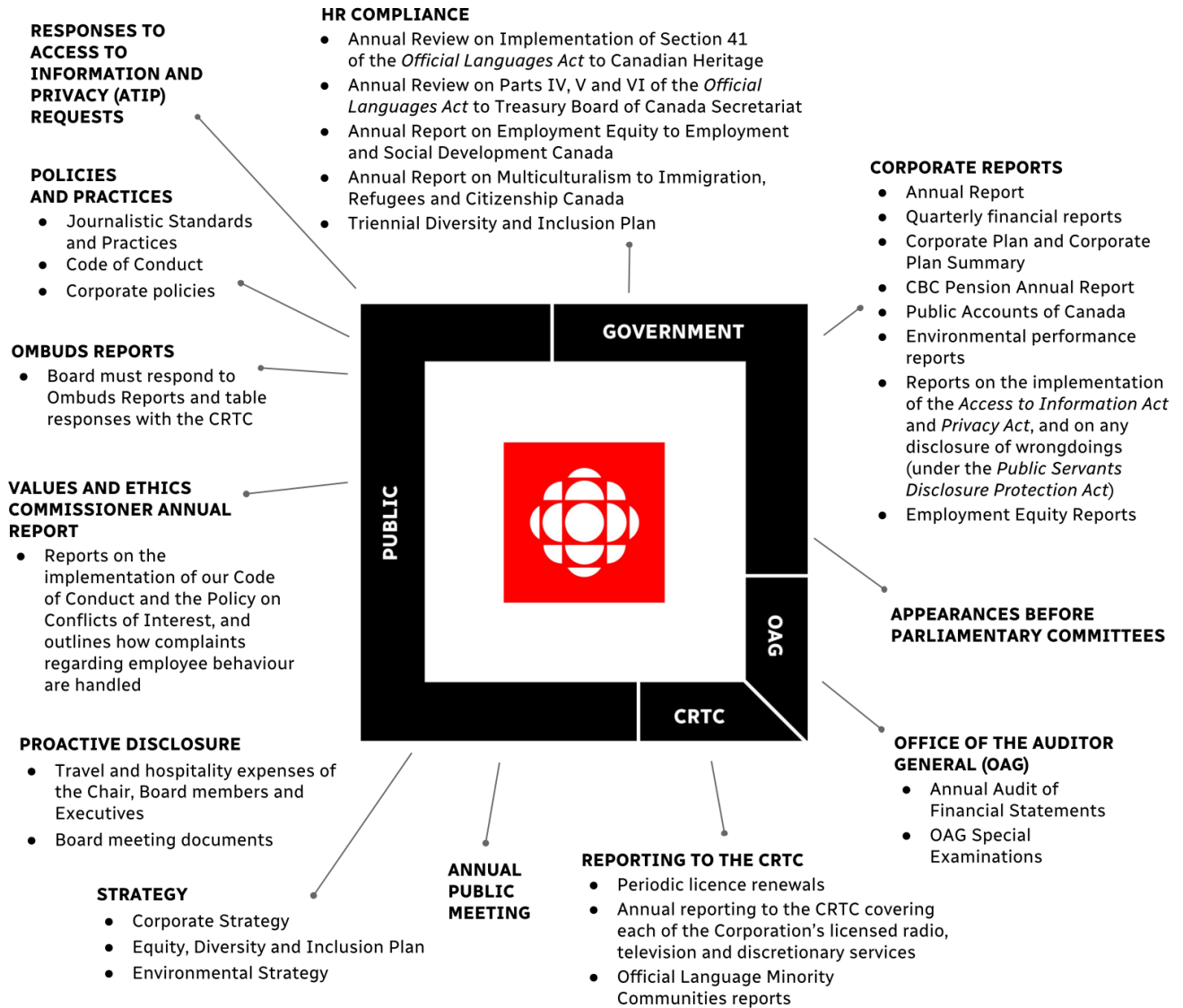
Q3

THIRD QUARTER
**FINANCIAL
REPORT**

2021-2022

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

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



MANAGEMENT'S DISCUSSION AND ANALYSIS

In addition to filing an annual report, we are required – like most Canadian federal Crown corporations – to file quarterly financial reports for the first three quarters of each fiscal year. In keeping with our commitment to transparency and effective oversight of public funds, the following Management's Discussion and Analysis (MD&A) aims to provide readers with an overview of our activities and performance for the third quarter of 2021-2022 (three-month period ended December 31, 2021) and the nine-month period ended December 31, 2021, compared with results for the third quarter of 2020-2021 (three-month period ended December 31, 2020) and the nine-month period ended December 31, 2020. This report should be read in conjunction with our most recent Annual Report. We have organized our MD&A in the following key sections:

FINANCIAL HIGHLIGHTS	4
BUSINESS HIGHLIGHTS	5
PERFORMANCE UPDATE	8
DISCUSSION OF RESULTS	15
CAPITAL RESOURCES, FINANCIAL CONDITION AND LIQUIDITY	21
RISK UPDATE	23
FINANCIAL REPORTING DISCLOSURE	24
MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS	25

In this MD&A, "we," "us," "our" and "the Corporation" mean CBC/Radio-Canada. Refer to CBC/Radio-Canada's audited consolidated financial statements for the year ended March 31, 2021 when reading this MD&A. All amounts in this MD&A are in thousands of Canadian dollars, except where noted.

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

SEASONALITY

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

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding objectives, strategic initiatives, and expected financial and operational results. Forward-looking statements are typically identified by words such as "may," "should," "could," "would" and "will," as well as expressions such as "believe," "expect," "forecast," "anticipate," "intend," "plan," "estimate" and other similar expressions. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada's government funding remains consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the *Risk Update* section of this report. However, some risks and uncertainties are by definition difficult to predict and are beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements. Given the impact of the evolving COVID-19 pandemic and the related response from the Corporation, governments (federal, provincial and municipal), regulatory authorities and businesses, there is inherently more uncertainty associated with the Corporation's assumptions relative to periods preceding the pandemic.

PERFORMANCE INDICATORS

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

NON-IFRS MEASURE

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

Financial Highlights


REVENUE

Q3
2021-2022: \$147M
2020-2021: \$137M
TOTAL INCREASE
\$10M

Revenue increased by 7.5% this quarter mostly due to stronger TV advertising revenue as the Canadian TV advertising market rebounded from last year's pandemic slowdown. We also benefited from higher digital advertising and subscription revenue from our digital platforms as the trend of TV audiences shifting to digital continues.


GOVERNMENT
FUNDING

Q3
2021-2022: \$300M
2020-2021: 309M
TOTAL DECREASE
\$9M

Government funding recognized this quarter decreased by 2.9%. This decrease was consistent with our expected needs for operating funding in the quarter.


EXPENSES

Q3
2021-2022: \$493M
2020-2021: \$464M
TOTAL INCREASE
\$29M

Our expenses increased by 6.1% due to increased spending on programming this quarter, as the prior year was impacted by COVID-19. We also continued to invest in our digital activities.

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
Revenue	147,147	136,915	7.5	447,242	342,557	30.6
Government funding	300,237	309,355	(2.9)	868,575	893,660	(2.8)
Expenses	(492,853)	(464,490)	6.1	(1,371,717)	(1,201,488)	14.2
Results before other gains and losses	(45,469)	(18,220)	N/M	(55,900)	34,729	N/M
Other gains and losses	(801)	(114)	N/M	21	271	(92.3)
Net results under IFRS for the period	(46,270)	(18,334)	N/M	(55,879)	35,000	N/M
Budget Results for the period¹	(21,371)	1,222	N/M	(34,370)	57,797	N/M

N/M = not meaningful

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

For the third quarter and on a year-to-date basis, **Net results under IFRS for the period** were a loss of \$46.3 million and \$55.9 million, respectively, compared to a loss of \$18.3 million and a gain of \$35.0 million in the same period of last year. Our lower Net results under IFRS for both periods in 2021-2022 were consistent with higher expenses as last year's content offerings were either delayed or cancelled due to COVID-19 and we incurred additional costs to cover sport events and a busy news year.

For the third quarter and on a year-to-date basis, our lower **Budget Results for the period** largely reflect our increased spending discussed above. Our Budget Results are normally 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 non-cash pension expenses.

Business Highlights

Content and Services

This quarter we made progress on a number of important initiatives. Our strategic plan, [Your Stories, Taken to Heart](#) was extended by two years, allowing us to continue delivering on our identified priorities into 2024. We introduced [Progress in Progress](#), a new three-year plan outlining our unwavering commitment to equity, diversity and inclusion in both our content and our workforce, and we published the [2021 Enviroscan](#), a report providing an overview of Canada’s media environment and a look at the opportunities and challenges we face in providing our services to Canadians. This fall, we reiterated our commitment to combating online harm against journalists by hosting the [#NotOK — Stand Up for Journalism and Democracy](#) virtual forum, attended by journalists and media professionals across the country. Panelists discussed their experiences with online harassment, as well as strategies to address this threat, and presented participants with the [results](#) of the first-ever Canadian survey on the matter. We stand together with media organizations across the country to condemn this threat, and continue to work to ensure the safety of our journalists and the important work they do in service to Canadians.

CBC and Radio-Canada stand out at the 2021 New York Festivals Radio Awards

Both our English and French-language content were recognized at this prestigious international festival as being among the best productions in all aspects of Radio and Audio. Over thirty countries were represented in the 2021 competition categories and Canada’s public broadcaster won in several categories. CBC received nine awards such as “Best Interview” for [Q with Tom Power - Michael J. Fox interview](#) and Radio-Canada received five including [Dérives](#) as the “Best Narrative/Documentary” podcast. Additionally, seven CBC productions and two Radio-Canada productions distinguished themselves as finalists in the Industry Awards of “Broadcaster of the Year” and “Production Company of the Year”. These productions included [Écho](#) from OHdio, and [The Current - Lisa Raitt interview](#) from CBC Radio.



