



Q3 

THIRD QUARTER
**FINANCIAL
REPORT**

2023-2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

In addition to filing an annual report, we are required – like most Canadian federal Crown corporations – to file quarterly financial reports for the first three quarters of each fiscal year. In keeping with our commitment to transparency and effective oversight of public funds, the following Management's Discussion and Analysis (MD&A) aims to provide readers with an overview of our activities and performance for the quarter and the nine-month period ended December 31, 2023, compared with the quarter and the nine-month period ended December 31, 2022. This report should be read in conjunction with our most recent Annual Report. We have organized our MD&A in the following key sections:

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In this MD&A of financial condition and results of operations, "we", "us", "our" and "the Corporation" mean CBC/Radio-Canada. Refer to CBC/Radio-Canada's audited consolidated financial statements for the year ended March 31, 2023, when reading this MD&A. All amounts in this MD&A are in thousands of Canadian dollars, except where noted.

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

FINANCIAL REPORTING DISCLOSURE

Our 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 28, 2024. These interim financial statements were prepared using the same basis of presentation and accounting policies as outlined under Note 2 of our audited annual financial statements for the year ended March 31, 2023 (2022-2023 audited annual financial statements). Our interim financial statements do not include all of the notes required in the 2022-2023 audited annual financial statements.

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

FORWARD-LOOKING STATEMENTS

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

PERFORMANCE INDICATORS

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

Business Highlights



This quarter, CBC/Radio-Canada engaged with the public on the issue of trust in journalism in partnership with the Canadian Association of Journalists, Massey College, the Toronto Star and Victoria University. Hosted by Nahlah Ayed of CBC IDEAS, the discussion was later broadcast on [the show](#). At the 2023 Annual Public Meeting, we went [Behind the Headlines](#) to explain why the public broadcaster's news ranks the most trustworthy journalism in the country.

We also continued to strengthen our partnerships around the world. We announced our [new partnership agreement](#) with Radio New Zealand (RNZ) and the renewal of our [partnership agreement](#) with Germany's national public television broadcaster, ZDF (Zweites Deutsches Fernsehen). We also solidified a [partnership agreement](#) with the Professional Women's Hockey League (PWHL) to further raise the profile of women's sport in Canada.

In December, job and programming cuts were [announced](#) to address anticipated financial pressures in fiscal year 2024-2025. We understand how concerning this is to the people affected and to the Canadians who depend on our programs and services. We are doing everything we can to minimize the impact of cost-reduction measures, and we will adjust in the coming months should our financial situation improve.

English Services



A number of successes shaped this quarter. The third and final season of the Peabody award-winning series [Sort Of](#) cemented its place among great Canadian comedies by winning a grand total of seven 2023 Canadian Screen Awards, including Best Comedy Series. Another highlight was the launch of [Black Life: Untold Stories](#), a praiseworthy eight-part documentary series that reframes the rich and complex histories of Black experiences in Canada and celebrates the contributions of Black Canadians.

Former Governor General and long-time CBC journalist Adrienne Clarkson was inducted into the CBC News Hall of Fame in early December, becoming the 10th inductee since the honour was established. Clarkson has an ongoing presence as a writer and cultural commentator in the Canadian media landscape.

CBC's annual [Make the Season Kind campaign](#) was hosted by CBC stations across the country to raise awareness and increase donations to food banks. These were an outstanding success that had people from coast to coast embracing the spirit of the season and showing their generosity over the holidays. This year, the campaign has raised over nine million dollars (12% more than last year), plus hundreds of kilograms of food.



French Services



This past quarter Radio-Canada proudly continued to unite francophones and set new audience records with our highly anticipated programs, including [Bye bye 2023](#), which was watched by 4.6 million people,¹ and [Infoman 2023](#), which was followed by 3.5 million people.¹

Our local connections were strengthened during coverage of the election night held in the Northwest Territories in November. Our teams offered the first live broadcast in French of these elections on [ICI PREMIÈRE](#), [Radio-Canada.ca](#) and [OHdio](#).

We also launched a documentary series, [Les stagiaires](#), which went behind the scenes of journalism by following the journey of six interns in the field and in our newsroom.

Finally, we renewed our important partnership with France Télévisions. This program exchange guarantees that French-language productions continue to receive the highest possible exposure in the largest French-language market in the world.

¹ Source: Numeris TV PPM, francophones in Quebec aged 2+, December 31, 2023, average minute audience.

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 2023 survey results follow.

66% of Canadians use at least one of our services in a typical month

79%

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

62% + 17%

76%

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

58% + 18%

Our Overall Strengths

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



Our Content Strengths

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



Strongly Agree (Scores 8-10 out of 10) + Agree (Scores 6-7 out of 10) = Total Positive Responses

Source: The Mandate and Vision Perception Survey, Fall 2023 – CBC/Radio-Canada



Our Performance – *Your Stories, Taken to Heart*

Below are the key performance indicators that measure and track our progress with respect to our strategic plan, [Your Stories, Taken to Heart](#), and its five strategic priorities: customized digital services, engaging with young audiences, prioritizing our local connections, reflecting contemporary Canada and taking Canada to the world.² These priorities will continue to shape our strategic initiatives in 2024.

Targets are specific to the markets we operate in and consider a number of factors, such as market realities, competition and service penetration rate.

INDICATORS	RESULTS		EXPLANATION
	APR 1 TO DEC 31, 2023	TARGETS 2023-2024	
CUSTOMIZED DIGITAL SERVICES			
Digital reach (Monthly average unique visitors)³			
CBC/Radio-Canada	20.5M	19.7M	CBC/Radio-Canada's digital reach is trending above target as a result of audiences turning to our digital services in large numbers to be informed and entertained. Our results were also impacted by Meta's news withdrawal in Canada.
CBC	16.0M	16.5M	Digital reach for CBC is trending below target due to Meta's news withdrawal in Canada.
Radio-Canada	5.1M	4.9M	Digital reach for Radio-Canada is trending above target, driven by the performance of ICI TOU.TV and News/Regions content. This result was somewhat impacted by Meta's news withdrawal in Canada.
Digital engagement (Monthly average minutes per visitor)⁴			
CBC/Radio-Canada	37 min/vis	37 min/vis	Digital engagement is tracking toward target due to a combination of important news events and the fall programming schedule.
CBC	27 min/vis	27 min/vis	
Radio-Canada	45 min/vis	45 min/vis	
ENGAGING WITH YOUNG AUDIENCES			
Digital visits to kids content (Monthly average visits)⁵			
CBC/Radio-Canada	2,694K	2,463K	Digital visits to kids content are trending above target following the start of the school year and an increase in traffic, as high-profile titles are bringing in new audience visits.
CBC	2,292K	2,145K	Digital visits to kids content are trending above target, driven by kids returning to classrooms in the fall and an increase in traffic, as high-profile titles are bringing in new audience visits.
Radio-Canada	404K	318K	Digital visits to kids content are trending above target, driven by new content on ICI TOU.TV that provided higher-than-anticipated traffic.
PRIORITIZING OUR LOCAL CONNECTIONS			
Digital engagement with News/Regions (Monthly average minutes per visitor)⁴			
CBC	19 min/vis	19 min/vis	Digital engagement with both CBC and Radio-Canada News/Regions is on track to meet the annual target, driven by the coverage of major international news stories.
Radio-Canada	12 min/vis	12 min/vis	

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 | CBC | Radio-Canada digital platforms. The individual network results may not add up to the corporate totals due to individuals who visit both CBC and Radio-Canada platforms only being counted once in the corporate metric.

