TELEFILM
CANADA

Quarterly Financial Report

Period ended
June 30, 2026

1st quarter of
fiscal 2026-2027

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1. TELEFILM

Telefilm Canada is a Crown corporation whose mission is to invest in the Canadian and Indigenous audiovisual industry to make it shine brightly on every screen.

As the largest investor in Canadian cinema, Telefilm supports the economic power and cultural impact of the audiovisual sector in collaboration with industry players. We aim to showcase our national identity for all Canadians and the world through screen content that reflects the diverse voices and communities of the country.

Our vision

An audiovisual industry that drives prosperity and creates lasting impact, thanks to Canadian and Indigenous cinema that embodies its aspirations and reflects the cultural, linguistic and regional diversity, for audiences at home and abroad.

Our work

Telefilm plays a leading role in Canada's audiovisual industry by supporting the full lifecycle of a film through targeted investments and initiatives. In 2024, as part of its three-year strategic plan and following consultations with industry stakeholders, Telefilm reviewed its programs to strengthen the coherence of its interventions and adopt a more audience-focused approach. The updated continuum that emerged from this review further aligns our programs and reflects a more integrated management of our investments to maximize their impact across the Canadian audiovisual ecosystem.

Our role

Telefilm plays a leading role in supporting the economic prosperity of the audiovisual industry.

There are four parts to our role:
• Invest in Canadian and Indigenous feature films;
• Promote and support Canadian content at home and abroad and carry out Canada's international mandate in audiovisual matters;
• Evaluate and recommend projects to the Department of Canadian Heritage for audiovisual treaty coproductions with international partners;
• Administer the Canada Media Fund's funding programs.

Headquartered in Montréal, we serve our partners across the country through four locations: Vancouver, Toronto, Montréal and Halifax.

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2. IMPORTANT CHANGES

Programs

The Promotion Program was replaced by two new programs: the Career Development Initiatives Program and the Industry Initiatives Program. Changes were also made to the guiding principles of the Development Program and the Marketing Program. Please visit our website for more information on these changes.

Activities

Telefilm continued to advance its organizational priorities through the launch of its 2026-2031 EDIA Plan and the introduction of a new Strategic Orientation Framework.

Telefilm also continued its efforts to promote Canadian content through the MADE | NOUS campaign, whose Stories of Being NOUS initiative was recognized at the Rockie Awards.

Telefilm also ensured a strong international presence for the Canadian industry at the Cannes Film Festival and Marché du Film, as well as at the Annecy International Animation Film Festival and Market.

For more information on Telefilm’s activities during the quarter, please visit the Newsroom section of our website.

Personnel

There were no significant changes relating to personnel during the quarter.

3. ANALYSIS OF OPERATIONS

Table – Summary of Operations

In thousands of Canadian dollars	Budget Period	**2026-2027**	2025-2026	Variance Budget ($)	Variance Prior Year ($)
Assistance expenses	11,514	11,530	3,347	(16)	8,183
Operating and administrative expenses	10,566	10,012	9,592	554	420
Revenues	3,201	3,369	3,438	168	(69)
Net cost of operations before government funding	18,879	18,173	9,501	706	8,672
Parliamentary appropriation	19,246	18,211	12,400	(1,035)	5,811
Surplus for the year	367	38	2,899	(329)	(2,861)

Explanation

First-quarter results are broadly in line with expectations.

As at June 30, 2026, the net cost of operations before government funding amounted to $18.2M, representing a favourable variance of $0.7M compared to the budget of $18.9M.

Assistance expenses totalled $11.5M, in line with budget. These expenses increased by $8.2M compared with the same period of the previous fiscal year. The increase is mainly attributable to higher expenses under the Production Programs resulting from a few major film projects, as well as lower expenses in the comparative period due to contract amendments.

Parliamentary appropriation usage increased compared with the previous fiscal year, primarily due to higher payments made against the financial assistance programs obligations, particularly under the Production Programs. The surplus for the period amounted to $0.04M. The Corporation's financial position remains solid with net assets of $47.5M as presented in Section 4, Analysis of Financial Position.