English Services

While our content was recognized at awards festivals this quarter, so did our people for their contributions to the Canadian media industry. Sally Catto, CBC's general manager of entertainment, factual and sports programming, was [named Executive of the Year](#) by Playback magazine for introducing an exciting and diverse slate of new voices and programs, and Bob McKeown, co-host of *Fifth Estate*, was [appointed by Canada’s Governor General](#) to the Order of Canada for his excellence in investigative journalism.

Two new, highly-anticipated series were introduced to our line-up: [Run the Burbs](#), a look at the experience of an Asian-Canadian family living in suburban Canada, as well as [Son of a Critch](#), a comedy about growing up in Newfoundland in the 80s. CBC also aired [Superfan: The Nav Bhatia Story](#), a special documenting the journey of one of basketball’s most recognizable fans, and brought live figure skating to Canadians with [exclusive coverage of the 2021 Skate Canada International competition](#) and a new season of the [That Figure Skating Show](#) podcast.



Behind the cameras, our teams worked to support our [policy on Environmental Sustainability](#), aiming to reduce our emissions, decrease our energy consumption, eliminate waste and, in time, achieve net-zero emissions. We took a leading role in the Canadian media industry by [setting carbon footprint requirements](#) for all original productions and by launching [the first annual Green Week](#), a free series of workshops to support producers in learning more about sustainable production.

This fall CBC also enhanced community engagement by launching new pop-up bureaus — including our first English-language pop-up bureaus in Quebec. Our teams spent time in [Brossard](#) (Que.), [Lévis](#) (Que.), and [Kingston](#) (Ont.), getting to know Canadians in these regions and exploring issues that matter to them.

French Services

Spotlighting key cultural, social and political events from the year 2021, our annual year-end programs, such as [En direct du jour de l'an](#), were once again offered on December 31 by ICI TÉLÉ. [Bye bye 2021](#) reached a new historical record, being watched by over 4.9 million viewers (up from 4.7 million in 2020). [Infoman 2021](#) also set a new record this year with 162,000 more viewers than the preceding year. Overall, our year-end programming matched or exceeded last year's audience records.¹



The documentary [Vous pouvez rêver](#) on ICI TOU.TV highlighted inspirational young people from various cultural communities. Host Mélissa Bédard shined a light on cultural diversity in Quebec by meeting with these young personalities to discuss the impact they've had on the lives of those around them.

We also strengthened our connections with local regions through a series called [Salebarbes aux Îles](#), broadcast on ICI TOU.TV. This series assembled talented artists who were brought together through their experiences using Acadian songs to preserve their roots after having survived anglicization.

We launched a recruitment campaign to respond to the shortage in skilled labour employees. A dozen different platforms were used, including Reddit, Twitch and [Radio-Canada's YouTube channel](#), to showcase the brand's influence and to reach potential candidates. With this strategy, over 6 million views were successfully generated and hundreds of applications were submitted.

¹ Source: Numeris TV PPM, francophones in Quebec aged 2+, December 31, 2021 and December 30, 2020, average minute audience.

Other Services

Technology and Infrastructure

Our live news program [24/60](#), morning show [D'abord l'info](#), as well as [Zone économie](#) and [Le National](#) moved their production teams to the New Maison de Radio-Canada and are now available on ICI RDI.

People

In order to ensure a safe work environment, a mandatory vaccination requirement went into effect on December 1, 2021. As of this date, all of our employees are required to have obtained their COVID-19 vaccines. This requirement also applies to all guests, contractors and external contributors who visit any of our facilities.

As part of our commitment to support the well-being of our employees, our Learning and Development team offered a series of interactive webinars to help employees cope with the ongoing COVID-19 pandemic as well as resiliency and post-traumatic growth in the wake of the pandemic.

Other Business Matters

The Board of Director's Standing Committees on English and French Language Broadcasting became the Standing Committees on English and French Language Broadcasting and Innovation. This change specifically stated the oversight responsibility over innovation (as it relates to programming and services of the media components) in the Committee's Terms of Reference.

The 2021 Governor General's Performing Arts Awards (GGPAAs), which celebrates the laureates of Canadian performing arts, were broadcast as a CBC/Radio-Canada special on [CBC Television](#), [ICI TÉLÉ](#), [CBC Gem](#) and [ICI TOU.TV](#) in November 2021 to outstanding audiences.

Our networks are also preparing for the coverage of the Beijing Olympic Winter Games 2022, which will take place February 4 to 20, 2022. We announced the highlights of our coverage on December 1, 2021 which will feature a record 7 sports and 109 medal events across 13 competition venues. With more than 3,500 hours of live content, Canadians will be able to stay connected via the [CBC Sports](#) and [Radio-Canada Sports](#) websites and apps, or the free [CBC Gem](#) and [ICI TOU.TV](#) streaming services.



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 Canadians.

Highlights based on the fall 2021 survey results follow.

76% of Canadians use at least one of our services in a typical month

83%

of Canadians say it is important for Canada to have a national public broadcaster like CBC/Radio-Canada

68% + 15%

81%

of Canadians agree that there is a clear need and role for CBC/Radio-Canada into the future

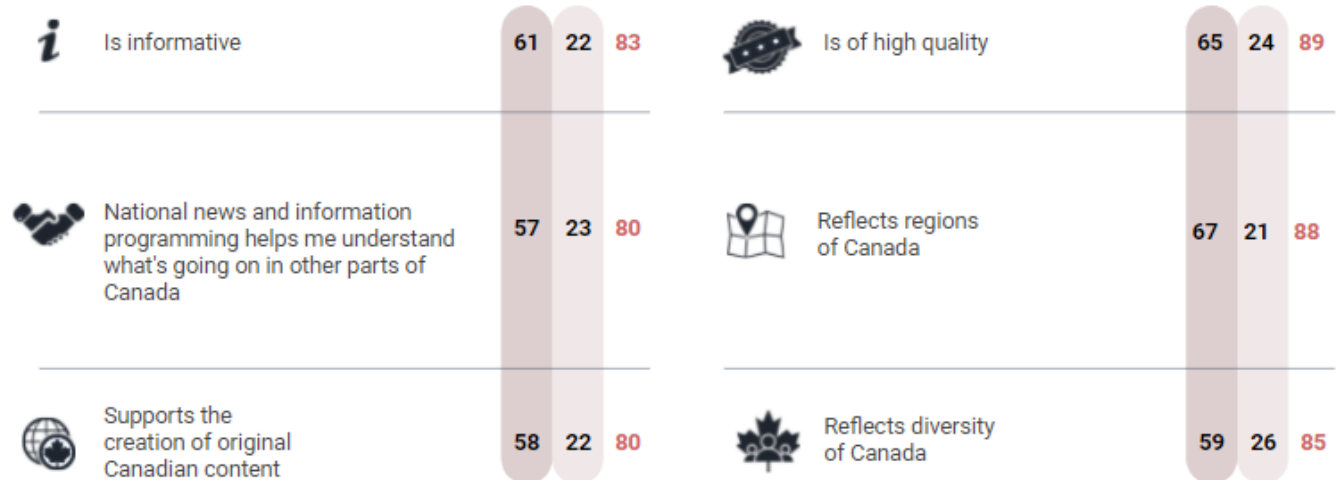
64% + 17%

Our Overall Strengths

The vast majority of Canadians agree that CBC/Radio-Canada...

Our Programming Strengths

The vast majority of our users agree that CBC/Radio-Canada’s programming*...



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

Source: The Mandate and Vision perception survey, Fall 2021 – Leger. 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 until 2024.

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

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

INDICATORS	MEASUREMENTS	RESULTS APR 1 TO DEC 31, 2020	RESULTS APR 1 TO DEC 31, 2021	TARGETS 2021-2022
Customized digital services				
1. Digital reach of CBC/Radio-Canada ³	<i>Monthly average unique visitors</i>	24.0M	24.0M	23.7M
2. Digital engagement with CBC/Radio-Canada ⁴	<i>Monthly average minutes per visitor</i>	50 min/vis	47 min/vis	49 min/vis
Engaging with young audiences				
3. Digital visits to CBC/Radio-Canada kids content ⁵	<i>Monthly average visits</i>	3,118K	3,447K	3,394K
Prioritizing our local connections				
4. Digital engagement with CBC News/Regions ⁵	<i>Monthly average minutes per visitor</i>	26 min/vis	23 min/vis	26 min/vis
5. Digital engagement with Radio-Canada Info/Régions ⁵	<i>Monthly average minutes per visitor</i>	20 min/vis	14 min/vis	16 min/vis
Reflecting contemporary Canada				
6. Employment equity representation ⁶	<i>% of new external hires</i>	31.1%	32.3%	42.0%

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

² 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.

Customized digital services

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

Engaging with young audiences

Traffic to our overall digital offering for kids content continues to perform well. The result is currently trending above target with 3.4 million visits from Canadian youth and parents on average per month.

Prioritizing our local connections

Digital engagement for our news, info and regions sections is currently trending slightly below target for both CBC and Radio-Canada.

Reflecting contemporary Canada

This quarter, employment equity representation of our new employees increased compared to the same period last year, however we are trending below target. We have renewed our efforts across the Corporation with the launch of our new [Equity, Diversity and Inclusion Plan](#) and will continue to work towards being an equitable, diverse and inclusive public broadcaster reflective of all Canadians.