⁴ **Source:** Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to CBC/Radio-Canada | CBC | Radio-Canada digital platforms | CBC News/Regions | Radio-Canada Info/Régions, April to March, Canada.

⁵ **Source:** Adobe Analytics, average of monthly visits to kids content on CBC (CBC Kids sites, CBC Kids News and CBC Gem) and Radio-Canada (Appli des petits, Zone Jeunesse and ICI TOU.TV), April to March. CBC/Radio-Canada is the sum of CBC and Radio-Canada visits.

INDICATORS	RESULTS		EXPLANATION
	APR 1 TO DEC 31, 2023	TARGETS 2023-2024	
REFLECTING CONTEMPORARY CANADA			
Employment equity representation (% of new external hires)⁶			
CBC/Radio-Canada	56.5%	41.0%	Overall, the employment equity representation indicator is trending above target after the third quarter with the implementation of our equity, diversity and inclusion plan
CBC	77.1%	50.0%	
Radio-Canada	26.0%	26.0%	

Our Performance – Media Lines

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

INDICATORS	RESULTS		EXPLANATION
	APR 1 TO DEC 31, 2023	TARGETS 2023-2024	
TELEVISION (Audience Share)⁷			
CBC Television	5.1%	4.1%	CBC Television share is trending above target due to new strong Canadian programming, heavy news cycles and increased branding efforts.
CBC News Network	2.1%	1.7%	CBC News Network continues to track above target, driven by major news stories drawing large audiences, including the Israel-Hamas war, Remembrance Day and the Manitoba election.
ICI TÉLÉ	23.3%	22.8%	Since the start of the regular season, ICI TÉLÉ's prime time audience has been tracking above target driven by new seasons of <i>STAT</i> and <i>Plan B</i> .
ICI RDI, ICI ARTV and ICI EXPLORA	6.3%	5.4%	The combined share of our discretionary channels has been tracking above target, mostly due to ICI RDI's coverage of major news stories, including the Israel-Hamas war.

RADIO

CBC Radio One and CBC Music ⁸	14.3%	13.5%	CBC Radio One and CBC Music are trending above target in both share and reach since Canadians are spending more time listening to terrestrial radio and music as their listening habits are getting back to normal after the pandemic.
CBC Radio One and CBC Music ⁹	10.7M	10.0M	
ICI PREMIÈRE and ICI MUSIQUE ¹⁰	24.8%	22.4%	The combined audience share for ICI PREMIÈRE and ICI MUSIQUE is trending above target.

REVENUE (Conventional, discretionary, online)¹¹

CBC	\$157M	\$221M	After the first nine months of the year, the revenue forecast is tracking below target as a result of lower TV advertising demand and a softer TV advertising market due to economic pressures.
Radio-Canada	\$159M	\$222M	

⁶ This metric is made up of three groups: Indigenous Peoples, persons with disabilities and racialized people.

⁷ Source: Numeris PPM, persons aged 2+, CBC Television: September to April (regular season); CBC News Network (April-March). Francophones in Quebec aged 2+, ICI TÉLÉ: September to April (regular season); ICI RDI, ICI ARTV and ICI EXPLORA (April-March).

⁸ Source: Numeris Radio PPM, persons aged 2+ in the Toronto, Vancouver, Calgary, Edmonton and Montreal-anglophone markets.

⁹ Source: Numeris Radio PPM, persons aged 2+, total Canada.

¹⁰ Source: Numeris Radio PPM, Montreal central francophones aged 2+, September to March (regular season).

¹¹ Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).



Measuring our Canadian Content

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

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



[Collab](#) event "Dans-ma-lentille," Quebec City library, QC




Discussion of Results

Financial Highlights

	Third quarter ended December 31			Year-to-date ended December 31		
	2023	2022	% change	2023	2022	% change
Revenue	141,855	141,989	(0.1)	367,214	385,634	(4.8)
Government funding	325,894	320,316	1.7	938,449	916,086	2.4
Expenses	(493,057)	(496,873)	(0.8)	(1,314,907)	(1,345,069)	(2.2)
Results before other gains and losses and income taxes	(25,308)	(34,568)	(26.8)	(9,244)	(43,349)	(78.7)
Other gains and losses	333	(1,011)	N/M	83	(1,130)	N/M
Results before income taxes	(24,975)	(35,579)	(29.8)	(9,161)	(44,479)	(79.4)
Income tax recovery	-	2,412	(100.0)	-	2,412	(100.0)
Net results under IFRS for the period	(24,975)	(33,167)	(24.7)	(9,161)	(42,067)	(78.2)

N/M = not meaningful

For the third quarter and on a year-to-date basis, **Net results under IFRS for the period** were a loss of \$25.0 million and \$9.2 million, respectively, compared to a loss of \$33.2 million and \$42.1 million in the same period last year. These results are further explained below.

 <p>REVENUE</p>	<p>Q3 2023-2024: \$142M 2022-2023: \$142M NO CHANGE</p>	<p>Our revenue remained stable this quarter. While our TV advertising revenue and subscriber fees continued to be adversely impacted by market and industry trends, these decreases were offset by higher other income and growth in digital advertising.</p>
 <p>GOVERNMENT FUNDING</p>	<p>Q3 2023-2024: \$326M 2022-2023: \$320M TOTAL INCREASE +\$6M (+2%)</p>	<p>Government funding recognized in income increased by 1.7%. This increase was consistent with our expected needs for operating funding in the quarter.</p>
 <p>EXPENSES</p>	<p>Q3 2023-2024: \$493M 2022-2023: \$497M TOTAL DECREASE -\$4M (-1%)</p>	<p>Our expenses decreased by 0.8% from reduced programming costs and a lower pension expense. These decreases were partly offset by higher operating costs to cover a heavy news quarter.</p>



Revenue

	Third quarter ended December 31			Year-to-date ended December 31		
	2023	2022	% change	2023	2022	% change
Advertising						
English Services	40,394	39,575	2.1	96,736	101,791	(5.0)
French Services	44,632	46,092	(3.2)	102,734	112,324	(8.5)
	85,026	85,667	(0.7)	199,470	214,115	(6.8)
Subscriber fees						
English Services	14,777	15,712	(6.0)	45,131	45,980	(1.8)
French Services	15,229	15,635	(2.6)	45,448	45,821	(0.8)
	30,006	31,347	(4.3)	90,579	91,801	(1.3)
Financing, investment and other income						
English Services	7,074	6,541	8.1	22,891	23,184	(1.3)
French Services	6,024	6,094	(1.1)	16,894	21,456	(21.3)
Corporate Services	13,725	12,340	11.2	37,380	35,078	6.6
	26,823	24,975	7.4	77,165	79,718	(3.2)
TOTAL	141,855	141,989	(0.1)	367,214	385,634	(4.8)

Our revenue was stable in the third quarter of 2023-2024 and decreased by \$18.4 million (↓4.8%) on a year-to-date basis, with the main variances by revenue streams noted below.