4. ANALYSIS OF FINANCIAL POSITION

Table – Summary of Financial Position

In thousands of Canadian dollars	**June 30, 2026**	March 31, 2026	Variance $
Financial assets	97,292	97,523	(231)
Non-financial assets	9,958	12,710	(2,752)
Total assets	107,250	110,233	(2,983)
Financial liabilities	54,591	58,073	(3,482)
Non-financial liability	5,159	4,698	461
Total liabilities	59,750	62,771	(3,021)
NET ASSETS	47,500	47,462	38

Explanation

As at June 30, 2026, the Corporation's net assets amounted to $47,5M, an increase of $0.04M compared with March 31, 2026. The increase reflects the surplus generated during the first quarter.

Financial assets totalled $97.3 million and remained relatively stable compared with the end of the previous fiscal year. They represent 91% of total assets. Non-financial assets decreased by $2.8M to $10.0M, primarily due to the recognition of prepaid expenses in the statement of operations.

Liabilities totalled $59.8M, consisting primarily of financial liabilities of $54.6M which decreased by $3.5M since March 31, 2026. This decrease is mainly attributable to payments made against the financial assistance programs obligations.

Overall, the Corporation’s financial position remains strong, its net financial assets stand at $42.7M demonstrating the Corporation’s financial sustainability.

5. ANALYSIS OF CASH FLOW

Table – Summary of Cash Flow

In thousands of Canadian dollars	**June 30, 2026**
Due from Consolidated Revenue Fund and cash, beginning of year	93,031
Net Due from Consolidated Revenue Fund and cash provided by operating and capital activities	2,595
Due from Consolidated Revenue Fund and cash, end of the period	95,626

Explanation

As at June 30, 2026, the Due from the Consolidated Revenue Fund and cash amounted to $95.6M an increase of $2.6M since March 31, 2026. This variation reflects cash flows provided by operating activities, primarily generated by the receipts from accounts receivable, partially offset by payments related to accounts payable.

The Due from the Consolidated Revenue Fund remains the Corporation’s primary source of liquidity and stands at $95.2M as at June 30, 2026.

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6. REPORTING ON USE OF APPROPRIATIONS

Table – Use of parliamentary appropriation

In thousands of Canadian dollars	**June 30, 2026**	**June 30, 2025**
Use of parliamentary appropriation	18,211	12,400

Table – Authorized parliamentary appropriation and reconciliation

In thousands of Canadian dollars	**June 30, 2026**	**June 30, 2025**
Authorized parliamentary appropriation		
Main Estimates	111,632	162,956
Supplementary Estimates	50,000	-
Total authorized parliamentary appropriation as at June 30	161,632	162,956
Use of parliamentary appropriation as at June 30	18,211	12,400
Parliamentary appropriation planned for subsequent quarters	143,421	150,556

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7. QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2026

Statement of Management Responsibility

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the *Treasury Board of Canada*'s *Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports*, and for such internal controls as management determines is necessary to enable the preparation of quarterly 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 quarterly financial statements.

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

Julie Roy
Executive Director & CEO

Patrick Bédard, CPA, MBA
Vice President, Finance and Procurement

Montréal, Canada
August 28, 2026

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Statement of Operations and Changes in Net Assets

For the three-month period ended

In thousands of Canadian dollars	Schedule	June 30, Budget	June 30, 2026	June 30, 2025
Assistance expenses				
Development of the Canadian audiovisual industry				
Production Programs		6,900	7,124	(1,944)
Coproductions – Administration of recommendations		103	103	105
Development Program		-	(38)	(45)
		7,003	7,189	(1,884)
Promotional support in Canada and abroad				
National Programs for Audiences – Marketing • Distribution • Festivals • Initiatives		2,550	2,600	3,629
International – Promotion Programs • Canada Pavilions and Activities		1,810	1,668	1,460
National Promotion of the Audiovisual Sector • Industry Intelligence		151	73	142
		4,511	4,341	5,231
		11,514	11,530	3,347
Operating and administrative expenses	A	10,566	10,012	9,592
Cost of operations		22,080	21,542	12,939
Revenues				
Management fees from the Canada Media Fund		2,591	2,663	2,648
Investment revenues and recoveries		500	518	574
Other revenues		110	188	216
		3,201	3,369	3,438
Net cost of operations before government funding		18,879	18,173	9,501
Government funding				
Parliamentary appropriation		19,246	18,211	12,400
Surplus for the year		367	38	2,899
Accumulated surplus, beginning of period		47,462	47,462	45,576
Accumulated surplus, end of period		47,829	47,500	48,475
Total net assets			47,500	48,475

The accompanying notes and the schedule are an integral part of these financial statements.