Our Performance – Media Lines

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

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

CBC 2021-2022 results

INDICATORS	MEASUREMENTS	RESULTS APR 1 TO DEC 31, 2020	RESULTS APR 1 TO DEC 31, 2021	TARGETS 2021-2022
Customized digital services				
Digital reach ⁷	Monthly average unique visitors	20.2M	20.5M	20.4M
Digital engagement ⁸	Monthly average minutes per visitor	36 min/vis	32 min/vis	36 min/vis
Engaging with young audiences				
Digital visits to kids content ⁹	Monthly average visits	2,630K	3,024K	2,969K
Prioritizing our local connections				
Digital engagement with CBC News/Regions ⁸	Monthly average minutes per visitor	26 min/vis	23 min/vis	26 min/vis
Reflecting contemporary Canada				
Employment equity representation ¹⁰	% of new external hires	57.6%	46.2%	55.0%
Television and Radio				
CBC Television ¹¹	Prime-time audience share	4.9%	4.8%	6.6%
CBC News Network ¹¹	All-day audience share	2.2%	1.8%	1.7%
CBC Radio One and CBC Music ¹²	All-day audience share in the 5-PPM markets	16.3%	15.6%	15.4%
CBC Radio One and CBC Music ¹³	Monthly average national reach	11.6M	11.3M	11.0M
Revenue				
Total revenue ¹⁴	Conventional, discretionary, online	\$146M	\$231M	\$320M ¹⁵

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 CBC digital platforms.

⁸ **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.

⁹ **Source:** Adobe Analytics, average of monthly visits to kids content on CBC Kids sites, CBC Kids News and CBC Gem, April to March.

¹⁰ This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.

¹¹ **Source:** Numeris PPM, persons aged 2+, CBC Television: September to April (regular season); CBC News Network: April to March.

¹² **Source:** Numeris PPM, persons aged 2+ in the Toronto, Vancouver, Calgary, Edmonton and Montreal-anglophone markets.

¹³ **Source:** Numeris PPM, persons aged 2+.

¹⁴ Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).

¹⁵ The target for 2021-2022 includes revenue for the Tokyo and Beijing Olympic Games because they are a shared responsibility for CBC and Radio-Canada.

Customized digital services

Digital reach continues to track above target driven by a robust news cycle and the broadcast of the Tokyo 2020 Olympic and Paralympic Games.

Our digital engagement results are expected to improve with the Beijing 2022 Olympic Winter Games, which will bring larger and more engaged audiences similar to the Tokyo 2020 Olympic and Paralympic Games. Digital engagement is currently trending below target due in part to the lower than anticipated interest in news as the urgency around the pandemic has started to decline.

Engaging with young audiences

Digital visits to CBC kids content is on track to meet target with strong performance across all platforms, along with the anticipated boost coming in the fourth quarter with the Beijing 2022 Winter Olympic Games.

Prioritizing our local connections

Digital engagement with CBC News/Regions is tracking below target. The easing of pandemic restrictions and low case counts drove weaker interest in news through most of fall.

Reflecting contemporary Canada

Employment equity representation is currently behind target. We expect the results to improve as we continue to move forward on our priority to reflect contemporary Canada and implement our Equity, Diversity and Inclusion Plan across the Corporation.

Television and Radio

CBC Television is currently below target, but is expected to improve in the fourth quarter with a strong winter schedule and the broadcast of the Beijing 2022 Olympic Winter Games.

CBC News Network continues to track above target, driven by live news specials in the third quarter such as the Trudeau government swearing in, Remembrance Day and the Speech from the Throne.

CBC Radio One and CBC Music are tracking above the target in both share and reach as audiences continue to hold steady month after month.

Revenue

We are tracking to meet the annual target due to higher advertising revenue from both linear and digital platforms, especially from the Tokyo 2020 Olympic Games.

Radio-Canada 2021-2022 results

INDICATORS	MEASUREMENTS	RESULTS APR 1 TO DEC 31, 2020	RESULTS APR 1 TO DEC 31, 2021	TARGETS 2021-2022
Customized digital services				
Digital reach ¹⁶	Monthly average unique visitors	6.1M	5.9M	5.6M
Digital engagement ¹⁷	Monthly average minutes per visitor	61 min/vis	55 min/vis ¹⁸	55 min/vis
Engaging with young audiences				
Digital visits to kids content ¹⁹	Monthly average visits	488K	423K	425K
Prioritizing our local connections				
Digital engagement with Radio-Canada Info/Régions ¹⁷	Monthly average minutes per visitor	20 min/vis	14 min/vis	16 min/vis
Reflecting contemporary Canada				
Employment equity representation ²⁰	% of new external hires	14.5%	18.1%	22.0%
Television and Radio				
ICI TÉLÉ ²¹	Prime-time audience share	25.1%	24.8% ²²	24.2%
ICI RDI, ICI ARTV and ICI EXPLORA ²¹	All-day audience share	6.4%	5.7%	5.6%
ICI PREMIÈRE and ICI MUSIQUE ²³	All-day audience share	N/A ²⁴	20.8% ²⁵	17.3 %
Revenue				
Total revenue ²⁶	Conventional, discretionary, online	\$153M	\$242M	\$326M ²⁷

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

Customized digital services

After the third quarter, our digital reach is trending above target. The Tokyo 2020 Olympic Games, the federal election and our COVID-19 news coverage contributed to this performance. Our digital engagement is trending toward the annual target driven by the performance of ICI TOU.TV.

Engaging with young audiences

Digital visits to kids content is on track to meet the annual target with the recent addition of new titles on ICI TOU.TV, such as [Défense d'entrer](#) and the latest season of [L'effet secondaire](#).

¹⁶ 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.

¹⁷ 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.

¹⁸ ICI TOU.TV digital engagement data for November and December 2021 is not available due to a technical issue. As such, the digital engagement result for Radio-Canada is based on April-October 2021.

¹⁹ Source: Adobe Analytics, average of monthly visits to kids content on Zone Jeunesse and ICI TOU.TV, April to March.

²⁰ This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.

²¹ Source: Numeris PPM, francophones in Quebec aged 2+, ICI RDI, ICI ARTV and ICI EXPLORA: April to March.

²² As at January 2, 2022.

²³ Source: Numeris PPM, Montréal central francophone, 2+, September to March (regular season).

²⁴ Due to COVID-19, the Numeris fall 2020 radio diary was not produced and this KPI transitioned from diary to PPM measurement.

²⁵ September 6, 2021 to December 26, 2021.

²⁶ Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).

²⁷ The target for 2021-2022 includes revenue for the Tokyo and Beijing Olympic Games because they are a shared responsibility for CBC and Radio-Canada.

Prioritizing our local connections

Digital engagement with Radio-Canada Info/Régions content is below target due to the high digital reach. In December, many Canadians consulted ici.radio-canada.ca/info in shorter visits to get the latest updates about the Omicron variant.

Reflecting contemporary Canada

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

Television and Radio

Since the start of the year, the combined share of our three specialty channels has been tracking slightly above the annual target primarily driven by ICI RDI's news coverage of events such as the federal election and COVID-19 news coverage. ICI ARTV and ICI EXPLORA are on track to meet the annual target.

The combined audience share for ICI PREMIÈRE and ICI MUSIQUE is trending significantly above the target. *Tout un matin* and *Le 15-18* achieved high audience levels in the Greater Montreal Market.

Revenue

We are tracking to meet the annual target due to higher advertising revenue from linear and digital platforms, especially from the Tokyo 2020 Olympic Games.

Measuring Our Canadian Content

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

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

Discussion of Results

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

Results under IFRS and Budget Results

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
Revenue	147,147	136,915	7.5	447,242	342,557	30.6
Government funding	300,237	309,355	(2.9)	868,575	893,660	(2.8)
Expenses	(492,853)	(464,490)	6.1	(1,371,717)	(1,201,488)	14.2
Results before other gains and losses	(45,469)	(18,220)	N/M	(55,900)	34,729	N/M
Other gains and losses	(801)	(114)	N/M	21	271	(92.3)
Net results under IFRS for the period	(46,270)	(18,334)	N/M	(55,879)	35,000	N/M
Items not included in our operating budget						
Pension and other employee future benefits	12,880	10,014	28.6	33,546	25,702	30.5
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	2,754	1,070	N/M	6,305	7,685	(18.0)
Other provisions for non-cash items	9,265	8,472	9.4	(18,342)	(10,590)	73.2
Budget Results for the period¹	(21,371)	1,222	N/M	(34,370)	57,797	N/M

N/M = not meaningful

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

Net results under IFRS for the period

Third quarter - A loss of \$46.3 million, compared to a loss of \$18.3 million relative to the same quarter last year. These lower results were mostly driven by:

- Higher expenses by \$28.4 million (↑6.1%) from increased spending on programming and continued investments in our digital activities.
- Lower government funding recognized in income this quarter by \$9.1 million (↓2.9%), consistent with our expected needs. Our lower results for the quarter were partly offset by:
- Higher revenue by \$10.2 million (↑7.5%) due to higher advertising revenue as the Canadian television advertising demand continues to rebound from the pandemic slowdown.

Year-to-date - A loss of \$55.9 million compared to a gain of \$35.0 million for the same period last year. This decrease is mainly due to:

- Higher expenses by \$170.2 million (↑14.2%) from programming rights and production costs to broadcast the Tokyo 2020 Olympic Games, as well as increased spending on programming, sports events and continued investments in our digital activities. Comparatively in the same period last year, our spending on programming was lower due to production delays and program cancellations at the onset of the pandemic.
- Lower government funding recognized in income by \$25.1 million (↓2.8%), consistent with our expected needs. Our lower results for the first nine months of the year were partly offset by:
- Higher revenue by \$104.7 million (↑30.6%) as our results on a year-to-date basis included additional advertising and licensing revenue from the broadcast of the Tokyo 2020 Olympic Games, and higher advertising revenue as Canadian television advertising demand continues to rebound from the pandemic slowdown in the prior year.