Advertising (Q3: ↓ 0.7%; YTD: ↓ 6.8%)

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

	Third quarter ended December 31			Year-to-date ended December 31		
	2023	2022	% change	2023	2022	% change
TV advertising	62,279	64,245	(3.1)	142,942	159,960	(10.6)
Digital advertising	22,747	21,422	6.2	56,528	54,155	4.4
	85,026	85,667	(0.7)	199,470	214,115	(6.8)

Third quarter and Year-to-date - Our total advertising revenue decreased by \$0.6 million (↓ 0.7%) and by \$14.6 million (↓ 6.8%), respectively, mostly from lower TV advertising revenue as a result of lower advertising demand and a softer TV advertising market. These declines were partly offset by higher digital advertising revenue, as we continue to benefit from stronger digital advertising demand, mainly in video advertising.

Subscriber fees (Q3: ↓4.3%; YTD: ↓1.3%)

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

	Third quarter ended December 31			Year-to-date ended December 31		
	2023	2022	% change	2023	2022	% change
Discretionary TV platforms	23,395	24,986	(6.4)	71,487	72,647	(1.6)
Digital platforms	6,611	6,361	3.9	19,092	19,154	(0.3)
	30,006	31,347	(4.3)	90,579	91,801	(1.3)

Third quarter - Our subscriber revenue decreased by \$1.3 million (↓4.3%) due to ongoing subscriber volume declines caused by cord-cutting and cord-shaving. This decrease was partly offset by an increase in subscriber volume to our digital platform ICI TOU.TV EXTRA.

Year-to-date - Our subscriber revenue decreased by \$1.2 million (↓1.3%) compared to the same period last year due to the reasons noted above. In addition, the number of subscribers to CBC Gem was slightly down as the market became increasingly competitive and fragmented. This decrease was partly offset by a small rate increase in the year for our discretionary TV platforms.

Financing, investment and other income (Q3: ↑7.4%; YTD ↓3.2%)

Financing, investment and other income depends on the different events and transactions that take place throughout the quarter as it includes production revenue from host broadcasting services and revenue from the sale of content. It also reflects revenue from our rentals, sponsorships and retransmission rights. More information about our revenue streams is provided in note 13 Revenue of our interim consolidated financial statements.

Third quarter - The increase of \$1.8 million (↑7.4%) in financing, investment and other income resulted mostly from:

- higher leasing income due to a new tenant and contractual rent increases; and
- higher financing income following the surge in bank prime rates and investment yield.

Year-to-date - The decrease of \$2.6 million (↓3.2%) in financing, investment and other income resulted mostly from:

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

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



Operating expenses

	Third quarter ended December 31			Year-to-date ended December 31		
	2023	2022	% change	2023	2022	% change
Television, radio and digital services costs						
English Services	261,671	261,811	(0.1)	685,395	690,620	(0.8)
French Services	208,135	210,944	(1.3)	561,853	585,057	(4.0)
	469,806	472,755	(0.6)	1,247,248	1,275,677	(2.2)
Other operating expenses						
Transmission, distribution and collection	15,879	15,901	(0.1)	45,207	44,572	1.4
Corporate management	2,850	2,912	(2.1)	7,980	8,397	(5.0)
Finance costs	4,522	5,305	(14.8)	14,472	16,423	(11.9)
	23,251	24,118	(3.6)	67,659	69,392	(2.5)
TOTAL	493,057	496,873	(0.8)	1,314,907	1,345,069	(2.2)

Our total operating expenses decreased by \$3.8 million (↓0.8%) in the third quarter of 2023-2024 and by \$30.2 million (↓2.2%) on a year-to-date basis, with the main variances noted below.

Television, radio and digital services costs (Q3: ↓ 0.6%; YTD: ↓2.2%)

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

Third quarter - Our television, radio and digital services costs decreased by \$2.9 million (↓0.6%) compared to the same period last year. Both our programming costs and pension expenses were lower, consistent with our expectations.

These decreases were partly offset by additional programming costs for the coverage of news events, such as the Israel-Hamas war and the Manitoba Election, and increased operating costs from inflationary pressures.

Year-to-date - Our television, radio and digital services costs decreased by \$28.4 million (↓2.2%) compared to the same period last year due to the reasons noted above, as well as lower discretionary expenses. In addition, last year's programming costs were comparatively higher due to the shift of some season finales to accommodate the broadcast of the Beijing 2022 Olympic Games and additional expenses for the provincial elections held in October 2022.

Other operating expenses (Q3: ↓ 3.6%; YTD: ↓2.5%)

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 and Year-to-date - Other operating expenses were lower by \$0.9 million (↓3.6%) and by 1.7 million (↓2.5%), respectively, mainly due to lower finance costs.

Government funding

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

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

	Third quarter ended December 31			Year-to-date ended December 31		
	2023	2022	% change	2023	2022	% change
Parliamentary appropriations for operating expenditures	300,908	295,913	1.7	863,494	842,880	2.4
Parliamentary appropriations for working capital	1,001	1,001	-	3,001	3,001	-
Amortization of deferred capital funding	23,985	23,402	2.5	71,954	70,205	2.5
TOTAL	325,894	320,316	1.7	938,449	916,086	2.4

Third quarter and Year-to-date - Parliamentary appropriations for operating expenditures increased by \$5.0 million (↑1.7%) this quarter and by \$20.6 million (↑2.4%) on a year-to-date basis. Appropriations recognized in the first nine months of 2023-2024 were higher due to the timing of our expected needs between quarters.

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

Other gains and losses

	Third quarter ended December 31			Year-to-date ended December 31		
	2023	2022	% change	2023	2022	% change
Gain (loss) on disposal of property and equipment and intangibles	333	(1,011)	N/M	83	(1,130)	N/M
TOTAL	333	(1,011)	N/M	83	(1,130)	N/M

N/M = not meaningful

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



Total comprehensive income (loss)

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

	Third quarter ended December 31			Year-to-date ended December 31		
	2023	2022	% change	2023	2022	% change
Net results for the period	(24,975)	(33,167)	(24.7)	(9,161)	(42,067)	(78.2)
Other comprehensive income (loss)						
Remeasurements of defined benefit plans	222,493	148,977	49.3	(126,417)	183,397	N/M
Total comprehensive income (loss) for the period	197,518	115,810	70.6	(135,578)	141,330	N/M

N/M = not meaningful

Third quarter - Total comprehensive income recognized this quarter was \$197.5 million, compared to \$115.8 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 \$222.5 million was recognized this quarter on remeasurements of defined benefit plans. This was mostly due to a gain on plan assets of \$454.9 million resulting from a higher return on plan assets than estimated in our actuarial assumptions and a gain of \$548.9M for the effect of the asset ceiling on our funded pension plan asset. This was partly offset by an 101 basis-point decrease in the discount rate, which increased the defined benefit obligation by \$781.3 million.