TELEFILM CANADA

Statement of Financial Position

In thousands of Canadian dollars	**June 30, 2026**	**March 31, 2026**
ASSETS		
Financial assets		
Due from Consolidated Revenue Fund	95,215	92,735
Accounts receivable	1,555	4,453
Cash – Talent Fund	411	253
Receivable from the Canada Media Fund	111	39
Cash – Harold Greenberg Fund	-	43
	97,292	97,523
Non-financial assets		
Tangible capital assets	8,498	8,856
Prepaid expenses	959	3,348
Other deferred assets	501	506
	9,958	12,710
Total assets	107,250	110,233
LIABILITIES		
Financial liabilities		
Financial assistance program obligations	50,528	52,939
Accounts payable and accrued liabilities	2,961	3,981
Liabilities for employee future benefits	849	900
Deferred revenue – Talent Fund	253	253
	54,591	58,073
Non-financial liability		
Deferred lease inducements	5,159	4,698
	5,159	4,698
Total liabilities	59,750	62,771
NET ASSETS	47,500	47,462
Net assets component:		
Accumulated surplus	47,500	47,462
Total net assets	47,500	47,462

The accompanying notes and the schedule are an integral part of these financial statements.

Statement of Net Financial Assets

In thousands of Canadian dollars	**June 30, 2026**	**March 31, 2026**
Financial assets	97,292	97,523
Less: Financial liabilities	54,591	58,073
Net financial assets	42,701	39,450

The accompanying notes and the schedule are an integral part of these financial statements.

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Statement of Cash Flow

For the three-month period ended

In thousands of Canadian dollars	**June 30, 2026**	**June 30, 2025**
Due from Consolidated Revenue Fund and cash, beginning of year	93,031	86,570
Operating activities		
Surplus	38	2,899
Items not affecting cash:		
Decrease in liabilities for employee future benefits	(51)	(13)
Amortization of tangible capital assets	391	294
	378	3,180
Changes in assets and liabilities:		
Decrease in accounts receivable	2,898	2,592
Decrease (increase) in receivable from the Canada Media Fund	(72)	794
Increase (decrease) in accounts payable and accrued liabilities	(1,020)	404
Decrease of financial assistance program obligations	(2,411)	(5,551)
Increase of deferred lease inducements	461	-
Decrease of other deferred assets	5	-
Decrease in prepaid expenses	2,389	2,439
Cash flows provided by operating activities	2,628	3,858
Capital activities		
Cash outflows to acquire tangible capital assets	(33)	-
Cash flows applied to capital activities	(33)	-
Net Due from Consolidated Revenue Fund and cash provided by operating and capital activities	2,595	3,858
Due from Consolidated Revenue Fund and cash, end of the period	95,626	90,428
Due from Consolidated Revenue Fund	95,215	90,229
Cash – Talent Fund	411	113
Cash – Harold Greenberg Fund	-	86
	95,626	90,428

The accompanying notes and the schedule are an integral part of these financial statements.

Notes to the Quarterly Financial Statements

1. Basis of Financial Statements Presentation

These unaudited quarterly financial statements have been prepared by the Corporation's Management in accordance with the *Directive on Accounting Standards : GC 5200 Crown Corporations Quarterly Financial Report* established by the Treasury Board Secretariat and in accordance with the *Canadian Public Sector Accounting Standards (CPSAS)*. They must be read in conjunction with the most recent annual audited financial statements as at March 31, 2025. The significant accounting policies used in these quarterly financial statements are the same as those used in the annual financial statements of March 31, 2025.

2. Adoption of New Accounting Standards

Adoption of Section PS 1202, Financial Statement Presentation

Effective April 1, 2026, the Corporation adopted Section PS 1202, *Financial Statement Presentation*, issued by the Public Sector Accounting Board. This new standard replaces Section PS 1201 and establishes a revised framework for the presentation of public sector financial statements.