Budget Results for the period

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

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

Third quarter and Year-to-date – Our lower **Budget Results** by \$22.6 million and \$92.2 million, respectively, were consistent with management's plan to increase spending in key business areas in 2021-2022 as we execute on delayed expenditures from the prior year following COVID-19.

Revenue

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
Advertising						
English Services	42,638	40,096	6.3	153,412	86,451	77.5
French Services	50,455	45,155	11.7	124,583	96,562	29.0
	93,093	85,251	9.2	277,995	183,013	51.9
Subscriber fees						
English Services	15,791	15,536	1.6	46,571	46,866	(0.6)
French Services	15,071	15,195	(0.8)	45,319	45,920	(1.3)
	30,862	30,731	0.4	91,890	92,786	(1.0)
Financing, investment and other income						
English Services	6,455	5,559	16.1	29,638	21,926	35.2
French Services	6,957	5,574	24.8	16,889	13,619	24.0
Corporate Services	9,780	9,800	(0.2)	30,830	31,213	(1.2)
	23,192	20,933	10.8	77,357	66,758	15.9
TOTAL	147,147	136,915	7.5	447,242	342,557	30.6

Our revenue increased by \$10.2 million (↑7.5%) in the third quarter of 2021-2022 and by \$104.7 million (↑30.6%) on a year-to-date basis. Significant variances by revenue streams are explained below.

Advertising (Q3: ↑ 9.2%; YTD: ↑ 51.9%)

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

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
TV advertising	73,968	67,927	8.9	220,890	142,928	54.5
Digital advertising	19,125	17,324	10.4	57,105	40,085	42.5
	93,093	85,251	9.2	277,995	183,013	51.9

Third quarter – This quarter our total advertising revenue increased by \$7.8 million (↑9.2%), mostly as Canadian TV advertising demand continued to rebound over pandemic-driven lows in the previous year.

Digital advertising revenue has also grown this quarter across video and display advertisement in particular as consumption of digital content has steadily increased since the early days of the pandemic.

Year-to-date – Our total advertising revenue increased by \$95.0 million (↑51.9%) for the first nine months of the year mostly as a result of our broadcast of the Tokyo 2020 Olympic Games. In addition, our ongoing advertising revenue continued to grow since the start of the year for the same reasons noted above.

Subscriber fees (Q3: ↑ 0.4%; YTD: ↓ 1.0%)

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

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
Discretionary TV platforms	24,828	25,639	(3.2)	74,475	78,196	(4.8)
Digital platforms	6,034	5,092	18.5	17,415	14,590	19.4
	30,862	30,731	0.4	91,890	92,786	(1.0)

Third quarter – Our subscriber revenue remained stable during the third quarter as subscriber growth on our digital platforms (ICI TOU.TV EXTRA and CBC Gem) more than offset the decline of our subscriber revenue from discretionary services.

Year-to-date – Our subscriber revenue was lower by \$0.9 million (↓1.0%) during the first nine months of the fiscal year as our subscriber base for our discretionary platforms decreased. This decline was somewhat offset by subscriber growth on our digital platforms (ICI TOU.TV EXTRA and CBC Gem) since the start of the COVID-19 pandemic.

Financing, investment and other income (Q3: ↑ 10.8%; YTD: ↑ 15.9%)

Financing, investment and other income depend on the different events and transactions throughout the quarter, as it includes production revenue from host broadcasting services and revenue from the sale of content. It also reflects revenue from our rentals, sponsorships and retransmission rights. More information about our revenue streams is provided in Note 13 Revenue of our Interim Financial Statements.

Third quarter – Financing, investment and other income increased by \$2.3 million (↑10.8%) as a result of higher licensing revenue from content sales, including international and archive sales, and news feeds.

Year-to-date – Financing, investment and other income increased by \$10.6 million (↑15.9%) during the first nine months of the fiscal year mostly due to a combination of higher licensing revenue from covering the Tokyo 2020 Olympic Games and other sports events. In addition, higher licensing revenue from archive and international sales also contributed to this increase.

Operating expenses

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
Television, radio and digital services costs¹						
English Services	262,371	238,952	9.8	738,804	612,204	20.7
French Services	206,799	199,859	3.5	564,030	519,355	8.6
	469,170	438,811	6.9	1,302,834	1,131,559	15.1
Other operating expenses						
Transmission, distribution and collection	14,950	16,227	(7.9)	42,298	42,042	0.6
Corporate management	2,783	2,893	(3.8)	8,260	7,817	5.7
Finance costs	5,950	6,559	(9.3)	18,325	20,070	(8.7)
	23,683	25,679	(7.8)	68,883	69,929	(1.5)
TOTAL	492,853	464,490	6.1	1,371,717	1,201,488	14.2

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

Our total operating expenses increased by \$28.4 million (↑6.1%) in the third quarter of 2021-2022 and by \$170.2 million (↑14.2%) on a year-to-date basis. The main variances are discussed below.

Television, radio and digital services costs (Q3: ↑ 6.9%; YTD: ↑ 15.1%)

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.

Third quarter – This quarter our television, radio and digital services costs increased by \$30.4 million (↑6.9%) due to increased spending on programming, and continued investments in our digital activities. In addition, expenses for the same period last year were also comparatively lower as we had implemented a contingency plan to help us navigate the economic impacts of the pandemic.

Year-to-date – On a year-to-date basis, our television, radio and digital services costs increased by \$171.3 million (↑15.1%) due to the programming rights and production costs to broadcast the Tokyo 2020 Olympic Games, increased spending on programming content, a busier news cycle from covering the federal election and sports events, and continued investments in our digital activities. In the same period in 2020-2021, our expenses were comparatively lower as our programming activities were heavily disrupted by cancellations or delays at the onset of the pandemic and we had implemented a financial contingency plan.

Other operating expenses (Q3: ↓7.8%; YTD: ↓1.5%)

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.

Third quarter – Other operating expenses decreased by \$2.0 million (↓7.8%) this quarter mainly due to lower **transmission, distribution and collection costs** and **finance costs**, consistent with our expectations.

Year-to-date – Other operating expenses decreased by \$1.0 million (↓1.5%) on a year-to-date basis mainly from reduced **finance costs**, consistent with our expectations.

Government funding

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
Parliamentary appropriations for operating expenditures	275,290	282,632	(2.6)	793,737	817,211	(2.9)
Parliamentary appropriations for working capital	1,001	1,001	-	3,001	3,000	0.0
Amortization of deferred capital funding	23,946	25,722	(6.9)	71,837	73,449	(2.2)
TOTAL	300,237	309,355	(2.9)	868,575	893,660	(2.8)

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

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

Third quarter and Year-to-date – Parliamentary appropriations for operating expenditures decreased by \$7.3 million (↓2.6%) this quarter and by \$23.4 million (↓2.9%) on a year-to-date basis. Our government funding recognized in the quarter and in the first nine months of the year was lower due to the timing of our expected needs.

Third quarter and Year-to-date – Amortization of deferred capital funding decreased compared to the same period last year of \$1.8 million (↓6.9%) and of \$1.6 million on a year-to-date basis (↓2.2%), consistent with our expectations.

Other gains and losses

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
Gain (loss) on disposal of property and equipment and intangibles	(801)	(114)	N/M	21	271	(92.3)
TOTAL	(801)	(114)	N/M	21	271	(92.3)

N/M = not meaningful

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

Total comprehensive income (loss)

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
Net results for the period	(46,270)	(18,334)	N/M	(55,879)	35,000	N/M
Other comprehensive income						
Remeasurements of defined benefit plans	242,319	(18,463)	N/M	594,624	(397,423)	N/M
Total comprehensive income for the period	196,049	(36,797)	N/M	538,745	(362,423)	N/M

N/M = not meaningful

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

Third quarter – Total comprehensive income recognized this quarter was \$196.0 million, compared to a loss of \$36.8 million in the same period last year. In addition to our net results, total comprehensive income includes remeasurements of defined benefit plans as described above.

A gain of \$242.3 million was recognized this quarter on remeasurements of defined benefit plans. This was mostly due to a gain on plan assets of \$565.2 million from a higher return on plan assets than estimated in our actuarial assumptions. This was partially offset by a 27 basis-point decrease in the discount rate, which increased the defined benefit obligation by \$322.9 million.

A loss of \$18.5 million was recognized in the same period last year 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.

Year-to-date – A gain of \$594.6 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 \$983.2 million, resulting from a higher return on plan assets than estimated in our actuarial assumptions. This was partly offset by a 32 basis-point decrease in the discount rate, which increased the defined benefit obligation by \$388.6 million.

A loss of \$397.4 million was recognized in the same period last year 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 million from a higher return on plan assets than estimated in our actuarial assumptions.

Capital Resources, Financial Condition and Liquidity

Revenue and Other Sources of Funds

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

Government funding: This quarter, operating funding was \$275.3 million, capital funding recognized in income was \$23.9 million and working capital was \$1.0 million.

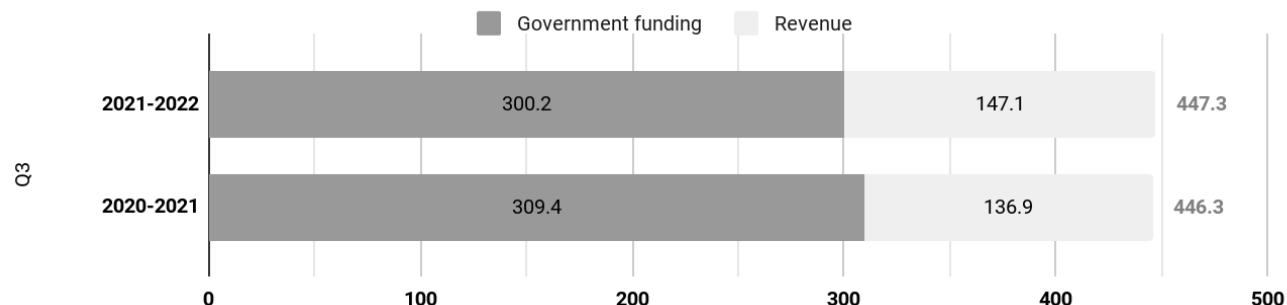
Advertising revenue: This includes sales of advertising on our conventional television channels, digital platforms and discretionary television services. Advertising revenue driven by events, such as the Olympic Games, can have a material impact on the Corporation's self-generated revenue. Over the long term, TV advertising revenue is decreasing as a proportion of our total source of funds, mainly as a result of the market's shift away from conventional advertising platforms.