Year-to-date - A loss of \$126.4 million was recognized on a year-to-date basis on remeasurements of defined benefit plans. This was mostly due to a 27 basis-point decrease in the discount rate, which increased the defined benefit obligation by \$225.2 million. In addition, we had a loss on plan assets of \$36.3 million resulting from a lower return on plan assets than estimated in our actuarial assumptions. This was partly offset by a gain of \$135.1M for the effect of the asset ceiling on our funded pension plan asset.

Capital Resources, Financial Condition and Liquidity

Revenue and Other Sources of Funds

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

Government funding: This quarter, operating funding was \$300.9 million, capital funding recognized in income was \$24.0 million and working capital was \$1.0 million.

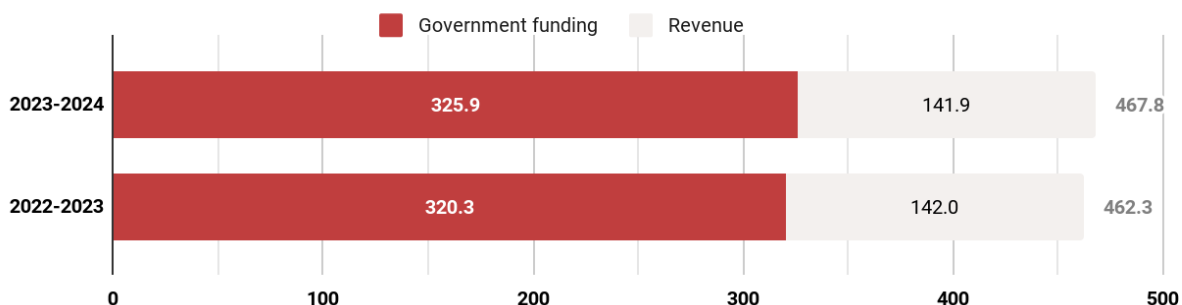
Advertising revenue: This includes ongoing sales of advertising on our conventional television channels, digital platforms and discretionary television services. Over the long-term, TV advertising revenue is decreasing as a proportion of our total source of funds, mainly as a result of the market’s shift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

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

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

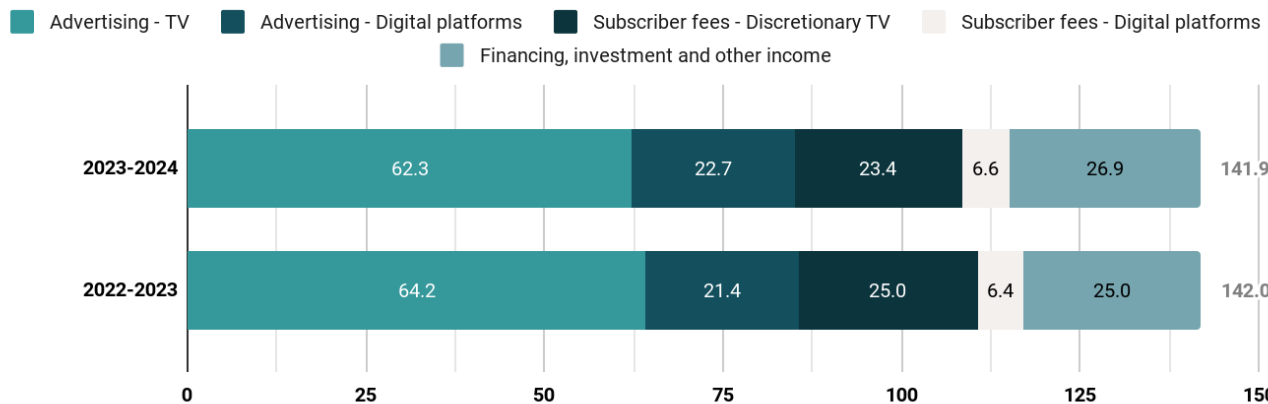
Sources of funding

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

Cash position

	Third quarter ended December 31			Year-to-date ended December 31		
	2023	2022	% change	2023	2022	% change
Cash – beginning of the period	68,107	112,558	(39.5)	108,808	82,960	31.2
Changes in the period						
Cash (used in) from operating activities	16,833	16,791	0.3	(58,864)	18,780	N/M
Cash (used in) from investing activities	7,115	12,761	(44.2)	77,261	79,948	(3.4)
Cash (used in) from financing activities	(28,782)	(28,944)	(0.6)	(63,932)	(68,522)	(6.7)
Net change	(4,834)	608	N/M	(45,535)	30,206	N/M
Cash – end of the period	63,273	113,166	(44.1)	63,273	113,166	(44.1)

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 from operating activities remained stable this quarter.

Year-to-date - Cash used in operating activities was \$58.9 million, an increase in cash used of \$77.6 million compared to the same period last year. Changes in cash (used in) from operating activities were mostly driven by a decrease in receipts of trade and other receivables since we collected most of the Beijing 2022 Olympic Games revenue in the first half of last year. This decrease was partly offset by a higher need to recognize parliamentary appropriations for operating expenditures.

Cash (used in) from investing activities

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

Third quarter - Cash from investing activities decreased by \$5.6 million during the third quarter of 2023-2024. This decrease was mostly due to higher property and equipment additions.

Year-to-date - Cash from investing activities decreased by \$2.7 million on a year-to-date basis. This decrease in cash inflows was mostly due to higher property and equipment additions. This was partly offset by higher interest received on marketable securities and by the fact that more Canada Mortgage Bonds matured during the same period and a large portion was not re-invested.

Cash (used in) from financing activities

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

Third quarter - Cash used in financing activities remained stable this quarter.

Year-to-date - Cash used in financing activities decreased by \$4.6 million compared to the same period last year mainly due to a final lease payment made in the first quarter of 2022-2023.

Risk Update

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

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

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

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

Financial pressures

We are facing financial pressures resulting from structural challenges affecting all of the media industry in Canada, such as rising production costs, declining television advertising revenue and fierce competition from the American digital giants.

In December, we announced potential job and programming cuts to be implemented in the ensuing 12 months to address anticipated financial pressures, should our financial situation not improve.

We are proactively planning for our financial pressures ahead of the 2024-2025 fiscal year by incorporating financial scenario analysis and monitoring industry trends and changes. This will help us secure our financial stability while allowing us to adapt to a rapidly changing media landscape.