This change was applied retrospectively, and prior-period amounts have been restated to conform with the new presentation model. There was no impact on the recognition or measurement of assets, liabilities, revenues, or expenses as a result of this adoption. Rather, Section PS 1202 modified the presentation and structure of the financial statements, including:

- changes to the statement of operations and changes in net assets, including:
    - the reclassification and consolidation of assistance expenses by thematic categories:
        - the grouping of Production Programs;
        - the grouping of programs focused on Canadian audiences;
        - for promotional activities, the grouping of programs and activities focused on international under International – Promotion Programs • Canada Pavilions and Activities, while activities related to the national portion are presented separately under National Promotion of the Audiovisual Sector • Industry Intelligence;
    - the grouping, under the Other Revenues line item, amounts related to Contributions to promotional support activities, other revenues, interest, and revenue from the Talent Fund,
- changes to the statement of financial position, including:
    - the transfer of the “net financial assets” indicator, to a separate statement. The calculation was also revised to be financial assets less financial liabilities, rather than financial assets less total liabilities. For the Corporation, the result of this calculation has changed;
    - the introduction of two categories of liabilities: financial and non-financial. The Corporation classified its deferred lease inducements as non-financial liabilities;
    - an updated definition of non-financial assets. The Corporation did not make any changes to its asset classifications; and
    - a change in the presentation format to show assets, followed by liabilities, and then net assets, with separate subtotals for financial and non-financial assets and liabilities, total assets and liabilities, and total net assets
- the removal of the statement of change in net financial assets;
- the addition of a statement of net financial assets, which includes the net financial assets indicator and highlights the affordability aspect of the financial position. This indicator was previously presented in the statement of financial position. Entities may choose to present changes in net financial assets in this new statement. The Corporation did not elect to do so;

Notes to the Quarterly Financial Statements (Cont.)

2. Adoption of New Accounting Standards (Cont.)

- changes to the statement of cash flow, which has been restructured to present the opening cash and cash equivalents balance at the beginning of the statement; and
- new disclosure requirements, including:
  - the addition of an actual-to-budget comparison for capital expenses; and
  - the addition of a note on risks and uncertainties.

Adoption of the Conceptual Framework for Financial Reporting in the Public Sector

Concurrent with the adoption of Section PS 1202, the Corporation adopted the new Conceptual Framework for Financial Reporting in the Public Sector. This framework provides the foundation for developing accounting policies, preparing financial statements, and applying professional judgment. The key components of the Conceptual Framework include:

- the characteristics of public sector entities;
- the objective of financial reporting and the role of financial statements;
- the foundations and objectives of financial statements and the information presented in them;
- the elements of financial statements; and
- the concepts of recognition, measurement, and presentation for financial reporting purposes.

The Conceptual Framework does not replace specific standards but can assist in accounting for items not covered by existing standards and in developing future standards. Upon adopting the Conceptual Framework, the Corporation did not identify any entity-developed accounting policies that were not already consistent with the new Conceptual Framework.

3. Risks and Uncertainties

In addition to the financial risks disclosed in the audited annual financial statements as at March 31, 2025, the Corporation is exposed to certain risks and uncertainties that may affect its financial position or changes in its financial position. Management continuously monitors these risks and implements measures designed to mitigate their potential impacts.

Risks related to crisis management and business continuity, fraud, and cybersecurity and information security may adversely affect the Corporation's financial position or changes in its financial position.

These risks are characterized by a velocity ranging from high to very high and could result in operational disruptions, financial losses, recovery and remediation costs, disclosure obligations and situations of non-compliance.

To mitigate these risks the Corporation maintains among other crisis management and business continuity plans, internal controls, and a cybersecurity framework that includes preventive, detective, monitoring, backup, and employee awareness measures.

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Notes to the Quarterly Financial Statements (Cont.)

4. Comparison of Budgeted and Actual Capital Expenses

In thousands of Canadian dollars	June 30, Budget	June 30, 2026	June 30, 2025
Acquisition of tangible capital assets	-	33	-
	-	33	-

Schedule A - Other Information

A - Operating and administrative expenses

In thousands of Canadian dollars	June 30, Budget	June 30, 2026	June 30, 2025
Salaries and employee benefits	7,114	6,873	6,595
Software, telecommunications and cloud services	1,298	1,263	1,153
Rent and other leasing costs	651	710	578
Amortization of tangible capital assets	379	391	294
Data and information subscriptions • publication	351	384	382
Professional services • staff development	599	295	344
Travel expenses	142	73	52
Office expenses	32	23	194
	10,566	10,012	9,592