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

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

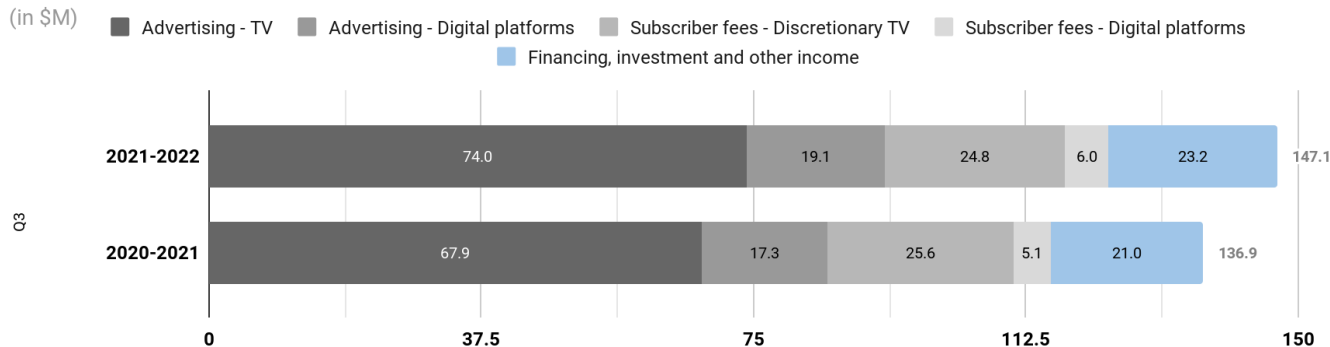
Sources of funding

(in \$M)



Revenue

(in \$M)



Financial Condition, Cash Flows and Liquidity

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

Cash position

	Third quarter ended December 31			Year-to-date ended December 31		
	2021	2020	% change	2021	2020	% change
Cash – beginning of the period	102,335	112,676	(9.2)	90,107	72,386	24.5
Changes in the period						
Cash (used in) from operating activities	(2,179)	43,816	N/M	(24,699)	121,914	N/M
Cash used in financing activities	(29,170)	(29,247)	(0.3)	(65,200)	(64,794)	0.6
Cash from (used in) investing activities	25,152	(22,907)	N/M	95,930	(25,168)	N/M
Net change	(6,197)	(8,338)	(25.7)	6,031	31,952	(81.1)
Cash – end of the period	96,138	104,338	(7.9)	96,138	104,338	(7.9)

N/M = not meaningful

Cash (used in) from operating activities

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

Third quarter – Cash used in operating activities was \$2.2 million during the third quarter of 2021-2022, compared to \$43.8 million from operating activities for the same period last year. This quarter, changes in cash used in operating activities were mostly driven by lower cash receipts due to the timing of parliamentary appropriations for operating expenditures.

Year-to-date – Cash used in operating activities was \$24.7 million during the first nine months of 2021-2022, compared to \$121.9 million from operating activities for the same period last year. The decrease since last year is mostly due to a \$31.1 million income tax payment and lower cash receipts due to the timing of parliamentary appropriations for operating expenditures.

Cash used in financing activities

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

Third quarter and Year-to-date – Cash outflows for financing activities this quarter and on a year-to-date basis remained stable.

Cash from (used in) investing activities

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

Third quarter – This quarter cash inflows from investing activities increased by \$48.1 million. The higher cash inflows during the period were mostly attributable to a higher drawdown of our parliamentary appropriations for capital funding, lower purchases of Canada Mortgage Bonds and lower acquisitions of property and equipment and intangible assets.

Year-to-date – Cash inflows from investing activities was \$95.9 million, an increase of \$121.1 million relative to last year. The main driver of this increase was mostly attributable to our redemptions and lower purchases of Canada Mortgage

Bonds. The increase is also attributable to a higher drawdown of our parliamentary appropriations for capital funding and lower acquisitions of property and equipment and intangible assets.

Borrowing plan

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

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

Risk Update

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

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

A full assessment of risks, potential impacts and our risk mitigation strategies is provided in our 2020-2021 Annual Report. There have been no significant changes to our risk profile since year-end, noting our continued management of the COVID-19 pandemic's impact on the Corporation.

The effects of COVID-19 continue to persist in 2021-2022, and are expected to continue into the next fiscal year. These effects include continuing economic pressures and the possibility of programming disruptions, furthered recently by the Omicron variant. The Corporation continues to manage its finances so that sufficient funding can be redirected to the required mitigation measures of the ongoing pandemic. We will continue to serve Canadians with vital news, information and entertainment programming during this unprecedented crisis while keeping our staff safe amid ongoing health and safety concerns.

Financial Reporting Disclosure

Our third quarter condensed interim consolidated financial statements (“interim financial statements”) were prepared in accordance with IFRS, as issued by the IASB, under IAS 34 – *Interim Financial Reporting* and adopted by the Accounting Standards Board (AcSB). They were approved by the Corporation’s Board of Directors on February 24, 2022. These interim financial statements were prepared using the same basis of presentation and accounting policies as outlined under Note 2 of our audited annual financial statements for the year ended March 31, 2021 (“2020-2021 audited annual financial statements”). Our interim financial statements do not include all of the notes required in the 2020-2021 audited annual financial statements.

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

Future Accounting Standards

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

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

Key Accounting Estimates and Critical Judgments

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

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

Transactions with defined benefit plans

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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



Catherine Tait
President and Chief Executive Officer



Carol Najm
Vice-President and Chief Financial Officer

Ottawa, Canada
February 23, 2022



INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

Q3 

THIRD QUARTER
**FINANCIAL
REPORT**

2021-2022

CBC  Radio-Canada

TABLE OF CONTENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF:	PAGES
FINANCIAL POSITION (UNAUDITED)	28
INCOME (LOSS) (UNAUDITED)	29
COMPREHENSIVE INCOME (LOSS) (UNAUDITED)	29
CHANGES IN EQUITY (UNAUDITED)	30
CASH FLOWS (UNAUDITED)	31
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2021 (UNAUDITED)	32
BUSINESS AND ENVIRONMENT	32
GENERAL INFORMATION	32
SIGNIFICANT ACCOUNTING POLICIES	32
NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES	34
ASSETS AND LIABILITIES	34
BONDS RECEIVABLE	34
TRADE AND OTHER RECEIVABLES	34
PROGRAMMING	35
PROPERTY AND EQUIPMENT	36
INTANGIBLE ASSETS	37
RIGHT-OF-USE (ROU) ASSETS	38
PROVISIONS	38
PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES	39
LEASE LIABILITIES	42
INCOME, EXPENSES AND CASH FLOWS	43
REVENUE	43
GOVERNMENT FUNDING	45
MOVEMENTS IN WORKING CAPITAL	46
OTHER	47
FINANCIAL INSTRUMENTS	47
RELATED PARTIES	49
COMMITMENTS	49
CONTINGENCIES	49

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

<i>(in thousands of Canadian dollars)</i>	NOTE	As at December 31 2021	As at March 31 2021
ASSETS			
Current			
Cash		96,138	90,107
Marketable securities		3,824	3,802
Bonds receivable	4,16	49,816	95,678
Promissory notes receivable		3,949	3,749
Trade and other receivables	5,16	172,453	177,841
Programming	6	418,236	384,407
Prepaid expenses		39,707	47,840
Investment in finance lease		4,348	4,141
Derivative financial instruments		20	-
Assets classified as held for sale	7	46	94
		788,537	807,659
Non-current			
Bonds receivable	4,16	14,486	26,687
Property and equipment	7	781,886	801,937
Intangible assets	8	38,815	32,437
Right-of-use (ROU) assets	9	329,339	339,464
Pension plan asset	11	1,432,396	868,261
Promissory notes receivable		21,119	24,106
Programming	6	46,531	36,812
Investment in finance lease		22,917	26,204
Deferred charges		27,035	29,533
		2,714,524	2,185,441
TOTAL ASSETS		3,503,061	2,993,100
LIABILITIES			
Current			
Accounts payable and accrued liabilities		84,288	119,578
Provisions	10	23,824	19,881
Pension plans and employee-related liabilities	11	195,487	219,391
Financial obligations		33,536	35,732
Lease liabilities	12	22,582	18,610
Deferred revenue and other liabilities		20,766	18,286
Deferred operating vote drawdown	14	59,262	-
Derivative financial instruments	16	-	592
		439,745	432,070
Non-current			
Deferred revenue and other liabilities		25,466	30,327
Pension plans and employee-related liabilities	11	247,156	243,323
Financial obligations		170,098	201,472
Lease liabilities	12	302,169	313,389
Deferred capital funding	14	509,642	502,479
		1,254,531	1,290,990
TOTAL LIABILITIES		1,694,276	1,723,060
EQUITY			
Retained earnings		1,807,992	1,269,285
Total equity attributable to the Corporation		1,807,992	1,269,285
Non-controlling interests		793	755
TOTAL EQUITY		1,808,785	1,270,040
TOTAL LIABILITIES AND EQUITY		3,503,061	2,993,100

Commitments (Note 18) and Contingencies (Note 19)