Bill C-18 *Online News Act*

In December 2023, the federal government released the final regulations for the *Online News Act*. The aim of the new regime is to provide fair compensation for the use of news content on digital platforms operated by digital players such as Google and Meta. Under the new legislation, news organizations, including CBC/Radio-Canada, will be eligible to receive compensation.

During the quarter, the Government reached an agreement with Google to contribute to the news industry a sum of \$100 million annually, indexed to inflation. Up to 7% of these funds, or \$7 million, has been set aside for CBC/Radio-Canada.



MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these condensed interim consolidated quarterly 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 28, 2024



INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS

Q3 

THIRD QUARTER
**FINANCIAL
REPORT**

2023-2024

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

<i>(in thousands of Canadian dollars)</i>	NOTE	As at December 31 2023	As at March 31 2023
ASSETS			
Current			
Cash		63,273	108,808
Restricted cash		-	1,954
Bonds		45,271	74,476
Trade and other receivables	4	154,815	138,554
Income tax receivable		-	87
Programming	6	397,392	291,947
Prepaid expenses		43,493	45,372
Other assets	5	13,434	12,926
		717,678	674,124
Non-current			
Property and equipment	7	741,415	748,256
Intangible assets	8	35,640	37,315
Right-of-use (ROU) assets	9	293,710	307,968
Programming	6	25,901	51,874
Bonds		-	10,280
Pension plan asset	11	1,175,194	1,318,529
Deferred charges		28,728	34,034
Other assets	5	25,683	32,853
		2,326,271	2,541,109
TOTAL ASSETS		3,043,949	3,215,233
LIABILITIES			
Current			
Accounts payable and accrued liabilities		71,358	119,024
Financial obligations		37,300	38,230
Deferred income and other liabilities		17,538	12,628
Lease liabilities	12	18,663	18,047
Employee-related liabilities		194,734	206,010
Provisions	10	15,072	18,076
Deferred operating vote drawdown	14	64,505	-
		419,170	412,015
Non-current			
Financial obligations		100,759	136,592
Deferred income and other liabilities		8,702	17,923
Lease liabilities	12	278,284	290,625
Deferred capital funding	14	540,386	528,340
Pension and post-employment benefits plans	11	205,503	203,015
		1,133,634	1,176,495
TOTAL LIABILITIES		1,552,804	1,588,510
EQUITY			
Retained earnings		1,490,264	1,625,836
Total equity attributable to the Corporation		1,490,264	1,625,836
Non-controlling interests		881	887
TOTAL EQUITY		1,491,145	1,626,723
TOTAL LIABILITIES AND EQUITY		3,043,949	3,215,233

Commitments (Note 18)

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

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

<i>(in thousands of Canadian dollars)</i>	NOTE	For the three months ended		For the nine months ended	
		2023	2022*	2023	2022*
REVENUE	13				
Advertising		85,026	85,667	199,470	214,115
Subscriber fees		30,006	31,347	90,579	91,801
Other income*		26,823	24,975	77,165	79,718
		141,855	141,989	367,214	385,634
GOVERNMENT FUNDING	14				
Parliamentary appropriation for operating expenditures		300,908	295,913	863,494	842,880
Parliamentary appropriation for working capital		1,001	1,001	3,001	3,001
Amortization of deferred capital funding		23,985	23,402	71,954	70,205
		325,894	320,316	938,449	916,086
EXPENSES					
Television, radio and digital services costs		469,806	472,755	1,247,248	1,275,677
Transmission, distribution and collection costs		15,879	15,901	45,207	44,572
Corporate management costs		2,850	2,912	7,980	8,397
Finance costs		4,522	5,305	14,472	16,423
		493,057	496,873	1,314,907	1,345,069
Results before other gains and (losses) and income taxes		(25,308)	(34,568)	(9,244)	(43,349)
OTHER GAINS AND (LOSSES)					
Gain (loss) on disposal of property and equipment and intangibles		333	(1,011)	83	(1,130)
Results before income taxes		(24,975)	(35,579)	(9,161)	(44,479)
Income tax recovery		-	2,412	-	2,412
Net results for the period		(24,975)	(33,167)	(9,161)	(42,067)
Net results attributable to:					
The Corporation		(24,984)	(33,204)	(9,155)	(42,088)
Non-controlling interests		9	37	(6)	21
		(24,975)	(33,167)	(9,161)	(42,067)

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

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

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	
		2023	2022	2023	2022
COMPREHENSIVE INCOME (LOSS)					
Net results for the period		(24,975)	(33,167)	(9,161)	(42,067)
Other comprehensive income (loss) - not subsequently reclassified to net results					
Remeasurements of defined benefit plans	11	222,493	148,977	(126,417)	183,397
Total comprehensive income (loss) for the period		197,518	115,810	(135,578)	141,330
Total comprehensive income (loss) attributable to:					
The Corporation		197,509	115,773	(135,572)	141,309
Non-controlling interests		9	37	(6)	21
		197,518	115,810	(135,578)	141,330

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, 2023		1,292,755	872	1,293,627
Changes during the period				
Net results for the period		(24,984)	9	(24,975)
Remeasurements of defined benefit plans	11	222,493	-	222,493
Total comprehensive income (loss) for the period		197,509	9	197,518
Balance as at December 31, 2023		1,490,264	881	1,491,145

<i>(in thousands of Canadian dollars)</i>		Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at September 30, 2022		2,016,094	819	2,016,913
Changes during the period				
Net results for the period		(33,204)	37	(33,167)
Remeasurements of defined benefit plans	11	148,977	-	148,977
Total comprehensive income (loss) for the period		115,773	37	115,810
Balance as at December 31, 2022		2,131,867	856	2,132,723

<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, 2023		1,625,836	887	1,626,723
Changes during the period				
Net results for the period		(9,155)	(6)	(9,161)
Remeasurements of defined benefit plans	11	(126,417)	-	(126,417)
Total comprehensive income (loss) for the period		(135,572)	(6)	(135,578)
Balance as at December 31, 2023		1,490,264	881	1,491,145

<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, 2022		1,990,558	835	1,991,393
Changes during the period				
Net results for the period		(42,088)	21	(42,067)
Remeasurements of defined benefit plans	11	183,397	-	183,397
Total comprehensive income (loss) for the period		141,309	21	141,330
Balance as at December 31, 2022		2,131,867	856	2,132,723

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		For the nine months ended	
		December 31 2023	December 31 2022*	December 31 2023	December 31 2022*
CASH FLOWS FROM (USED IN)					
OPERATING ACTIVITIES					
Net results for the period		(24,975)	(33,167)	(9,161)	(42,067)
Adjustments for:					
Depreciation and amortization	7,8,9	27,239	29,039	81,716	87,393
Financing and investment income	13	(3,308)	(2,671)	(9,704)	(6,247)
Finance costs		4,522	5,305	14,472	16,423
Pension and other post-employment plans expenses	11	14,967	15,346	32,582	45,506
Employer's contribution for Pension and other post-employment plans	11	(4,392)	(5,046)	(13,176)	(21,442)
Net change in programming asset [non-current]	6	2,122	3,541	26,176	(5,127)
Amortization of deferred capital funding	14	(23,985)	(23,402)	(71,954)	(70,205)
Change in deferred appropriations for operating expenditures		13,591	3,586	64,505	25,119
(Gain) loss on disposal of property and equipment and intangibles		(333)	1,011	(83)	1,130
Net (gain) loss from the change in fair value of financial instruments		212	891	212	(708)
Change in deferred charges		1,318	1,062	5,306	(791)
Change in deferred income and other liabilities [non-current]		(1,960)	(1,187)	(9,424)	(5,709)
Amortization of bond premium		(304)	149	(663)	624
Net change in non-cash working capital	15	12,119	22,334	(169,668)	(5,119)
		16,833	16,791	(58,864)	18,780
INVESTING ACTIVITIES					
Acquisition of property and equipment and intangible assets	7,8	(27,833)	(20,758)	(62,275)	(44,373)
Parliamentary appropriations for capital funding	14	29,501	29,500	84,000	83,999
Acquisition of bonds		(11,143)	(30,365)	(34,543)	(30,885)
Acquisition of other assets*		(24)	(9)	(72)	(28)
Collection of bonds		(63,308)	(29,785)	-	-
Collection of other assets*		76,920	61,836	81,263	65,884
Net proceeds from disposal of property and equipment	7	513	108	621	206
Interest received		2,489	2,234	8,267	5,145
		7,115	12,761	77,261	79,948
FINANCING ACTIVITIES					
Payment of lease liabilities	12	(4,374)	(4,496)	(12,900)	(17,390)
Repayment of financial obligations		(17,057)	(15,965)	(33,559)	(31,412)
Interest paid		(7,351)	(8,483)	(17,473)	(19,720)
		(28,782)	(28,944)	(63,932)	(68,522)
Change in cash		(4,834)	608	(45,535)	30,206
Cash, beginning of the period		68,107	112,558	108,808	82,960
Cash, end of the period		63,273	113,166	63,273	113,166

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2023 (UNAUDITED)

BUSINESS AND ENVIRONMENT

This Section sets out the basis of preparation of these condensed interim financial statements when compared to the Corporation's latest complete set of audited annual financial statements for the year ended March 31, 2023. This section also shows new and future changes in policies, if any, and whether they are effective in 2023 or later years. We explain how these changes are expected to impact the financial position and performance of the Corporation.

1. GENERAL INFORMATION

CBC/Radio-Canada ("the Corporation", "We", "Us", "Our") was first established by the 1936 *Broadcasting Act*. The Corporation, a Federal Crown Corporation domiciled in Canada, is an agent of His Majesty and all assets and liabilities are those of the Government. Our registered office is located at 181 Queen Street, Ottawa ON K1P 1K9. The Corporation is accountable to Parliament through the Minister of Canadian Heritage and in accordance with section 85(1.1) of the *Financial Administration Act*, the Corporation is exempt from certain sections of this Act¹.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Compliance

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

These condensed interim consolidated financial statements have not been audited or reviewed by the Corporation's external auditor. The Board of Directors has authorized them for issuance on February 28, 2024.

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

B. Basis of Preparation

Basis of Presentation

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

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

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

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those disclosed in the Corporation’s 2022-2023 audited annual financial statements.

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

Changes in presentation

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

Seasonality

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

Key Sources of Estimation Uncertainty and Critical Judgments

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

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

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

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

B. Future Accounting Changes

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

ASSETS AND LIABILITIES

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

4. TRADE AND OTHER RECEIVABLES

	December 31, 2023	March 31, 2023
Trade receivables	142,063	127,838
Provision for expected credit losses	(222)	(476)
Other receivables	12,974	11,192
Total	154,815	138,554

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

5. OTHER ASSETS

	December 31, 2023	March 31, 2023
Investment in Finance Lease	18,278	21,785
Promissory Notes Receivable	16,887	20,088
Marketable securities	3,924	3,852
Assets classified as held for sale	28	54
Total	39,117	45,779
Current	13,434	12,926
Non-current	25,683	32,853

6. PROGRAMMING

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

A. Programming by Category

	December 31, 2023	March 31, 2023
Completed programs	171,558	167,468
Programs in process of production	151,172	91,601
Broadcast rights available for broadcast within the next twelve months	74,662	32,878
Total current programming	397,392	291,947
Broadcast rights not available for broadcast within the next twelve months	25,901	51,874
Total programming	423,293	343,821

B. Movement in Programming

	December 31, 2023	March 31, 2023
Opening balance	343,821	348,589
Additions	918,870	1,170,061
Programs broadcast	(839,398)	(1,174,829)
Balance, end of period	423,293	343,821

7. PROPERTY AND EQUIPMENT

Cost and Accumulated Depreciation

	Land	Buildings improvements	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2023	107,830	469,668	195,031	809,086	162,846	48,166	1,792,627
Additions	-	102	15	11,709	6,180	32,182	50,188
Transfers (refer to Note 8)	-	1,974	2,115	12,679	9,797	(24,828)	1,737
Disposals and write-offs	-	(1,241)	-	(17,824)	(3,194)	(5)	(22,264)
Cost as at December 31, 2023	107,830	470,503	197,161	815,650	175,629	55,515	1,822,288
Accumulated depreciation as at							
March 31, 2023	-	(301,043)	(67,418)	(573,874)	(102,036)	-	(1,044,371)
Depreciation expense	-	(8,053)	(7,373)	(30,570)	(12,216)	-	(58,212)
Disposals and write-offs	-	1,228	-	17,325	3,157	-	21,710
Accumulated depreciation as at December 31, 2023	-	(307,868)	(74,791)	(587,119)	(111,095)	-	(1,080,873)
Net carrying amount as at December 31, 2023	107,830	162,635	122,370	228,531	64,534	55,515	741,415

The contractual commitments for the acquisition of property and equipment were \$12.8 million as at December 31, 2023 (March 31, 2023 - \$13.7 million).

8. INTANGIBLE ASSETS

Cost and Accumulated Depreciation

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2023	121,960	78,939	6,033	206,932
Additions	-	1,219	6,632	7,851
Transfers (refer to Note 7)	2,839	2,185	(6,761)	(1,737)
Disposals and write-offs	-	(24)	-	(24)
Cost as at December 31, 2023	124,799	82,319	5,904	213,022
Accumulated amortization as at March 31, 2023	(119,977)	(49,640)	-	(169,617)
Amortization expense	(1,653)	(6,178)	-	(7,831)
Disposals and write-offs	-	66	-	66
Accumulated amortization as at December 31, 2023	(121,630)	(55,752)	-	(177,382)
Net carrying amount as at December 31, 2023	3,169	26,567	5,904	35,640

The contractual commitments for the acquisition of intangible assets were nil as at December 31, 2023 (March 31, 2023 - nil).