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

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

<i>(in thousands of Canadian dollars)</i>	NOTE	For the three months ended		For the nine months ended	
		December 31		December 31	
		2021	2020	2021	2020
REVENUE	13				
Advertising		93,093	85,251	277,995	183,013
Subscriber fees		30,862	30,731	91,890	92,786
Other income		21,790	19,163	72,954	61,373
Financing and investment income		1,402	1,770	4,403	5,385
		147,147	136,915	447,242	342,557
GOVERNMENT FUNDING	14				
Parliamentary appropriations for operating expenditures		275,290	282,632	793,737	817,211
Parliamentary appropriations for working capital		1,001	1,001	3,001	3,000
Amortization of deferred capital funding		23,946	25,722	71,837	73,449
		300,237	309,355	868,575	893,660
EXPENSES					
Television, radio and digital services costs		469,170	438,811	1,302,834	1,131,559
Transmission, distribution and collection costs		14,950	16,227	42,298	42,042
Corporate management costs		2,783	2,893	8,260	7,817
Finance costs		5,950	6,559	18,325	20,070
		492,853	464,490	1,371,717	1,201,488
Results before other gains and losses		(45,469)	(18,220)	(55,900)	34,729
OTHER GAINS AND LOSSES					
Gain (loss) on disposal of property and equipment and intangibles	7	(801)	(114)	21	271
Net results for the period		(46,270)	(18,334)	(55,879)	35,000
Net results attributable to:					
The Corporation		(46,312)	(18,340)	(55,917)	34,994
Non-controlling interests		42	6	38	6
		(46,270)	(18,334)	(55,879)	35,000

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

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

<i>(in thousands of Canadian dollars)</i>	NOTE	For the three months ended		For the nine months ended	
		December 31		December 31	
		2021	2020	2021	2020
COMPREHENSIVE INCOME (LOSS)					
Net results for the period		(46,270)	(18,334)	(55,879)	35,000
Other comprehensive income - not subsequently reclassified to net results					
Remeasurements of defined benefit plans	11	242,319	(18,463)	594,624	(397,423)
Total comprehensive income (loss) for the period		196,049	(36,797)	538,745	(362,423)
Total comprehensive income (loss) attributable to:					
The Corporation		196,007	(36,803)	538,707	(362,429)
Non-controlling interests		42	6	38	6
		196,049	(36,797)	538,745	(362,423)

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

<i>(in thousands of Canadian dollars)</i>	NOTE	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at September 30, 2021		1,611,985	751	1,612,736
Changes during the period				
Net results for the period		(46,312)	42	(46,270)
Remeasurements of defined benefit plans	11	242,319	-	242,319
Total comprehensive income for the period		196,007	42	196,049
Balance as at December 31, 2021		1,807,992	793	1,808,785

<i>(in thousands of Canadian dollars)</i>	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

<i>(in thousands of Canadian dollars)</i>	NOTE	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2021		1,269,285	755	1,270,040
Changes during the period				
Net results for the period		(55,917)	38	(55,879)
Remeasurements of defined benefit plans	11	594,624	-	594,624
Total comprehensive income for the period		538,707	38	538,745
Balance as at December 31, 2021		1,807,992	793	1,808,785

<i>(in thousands of Canadian dollars)</i>	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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

<i>(in thousands of Canadian dollars)</i>	NOTE	For the three months ended December 31 2021	2020	For the nine months ended December 31 2021	2020
CASH FLOWS FROM (USED IN)					
OPERATING ACTIVITIES					
Net results for the period		(46,270)	(18,334)	(55,879)	35,000
Adjustments for:					
Loss (Gain) on disposal of property and equipment		801	114	(21)	(271)
Financing and investment income	13	(1,402)	(1,770)	(4,403)	(5,385)
Finance costs		5,950	6,559	18,325	20,070
Change in fair value of financial instruments designated as FVTPL*	16	(55)	770	(612)	1,878
Depreciation and amortization	7,8,9	26,700	26,974	78,160	81,333
Change in deferred charges		253	(203)	2,498	287
Net change in programming asset	6	(247)	915	(9,203)	10,977
Amortization of deferred capital funding	14	(23,946)	(25,722)	(71,837)	(73,449)
Change in deferred appropriations for operating expenditures	14	(39,791)	52,217	59,262	184,639
Change in deferred revenue and other liabilities [non-current]		(1,132)	(1,562)	(5,377)	(5,839)
Change in pension plan asset	11	(234,129)	23,364	(564,135)	391,994
Change in pension plans and employee-related liabilities	11	255,357	(6,104)	606,895	(356,722)
Amortization of bond premium		122	87	533	249
Income taxes paid		-	-	(31,149)	-
Movements in working capital	15	55,610	(13,489)	(47,756)	(162,847)
		(2,179)	43,816	(24,699)	121,914
FINANCING ACTIVITIES					
Payment of lease liabilities	12	(4,639)	(4,632)	(13,820)	(13,206)
Repayment of financial obligations		(14,946)	(13,995)	(29,408)	(27,536)
Interest paid		(9,585)	(10,620)	(21,972)	(24,052)
		(29,170)	(29,247)	(65,200)	(64,794)
INVESTING ACTIVITIES					
Parliamentary appropriations for capital funding	14	28,500	7,500	79,000	41,000
Additions to property and equipment and intangible assets	7,8	(22,614)	(33,491)	(50,963)	(72,386)
Acquisition of bonds receivable	4	(38,025)	(57,931)	(75,201)	(87,145)
Acquisition of marketable securities		-	(10)	(22)	(3,791)
Net proceeds from disposal of property and equipment	7	139	334	1,258	884
Collection of financial assets	4	55,884	59,104	137,944	91,498
Interest received		1,268	1,587	3,914	4,772
		25,152	(22,907)	95,930	(25,168)
Change in cash		(6,197)	(8,338)	6,031	31,952
Cash, beginning of the period		102,335	112,676	90,107	72,386
Cash, end of the period		96,138	104,338	96,138	104,338

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

* FVTPL: fair value through profit and loss

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2021 (UNAUDITED)

BUSINESS AND ENVIRONMENT

This Section sets out the basis of preparation of these condensed interim financial statements when compared to the Corporation's latest complete set of audited annual financial statements for the year ended March 31, 2021. This section also shows new and future changes in policies, if any, and whether they are effective in 2021 or later years. We explain how these changes are expected to impact the financial position and performance of the Corporation.

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

A. *Statement of Compliance*

The Corporation has prepared these condensed interim consolidated financial statements as required by Section 131.1 of the *Financial Administration Act* which requires most parent Crown Corporations to prepare and make public quarterly financial reports in compliance with the *Treasury Board Standard on Quarterly Financial Reports for Crown Corporations*. These condensed interim consolidated financial statements 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 24, 2022.

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

¹ Sections 89.8 to 89.92, subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01, do not apply to CBC/Radio-Canada
INTERIM CONSOLIDATED FINANCIAL STATEMENTS | THIRD QUARTER FINANCIAL REPORT 2021-2022

B. Basis of Preparation

Basis of Presentation

As permitted under IAS 34, these interim consolidated financial statements are presented on a condensed basis and therefore do not include all disclosures that would otherwise be required in a full set of financial statements. These condensed interim consolidated financial statements are intended to provide an update on the Corporation's latest complete set of audited annual financial statements for the year ended March 31, 2021 ("2020-2021 audited annual financial statements"). Accordingly, they should be read in conjunction with the 2020-2021 audited annual financial statements.

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

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

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

Seasonality

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

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

Key Sources of Estimation Uncertainty and Critical Judgments

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

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

COVID-19 pandemic

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

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

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

At the date of this report, there were no new pronouncements issued by the IASB that impacted these condensed interim consolidated financial statements.

B. Future Accounting Changes

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

ASSETS AND LIABILITIES

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

4. BONDS RECEIVABLE

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

	December 31, 2021	March 31, 2021
Less than one year	49,816	95,678
Later than one year but not later than five years	14,486	26,687
Total	64,302	122,365

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

5. TRADE AND OTHER RECEIVABLES

	December 31, 2021	March 31, 2021
Trade receivables	160,567	166,001
Provision for expected credit losses	(455)	(507)
Other	12,341	12,347
Total	172,453	177,841

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

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

6. PROGRAMMING

A. *Programming by Category*

	December 31, 2021	March 31, 2021
Completed programs	195,026	155,663
Programs in process of production	145,688	116,618
Broadcast rights available for broadcast within the next twelve months	77,522	112,126
	418,236	384,407
Broadcast rights not available for broadcast within the next twelve months	46,531	36,812
Balance, end of period	464,767	421,219

B. *Movement in Programming*

	December 31, 2021	March 31, 2021
Opening balance	421,219	399,441
Additions	944,739	1,106,713
Programs broadcast	(901,191)	(1,084,935)
Balance, end of period	464,767	421,219

Programs broadcast include programming write-offs for the three and nine months ended December 31, 2021 of \$0.3 million (December 31, 2020 – \$1.9 million) and \$1.6 million (December 31, 2020 – \$2.9 million) respectively. Programming write-offs are mainly due to terminated projects, programming not suitable for telecast or pilots not progressing into a series.