9. RIGHT-OF-USE (ROU) ASSETS

ROU assets consist primarily of real estate leases for the rental of office space and technical equipment to carry out our transmission activities. The lease of office space typically runs for periods between 2 and 37 years, and lease of technical equipment (including transmission assets) for 5 to 50 years.

As at December 31, 2023	Land	Buildings	Technical equipment	Total
Net carrying amount for the period	2,285	279,034	12,391	293,710
Depreciation charge for the period	308	12,333	3,032	15,673

Additions to the ROU assets during the nine months ended December 31, 2023 were \$1.9 million (March 31, 2023 - \$9.1 million).

10. PROVISIONS

As at December 31, 2023	Claims and Legal Proceedings	Other	Total
Opening balance	17,879	197	18,076
Additional provisions recognized	5,769	453	6,222
Provisions utilized	(766)	-	(766)
Reductions resulting from remeasurement or settlement without cost	(8,382)	(78)	(8,460)
Balance, end of period	14,500	572	15,072

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

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

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

11. PENSION AND OTHER POST-EMPLOYMENT BENEFITS PLANS

A. Pension Plans Asset/Liabilities

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

	Funded pension plan	Unfunded pension plans	Other post-employment plans	Total	Funded pension plan	Unfunded pension plans	Other post-employment plans	Total
	December 31, 2023				March 31, 2023			
Fair value of plan assets	7,929,434	-	-	-	7,886,865	-	-	-
Defined benefit obligation	6,438,859	116,223	89,280	205,503	6,138,805	111,993	91,022	203,015
Pension plan surplus (liability)	1,490,575	(116,223)	(89,280)	(205,503)	1,748,060	(111,993)	(91,022)	(203,015)
Effect of the asset ceiling	(315,381)	-	-	-	(429,531)	-	-	-
Net asset (liability) arising from defined benefit obligation	1,175,194	(116,223)	(89,280)	(205,503)	1,318,529	(111,993)	(91,022)	(203,015)

B. Significant Actuarial Assumptions

As disclosed in Note 13 *Pension Plans and Employee-Related Liabilities* of the Corporation's 2022-2023 audited annual financial statements, the Corporation reviews its actuarial assumptions at each reporting period to ensure that the net defined benefit asset (liability) recognized in the financial statements is updated for significant changes arising from non-recurring events. The impact on the net defined benefit asset (liability) arising from any such changes in assumptions is recognized in other comprehensive income as a remeasurement for the period.

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

Assumptions – annual rates	December 31, 2023	March 31, 2023
Assumptions for the calculation of pension benefit costs:		
Discount rate	4.83%	4.00%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	4.63%	4.90%
Discount rate - long service gratuity	4.59%	4.77%
Discount rate - LTD benefit	4.59%	4.77%
Discount rate - life insurance	4.63%	4.84%

C. Pension and Other Post-Employment Plans Expenses

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

	For the three months ended December 31			
	Pension plans		Other post-employment plans	
	2023	2022	2023	2022
Current service cost	20,131	26,033	1,021	1,062
Net interest cost (income)	(9,129)	(14,502)	889	813
Other expenses (income)	1,375	2,000	680	(60)
Expense recognized in net income	12,377	13,531	2,590	1,815
Net actuarial (gains)/losses arising from changes in financial assumptions	779,951	(79,912)	4,003	(288)
Net actuarial (gains)/losses arising from experience adjustments	(2,696)	(2,166)	-	-
Variation of the effect of the asset ceiling	(548,890)	-	-	-
Return on plan assets, excluding amounts included in net interest expense	(454,861)	(66,611)	-	-
Net remeasurements recognized in other comprehensive income (loss)	(226,496)	(148,689)	4,003	(288)
Employer contributions	1,622	1,558	2,770	3,488
Employee contributions	13,007	13,891	-	-
Total contributions	14,629	15,449	2,770	3,488

	For the nine months ended December 31			
	Pension plans		Other post-employment plans	
	2023	2022	2023	2022
Current service cost	60,393	78,099	3,063	3,186
Net interest cost (income)	(37,781)	(43,506)	2,667	2,439
Other expenses (fees and remeasurements)	4,125	6,000	115	(712)
Expense recognized in net results	26,737	40,593	5,845	4,913
Net actuarial (gains)/losses arising from changes in financial assumptions	227,134	(921,050)	723	(5,707)
Net actuarial losses arising from experience adjustments	(2,604)	(144)	-	-
Variation of the effect of the asset ceiling	(135,132)	-	-	-
Return on plan assets, excluding amounts included in net interest expense	36,296	743,504	-	-
Net remeasurements recognized in other comprehensive income (loss)	125,694	(177,690)	723	(5,707)
Employer contributions	4,866	10,978	8,310	10,464
Employee contributions	43,089	45,355	-	-
Total contributions	47,955	56,333	8,310	10,464

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

Retained earnings include \$1,827.3 million of cumulative actuarial gains as at December 31, 2023 (\$1,953.7 million - March 31, 2023).

12. LEASE LIABILITIES

	December 31, 2023	March 31, 2023
Land	2,229	2,125
Buildings	281,554	290,791
Technical equipment	13,164	15,756
Total	296,947	308,672
Current	18,663	18,047
Non-current	278,284	290,625
Total	296,947	308,672

Maturity Analysis

	December 31, 2023	March 31, 2023
Contractual undiscounted cash flows		
Less than one year	26,262	25,787
One to five years	90,410	90,834
More than five years	287,205	297,479
Total undiscounted lease liabilities	403,877	414,100

Amounts recognized in our Condensed Interim Consolidated Statement of Cash Flows

	For the three months ended		For the nine months ended	
	December 31		December 31	
	2023	2022	2023	2022
Total cash outflow for leases	6,525	6,688	19,419	24,010
Interest expense related to lease liabilities and presented as Finance costs	2,152	2,192	6,520	6,620

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

INCOME, EXPENSES AND CASH FLOWS

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

13. REVENUE

	For the three months ended December 31		For the nine months ended December 31	
	2023	2022*	2023	2022*
Advertising				
TV advertising ¹	62,279	64,245	142,942	159,960
Digital advertising	22,747	21,422	56,528	54,155
Total advertising	85,026	85,667	199,470	214,115
Subscriber fees	30,006	31,347	90,579	91,801
Other income				
Production revenue ²	4,962	4,593	17,754	17,708
Program licence sales	5,376	5,750	16,208	18,305
Canadian retransmission rights	1,050	1,050	3,150	3,150
Other services*	2,605	2,097	4,739	8,793
Total revenue from contracts with customers	129,025	130,504	331,900	353,872
Other income				
Leasing income	8,154	7,751	24,113	23,178
Financing and investment income	3,308	2,671	9,704	6,247
Other retransmission rights	1,175	1,623	1,175	1,623
Net gains (losses) on foreign exchange and change in fair value of financial instruments*	193	(560)	322	714
Revenue outside the scope of IFRS 15 - Revenue from Contracts with Customers	12,830	11,485	35,314	31,762
Total Revenue	141,855	141,989	367,214	385,634

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

¹ For the three and nine months ended December 31, 2023, TV advertising included revenue from exchange of services of \$0.3 million (\$0.3 million - 2022) and \$0.9 million (\$1.1 million - 2022) respectively.

² For the three and nine months ended December 31, 2023, Production revenue included revenue from exchange of services of \$2.5 million (\$2.0 million - 2022) and \$9.5 million (\$8.7 million - 2022) respectively.

Advertising Revenue

	For the three months ended December 31		For the nine months ended December 31	
	2023	2022	2023	2022
Advertising revenue				
English services	40,394	39,575	96,736	101,791
French services	44,632	46,092	102,734	112,324
Total	85,026	85,667	199,470	214,115

Subscriber Revenue

	For the three months ended December 31		For the nine months ended December 31	
	2023	2022	2023	2022
Subscriber revenue				
English services	14,777	15,712	45,131	45,980
French services	15,229	15,635	45,448	45,821
Total	30,006	31,347	90,579	91,801

Contract Balances with customers

Contract assets with customers are presented under "Trade and Other Receivables" in our Condensed Interim Consolidated Statement of Financial Position. Trade and Other Receivables include \$21.6 million of contract assets as at December 31, 2023 (March 31, 2023 – \$17.9 million). There was no impairment loss on contract assets for the period considered.

Contract liabilities with customers are presented as current liabilities under "Deferred Revenue and other liabilities" in our Condensed Interim Consolidated Statement of Financial Position. Deferred Revenue includes \$4.7 million of contract liabilities as at December 31, 2023 (March 31, 2023 - \$3.2 million).

14. GOVERNMENT FUNDING

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

A. Government funding received

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

	For the three months ended December 31		For the nine months ended December 31	
	2023	2022	2023	2022
Operating funding	314,499	299,499	927,999	867,999
Capital funding	29,501	29,500	84,000	83,999
Working capital funding	1,001	1,001	3,001	3,001
Balance, end of period	345,001	330,000	1,015,000	954,999

B. Deferred operating vote drawdown

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

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

	December 31, 2023	March 31, 2023
Operating funding received during the period	927,999	1,174,971
Less: Parliamentary appropriation for operating expenditures recognized in the condensed interim consolidated statement of income (loss) for:		
the three months ended June 30	(256,550)	(264,157)
the three months ended September 30	(306,036)	(282,810)
the three months ended December 31	(300,908)	(295,913)
the three months ended March 31	-	(332,091)
Balance, end of period	64,505	-

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, 2023	March 31, 2023
Opening balance	528,340	512,889
Government funding for capital expenditures	84,000	108,326
Amortization of deferred capital funding for:		
the three months ended June 30	(23,985)	(23,402)
the three months ended September 30	(23,984)	(23,401)
the three months ended December 31	(23,985)	(23,402)
the three months ended March 31	-	(22,670)
Balance, end of period	540,386	528,340

15. MOVEMENTS IN WORKING CAPITAL

	For the three months ended		For the nine months ended	
	December 31		December 31	
	2023	2022	2023	2022
Changes in Working Capital are comprised of:				
Trade and other receivables	(34,299)	7,955	(14,897)	111,955
Programming asset	33,372	30,129	(105,445)	(53,879)
Prepaid expenses	3,201	1,983	1,681	119
Accounts payable and accrued liabilities	4,950	1,810	(43,337)	(21,490)
Provisions	(2,139)	(1,003)	(3,004)	(7,963)
Employee-related liabilities	5,173	(15,895)	(11,276)	(27,319)
Deferred income and other liabilities	(93)	(2,645)	4,656	(4,588)
Restricted Cash	1,954	-	1,954	(1,954)
Total	12,119	22,334	(169,668)	(5,119)

OTHER

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

16. FINANCIAL INSTRUMENTS

A. Fair Value

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

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

	December 31, 2023		March 31, 2023		Fair Value Level ¹
	Carrying values	Fair values	Carrying values	Fair values	
Financial instruments measured at fair value through profit and loss on a recurring basis:					
Cash	63,273	63,273	108,808	108,808	Level 1
Restricted cash	-	-	1,954	1,954	Level 1
Marketable securities	3,924	3,924	3,852	3,852	Level 2
Financial assets	67,197	67,197	114,614	114,614	
Derivative financial instruments	212	212	-	-	Level 2
Financial liabilities	212	212	-	-	
Financial instruments measured at amortized cost:					
Current					
Bonds	45,271	45,129	74,476	74,533	Level 2
Promissory notes receivable	4,536	4,536	4,306	4,306	Level 2
Investment in finance lease	4,946	4,946	4,714	4,714	Level 2
Trade and other receivables	154,815	154,815	138,554	138,554	Level 2
Other assets	28	28	54	54	Level 2
Non-current					
Bonds	-	-	10,280	10,170	Level 2
Promissory notes receivable	12,351	12,610	15,782	16,279	Level 2
Investment in finance lease	13,332	15,553	17,071	19,484	Level 2
Financial assets	235,279	237,617	265,237	268,094	
Current					
Accounts payable and accrued liabilities	71,358	71,358	119,024	119,024	Level 2
Financial obligations	37,300	37,300	38,230	38,230	Level 2
Non-current					
Financial obligations	100,759	105,437	136,592	145,772	Level 2
Financial liabilities	209,417	214,095	293,846	303,026	

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

There have been no transfers between levels during the three and nine months ended December 31, 2023.

B. Credit Risk

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

Trade and other receivables

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

Trade and other receivables over 30 days	December 31 , 2023	March 31, 2023
31 - 60 days	26,046	23,381
61 - 90 days	22,220	16,863
Over 90 days	17,149	15,967
Total	65,415	56,211

17. RELATED PARTIES

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

In addition, cash payments for our contributions to the defined benefit plans are disclosed in Note 11.C *Pension Plans and Employee-Related Liabilities*.

A. Transactions with Related Parties Excluding Government-Related Entities

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

There were no significant amounts owing to related parties at December 31, 2023 (not significant - March 31, 2023) and no expense was recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

B. Transactions with Government-Related Entities

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

Canada Mortgage Bonds

As of December 31, 2023, \$45.3 million was invested in Canada Mortgage Bonds (CMB) during the year (\$84.8 million - March 31, 2023). CMBs are issued by Canada Housing Trust (CHT), a special purpose trust guaranteed by Canada Mortgage and Housing Corporation (CMHC), another Crown Corporation, and backed by the Government of Canada.

18. COMMITMENTS

Commitments are discussed in Note 23 *Commitments* of the Corporation's 2022-2023 audited annual financial statements. Commitments for the purchase of property and equipment and intangible assets this quarter are disclosed within Note 7 *Property and Equipment* and Note 8 *Intangible assets* of this report.