7. PROPERTY AND EQUIPMENT

A. Cost and Accumulated Depreciation

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2021	107,816	461,017	183,779	976,219	157,700	129,864	2,016,395
Additions	-	55	-	5,052	2,836	33,384	41,327
Transfers (refer to Note 8)	48	6,211	7,219	84,855	30,046	(132,245)	(3,866)
Disposals and write-offs	-	(1,656)	-	(17,175)	(3,753)	-	(22,584)
Cost as at December 31, 2021	107,864	465,627	190,998	1,048,951	186,829	31,003	2,031,272
Accumulated depreciation as at March 31, 2021	-	(272,920)	(49,816)	(775,605)	(116,117)	-	(1,214,458)
Depreciation for the period	-	(14,752)	(6,431)	(26,874)	(8,220)	-	(56,277)
Reclassification of depreciation on disposals and write-offs	-	922	-	16,677	3,750	-	21,349
Accumulated depreciation as at December 31, 2021	-	(286,750)	(56,247)	(785,802)	(120,587)	-	(1,249,386)
Net carrying amount as at December 31, 2021	107,864	178,877	134,751	263,149	66,242	31,003	781,886

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

The contractual commitments for the acquisition of property and equipment were \$3.4 million as at December 31, 2021 (March 31, 2021 - \$2.2 million).

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the three and nine months ended December 31, 2021 (nil - December 31, 2020).

C. Assets Classified as Held for Sale

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

D. Disposals

During the third quarter of 2021-2022, there was a large volume of low value disposals. None of which were significant.

Insignificant net gains and losses during the three and nine months ended December 31, 2021 and for the same periods last year resulted from the disposal or retirements of equipment as part of our normal asset refresh cycle.

8. INTANGIBLE ASSETS

A. Cost and Accumulated Depreciation

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2021	136,068	54,661	15,964	206,693
Additions	-	582	6,992	7,574
Transfers (refer to Note 7)	6,406	14,624	(17,116)	3,914
Disposals and write-offs	(7,215)	(1,499)	-	(8,714)
Cost as at December 31, 2021	135,259	68,368	5,840	209,467
Accumulated amortization as at March 31, 2021	(134,039)	(40,217)	-	(174,256)
Amortization for the period	(559)	(4,551)	-	(5,110)
Reclassification of amortization on disposals and write-offs	7,215	1,499	-	8,714
Accumulated amortization as at December 31, 2021	(127,383)	(43,269)	-	(170,652)
Net carrying amount as at December 31, 2021	7,876	25,099	5,840	38,815

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

The contractual commitments for the acquisition of intangible assets were \$2.8 million as at December 31, 2021 (March 31, 2021 - \$0.7 million).

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the three and nine months ended December 31, 2021 (nil - December 31, 2020).

9. RIGHT-OF-USE (ROU) ASSETS

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

As at December 31, 2021	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the period	2,076	303,911	3,760	19,592	329,339
Depreciation charge for the period	258	12,994	451	3,070	16,773
As at March 31, 2021	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the year	2,230	313,529	4,211	19,494	339,464
Depreciation charge for the year	346	17,015	602	3,802	21,765

Additions to the ROU assets during the three and nine months ended December 31, 2021 were \$2.6 million and \$7.3 million, respectively (March 31, 2021 - \$12.5 million).

10. PROVISIONS

As at December 31, 2021	Legal and other	Environmental	Termination benefits	Total
Opening balance	19,362	137	382	19,881
Additional provisions recognized	9,177	-	-	9,177
Provisions utilized	(1,872)	-	-	(1,872)
Reductions resulting from remeasurement or settlement without cost	(3,067)	(18)	(277)	(3,362)
Balance, end of period	23,600	119	105	23,824

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

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

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

11. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

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

Employee-related asset/liabilities recognized and presented in our condensed interim consolidated statement of financial position are as follows:

	Current		Non-current	
	December 31, 2021	March 31, 2021	December 31, 2021	March 31, 2021
Pension plan asset	-	-	1,432,396	868,261
Pension plans liability	-	-	134,585	128,163
Other post-employment plans	-	-	112,571	115,160
Vacation pay	77,689	76,867	-	-
Termination benefits	7,574	9,957	-	-
Salary-related liabilities	110,224	132,567	-	-
Total pension plans and employee-related liabilities	195,487	219,391	247,156	243,323

The amount included in our condensed interim consolidated statement of financial position arising from our obligation in respect of our defined benefit plans is as follows:

	Funded	Unfunded	Other post-	Funded	Unfunded	Other post-
	pension	pension	employment	pension	pension	employment
	plan	plans	plans	plan	plans	plans
	December 31, 2021			March 31, 2021		
Fair value of plan assets	9,191,740	-	-	8,163,234	-	-
Defined benefit obligation	7,759,344	134,585	112,571	7,294,973	128,163	115,160
Net asset (liability) arising from defined benefit obligation	1,432,396	(134,585)	(112,571)	868,261	(128,163)	(115,160)

B. Significant Actuarial Assumptions

As disclosed in Note 15 *Pension Plans and Employee-Related Liabilities* of the Corporation's 2020-2021 audited annual financial statements, the Corporation reviews its actuarial assumptions at each reporting period to ensure that the net defined benefit asset (liability) recognized in the financial statements is updated for significant changes arising from non-recurring events. The impact on the net defined benefit asset (liability) arising from any such changes in assumptions is recognized in other comprehensive income as a remeasurement for the period.

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

Assumptions – annual rates	December 31, 2021	March 31, 2021
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.30%	3.79%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	2.98%	3.30%
Discount rate - long service gratuity	2.61%	2.68%
Discount rate - LTD benefit	2.61%	2.68%
Discount rate - life insurance	2.88%	3.14%

C. Total Cash Payments

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

	For the three months ended December 31		For the nine months ended December 31	
	2021	2020	2021	2020
Benefits paid directly to beneficiaries	3,028	2,944	9,084	8,832
Employer regular contributions to pension benefit plans	14,071	13,548	46,710	45,073
Total cash payments for defined benefit plans	17,099	16,492	55,794	53,905

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:

	December 31, 2021		March 31, 2021	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening defined benefit obligation	7,423,136	115,160	6,901,326	114,117
Current service cost	95,994	3,501	109,004	5,322
Interest cost	181,914	2,022	258,514	4,023
Contributions from employees	47,687	-	57,881	-
Remeasurements:				
Actuarial losses arising from changes in financial assumptions	382,230	972	452,111	4,984
Actuarial (gains)/losses arising from experience adjustments	5,895	-	(31,960)	-
Benefits paid	(242,927)	(9,084)	(323,740)	(13,286)
Closing defined benefit obligation	7,893,929	112,571	7,423,136	115,160

E. Fair Value of Plan Assets

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

	Pension plans December 31, 2021	Other post- employment plans	Pension plans March 31, 2021	Other post- employment plans
Opening fair value of plan assets	8,163,234	-	7,470,541	-
Administration fees*	(6,000)	-	(8,000)	-
Interest income on plan assets	199,365	-	279,089	-
Return on plan assets**	983,181	-	628,593	-
Contributions from employees	47,687	-	57,881	-
Contributions from the Corporation	47,200	9,084	58,870	13,286
Benefits paid	(242,927)	(9,084)	(323,740)	(13,286)
Closing fair value of plan assets	9,191,740	-	8,163,234	-

* Other than investment management fees

** Excluding interest income

F. Defined Benefit Plans Costs

Amounts recognized other comprehensive income (loss)

	For the three months ended December 31		For the nine months ended December 31	
	2021	2020	2021	2020
Current service cost	33,165	28,306	99,495	84,918
Administration fees*	2,000	2,000	6,000	6,000
Interest cost on defined benefit obligation	61,312	65,488	183,936	196,464
Interest income on plan assets	(66,455)	(69,772)	(199,365)	(209,316)
Other	45	133	50	969
Expense recognized in net results	30,067	26,155	90,116	79,035
Less:				
Remeasurements recognized in OCI	242,319	(18,463)	594,624	(397,423)
Total	(212,252)	44,618	(504,508)	476,458

* Other than investment management fees

Retained earnings include \$1,974.4 million of cumulative actuarial gains as at December 31, 2021 (March 31, 2021 gains – \$1,379.8 million).

Expense recognized in net results

	For the three months ended December 31		For the nine months ended December 31	
	2021	2020	2021	2020
Television, radio and digital services costs	28,864	25,109	86,511	75,874
Transmission, distribution and collection costs	902	785	2,703	2,371
Corporate management costs	301	261	902	790
Total	30,067	26,155	90,116	79,035

12. LEASE LIABILITIES

	December 31, 2021	March 31, 2021
Land	2,028	2,157
Buildings	297,946	304,732
Leasehold improvements	4,159	4,603
Technical equipment	20,618	20,507
Total	324,751	331,999

Maturity Analysis

	December 31, 2021	March 31, 2021
Contractual undiscounted cash flows		
Less than one year	30,825	26,814
One to five years	93,334	94,979
More than five years	315,615	326,859
Total undiscounted lease liabilities	439,774	448,652
Lease liabilities included in the condensed interim consolidated statement of financial position	324,751	331,999

Amounts recognized in our condensed interim consolidated statement of cash flows

During the three and nine months ended December 31, 2021, total cash outflows for leases amounted to \$6.9 million (December 31, 2020 - \$7.0 million) and \$20.7 million (December 31, 2020 - \$20.3 million), respectively. Interest expense related to lease liabilities and presented as Finance costs for the three and nine months ended December 31, 2021 totaled \$2.3 million (December 31, 2020 - \$2.4 million) and \$6.9 million (December 31, 2020 - \$7.1 million), respectively.

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

INCOME, EXPENSES AND CASH FLOWS

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

13. REVENUE

	For the three months ended December 31		For the nine months ended December 31	
	2021	2020	2021	2020
TV advertising ¹	73,968	67,927	220,890	142,928
Digital advertising	19,125	17,324	57,105	40,085
Subscriber fees	30,862	30,731	91,890	92,786
Production revenue ²	4,579	5,586	15,961	14,782
Program license sales	6,305	3,960	22,047	15,647
Canadian retransmission rights	1,050	1,409	3,150	3,509
Program sponsorship	6	85	2,289	239
Other services	2,152	869	4,151	2,603
Revenue from contracts with customers	138,047	127,891	417,483	312,579
Leasing income	7,816	7,827	25,086	24,538
Financing and investment income	1,402	1,770	4,403	5,385
Net gain (loss) from the change in fair value of financial instruments	54	(770)	612	(1,878)
Other retransmission rights	-	4	1,688	983
Foreign exchange gain (loss)	(172)	193	(2,030)	950
Other sources of income*	9,100	9,024	29,759	29,978
	147,147	136,915	447,242	342,557

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

¹ For the three and nine months ended December 31, 2021, TV advertising included revenue from exchange of services of \$0.5 million (December 31, 2020 - \$0.3 million) and \$0.9 million (December 31, 2020 - \$0.8 million), respectively.

² For the three and nine months ended December 31, 2021, Production revenue included revenue from exchange of services of \$1.7 million (December 31, 2020 - \$1.8 million) and \$7.6 million (December 31, 2020 - \$6.7 million), respectively.

Changes in Presentation

We modified the classification of revenue arising from commercial production to better reflect the nature of these revenue streams. This resulted in a reclassification from "Production revenue" to "TV Advertising" of \$1.4 million and \$2.6 million, respectively, for the three and nine months ended December 31, 2020.

Effective March 31, 2021, we also modified the presentation of our retransmission rights to better reflect the nature of this revenue stream. This resulted in a reclassification of \$1.0 million from "Canadian retransmission rights", formerly labeled "Retransmission rights" to "Other retransmission rights" for the nine months ended December 31, 2020.

Advertising Revenue

	For the three months ended		For the nine months ended	
	December 31		December 31	
	2021	2020	2021	2020
English services	42,638	40,096	153,412	86,451
French services	50,455	45,155	124,583	96,562
Total advertising revenue	93,093	85,251	277,995	183,013

Subscriber Revenue

	For the three months ended		For the nine months ended	
	December 31		December 31	
	2021	2020	2021	2020
English services	15,791	15,536	46,571	46,866
French services	15,071	15,195	45,319	45,920
Total subscriber revenue	30,862	30,731	91,890	92,786

Other Income

	For the three months ended		For the nine months ended	
	December 31		December 31	
	2021	2020	2021	2020
Production revenue				
English services	1,345	1,964	7,553	6,516
French services	3,234	3,622	8,408	8,266
Total production revenue	4,579	5,586	15,961	14,782
Program license sales				
English services	4,179	2,389	16,471	11,216
French services	2,126	1,571	5,576	4,431
Total program license sales	6,305	3,960	22,047	15,647
Leasing income*	7,816	7,827	25,086	24,538
Canadian retransmission rights	1,050	1,409	3,150	3,509
Program sponsorship	6	85	2,289	239
Net gain (loss) from the change in fair value of financial instruments*	54	(770)	612	(1,878)
Other retransmission rights*	-	4	1,688	983
Foreign exchange gain (loss)*	(172)	193	(2,030)	950
Other services	2,152	869	4,151	2,603
	10,906	9,617	34,946	30,944
Total other income	21,790	19,163	72,954	61,373

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

Contract Balances

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

Contract assets are presented under “Trade and Other Receivables” in our condensed interim consolidated statement of financial position. Trade and Other Receivables include \$12.6 million of contract assets as at December 31, 2021 (March 31, 2021 – \$9.5 million). There was no impairment loss in relation to contract assets for the periods considered.

Contract liabilities primarily relate to cash payments received in advance of meeting our performance obligations, mostly related to host broadcasting and program sponsorship revenue streams. Contract liabilities are presented as current liabilities under “Deferred Revenue and other liabilities” in our condensed interim consolidated statement of financial position. Deferred Revenue includes \$11.3 million of contract liabilities as at December 31, 2021 (March 31, 2021 - \$8.4 million).

14. GOVERNMENT FUNDING

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

A. Government funding received

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

	For the three months ended		For the nine months ended	
	December 31		December 31	
	2021	2020	2021	2020
Operating funding	235,499	334,849	852,999	1,001,850
Capital funding	28,500	7,500	79,000	41,000
Working capital funding	1,001	1,001	3,001	3,000
Balance, end of period	265,000	343,350	935,000	1,045,850

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, 2021	March 31, 2021
Operating funding received during the period	852,999	1,291,402
Less: Parliamentary appropriation for operating expenditures recognized in the condensed interim consolidated statement of income (loss) during the period	(793,737)	(1,291,402)
Balance, end of period	59,262	-

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, 2021	March 31, 2021
Opening balance	502,479	529,910
Government funding for capital expenditures	79,000	71,513
Amortization of deferred capital funding	(71,837)	(98,944)
Balance, end of period	509,642	502,479

15. MOVEMENTS IN WORKING CAPITAL

	For the three months ended		For the nine months ended	
	December 31		December 31	
	2021	2020	2021	2020
Changes in Working Capital are comprised of:				
Trade and other receivables	21,588	(25,310)	6,031	(10,117)
Programming asset	30,762	25,067	(33,829)	(82,101)
Prepaid expenses	3,290	861	8,026	(2,316)
Accounts payable and accrued liabilities	11,149	(9,196)	(2,078)	(37,182)
Provisions	1,767	1,496	3,943	(3,890)
Pension plans and employee-related liabilities	(9,844)	(5,197)	(32,360)	(26,590)
Deferred revenue and other liabilities	(3,102)	(1,210)	2,511	(651)
	55,610	(13,489)	(47,756)	(162,847)

OTHER

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

16. FINANCIAL INSTRUMENTS

A. Fair Value

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

	December 31, 2021		March 31, 2021		Method ¹	Note
	Carrying values	Fair values	Carrying values	Fair values		
Financial instruments measured at FVTPL* on a recurring basis:						
Cash	96,138	96,138	90,107	90,107	Level 1	(a)
Marketable securities	3,824	3,824	3,802	3,802	Level 1	(a)
Derivative financial instruments	20	20	-	-	Level 2	(c)
Financial assets	99,982	99,982	93,909	93,909		
Derivative financial instruments	-	-	592	592	Level 2	(d)
Financial liabilities	-	-	592	592		
Financial instruments measured at amortized cost:						
Bonds receivable (current)	49,816	49,932	95,678	96,042	Level 2	(b)
Promissory notes receivable (current)	3,949	3,949	3,749	3,749	Level 2	(a)
Trade and other receivables	172,453	172,453	177,841	177,841	Level 2	(a)
Investment in finance lease (current)	4,348	4,348	4,141	4,141	Level 2	(a)
Bonds receivable (non-current)	14,486	14,303	26,687	26,829	Level 2	(b)
Promissory notes receivable (non-current)	21,119	22,902	24,106	26,559	Level 2	(c)
Investment in finance lease (non-current)	22,917	26,710	26,204	30,651	Level 2	(c)
Financial assets	289,088	294,597	358,406	365,812		
Accounts payable and accrued liabilities	84,288	84,288	119,578	119,578	Level 2	(a)
Financial obligations (current)	33,536	33,536	35,732	35,732	Level 2	(a)
Financial obligations (non-current)	170,098	192,520	201,472	234,258	Level 2	(d)
Financial liabilities	287,922	310,344	356,782	389,568		

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

* FVTPL: fair value through profit and loss

There have been no transfers between levels during the three and nine months ended December 31, 2021.

- (a) The fair values approximate their carrying value due to the current nature of these instruments.
- (b) The fair values for bonds that trade in markets that are not considered to be active are based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs.

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

B. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. We record a provision for expected credit losses (ECL) based on a model developed in accordance with IFRS 9 *Financial Instruments*. Actual losses have not exceeded management's expectations in the past. Our maximum exposure to credit risk at December 31, 2021 and March 31, 2021 is the carrying value of the assets they relate to.

Trade and other receivables

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

Trade and other receivables over 30 days	December 31, 2021	March 31, 2021
31 - 60 days	30,319	40,868
61 - 90 days	28,265	1,663
Over 90 days	34,277	19,710
Total	92,861	62,241

Movement in provision for expected credit losses	December 31, 2021	March 31, 2021
Opening balance	(507)	(384)
Amounts written off during the period as uncollectible	97	313
Net increase in provision for new impairments	(45)	(436)
Balance, end of period	(455)	(507)

Bonds receivable

The Corporation holds Canada Mortgage Bonds that carry a determined fixed rate coupon comprised between 1.80% to 2.65% payable twice a year. The Corporation intends to hold these bonds until maturity. These government bonds have maturity dates ranging between March 2022 and December 2024. None of these assets were past due or impaired at the end of the reporting period.

17. RELATED PARTIES

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

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

A. *Transactions with Related Parties Excluding Government-Related Entities*

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

There are no significant amounts owing to related parties at December 31, 2021 (March 31, 2021 - nil) and no expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

B. *Transactions with Government-Related Entities*

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

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

Canada Mortgage Bonds

As described in Note 4 *Bonds Receivable*, \$64.3 million is invested in Canada Mortgage Bonds (CMB) at December 31, 2021 (March 31, 2021 - \$122.4 million). CMB are issued by Canada Housing Trust (CHT), a special purpose trust guaranteed by Canada Mortgage and Housing Corporation (CMHC), another Crown Corporation, and backed by the Government of Canada.

Contract with other Government-Related Entity

Mauril is a free and ad-free digital platform leveraging a wide range of content from the Corporation to help users learn English and French. Financed and endorsed by the Government of Canada, this tool is designed and deployed by the Corporation, in collaboration with a committee of pedagogical experts. It is meant to help improve oral comprehension and integrate language knowledge in everyday life. We have received \$1.2 million this quarter (March 31, 2021 - \$3.0 million) from the Government of Canada for the provision of services required to create this platform and acquire content. At the end of the period, \$6.2 million was recorded as deferred revenue (March 31, 2021 - \$6.0 million).

18. COMMITMENTS

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

19. CONTINGENCIES

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