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For immediate release

TVA GROUP REPORTS CONSOLIDATED RESULTS FOR Q1 2024

Montreal, Quebec – TVA Group Inc. (TSX: TVA.B) ("TVA Group" or the "Corporation") today reported its consolidated financial results for the first quarter of 2024.

Highlights

First quarter 2024

- $129,161,000 in revenues, a $6,942,000 (-5.1%) decrease compared with the first quarter of 2023.
- $17,903,000 (-$0.41 per basic share) net loss attributable to shareholders, a $5,630,000 ($0.13 per basic share) favourable variance compared with the same quarter of 2023.
- $19,301,000 in consolidated negative adjusted EBITDA,[1] a $4,676,000 favourable variance from the same quarter of 2023.
- $21,259,000 in negative adjusted EBITDA[1] for the Broadcasting segment, a $1,547,000 favourable variance mainly due to savings in content costs, a decrease in CRTC Part II licence fees and savings stemming from the implementation of reorganization plans that slightly offset the decrease in revenues, particularly advertising revenues.
- $2,605,000 in adjusted EBITDA[1] for the Film Production & Audiovisual Services segment ("MELS"), a $3,160,000 favourable variance, mainly due to higher volume of soundstage, mobile and equipment rental activities and the positive impact of the discontinuation of visual effects activities, partially offset by a lower volume of postproduction activities.
- $319,000 in negative adjusted EBITDA[1] for the Magazines segment, a $48,000 favourable variance, mainly because cost savings were slightly higher than the decrease in revenues.
- $370,000 in negative adjusted EBITDA[1] for the Production & Distribution segment, a $15,000 unfavourable variance, due mainly to lower adjusted EBITDA generated by TVA Films, as well as a decrease in gross margin for Incendo, partially offset by savings in administrative expenses.

[1] See definition of adjusted EBITDA below.

Pierre Karl Péladeau, acting President and CEO of TVA Group, commented:

“While most segments showed improvement, our first-quarter results were still significantly impacted by lower revenues.

“Results in the Broadcasting segment continue to be adversely affected by the decline in our advertising revenues, which are the sole source of revenue for our over-the-air network, resulting in $21,259,000 in negative adjusted EBITDA[1] for the first quarter of 2024.

“2024 will be a transitional year in which we will continue to implement the major reorganization plan announced on November 2, 2023, notably by refocusing on our mission as a broadcaster and optimizing our real estate holdings, in order to generate significant savings from these restructuring initiatives over the coming quarters. In this context, TVA Group is pleased to have reached agreements on the renewal of collective agreements for its employees in Montreal as well in Quebec City and the regions.

“Despite the many challenges facing the industry, TVA Group continues to hold the highest market share in Quebec, of nearly 41% for the first quarter. This winter, TVA Network remained the most popular channel every day of the week, with 7 of the top 10 shows in Quebec. This success is due to its many original productions, 8 of which reached the one million viewer mark. The reality show *Sortez-moi d'ici!* ranked first with an average audience of more than 1.6 million viewers, *La Voix* stood out with over 1.5 million viewers and was the regular program most watched live, the daily program *Indéfendable* had 1.4 million viewers, and the police drama *Alertes* attracted more than 1.1 million viewers. For its part, TVA Nouvelles remains the leader in all time slots, with 4.1 million viewers on a weekly basis.

“To better serve its customers, TVA Group has also revamped some of its specialty services, “Yoopa” and “MOI&CIE”, with the launch of “QUB”, the new TV channel for QUB radio, and “TÉMOIN”, a channel dedicated to crime and scandal content.

“The television industry plays a key role in our culture and society. And let’s not forget the importance of TV in keeping the public informed. That’s why it’s imperative that the governments of Quebec and Canada expand the tax credit to support print media so that it also applies to the television news sector. If we want to preserve the strong media coverage that is essential to our democracy, we must support the work of all journalists, regardless of the medium or distribution platform.

“In the Film Production & Audiovisual Services segment, our services were in high demand during the first quarter, particularly our soundstage and equipment rental activities. We are delighted to welcome two major foreign productions from Apple and Skydance to our studios.

“We also welcome the Quebec government’s decision to increase the film production services tax credit for foreign film shoots, which will help Montreal and Quebec as a whole remain attractive locations in the marketplace compared with major U.S. and Canadian cities. In addition, the increase in the cap on labour expenditures eligible for the tax credit will offset part of the increase in content costs, to the benefit of Quebec’s television and film industry.

“In the Magazines segment, results for all titles were affected by a decline in revenues, offset by cost savings. This segment has been operating in a declining market for several years. That’s why we’re all the more concerned about the significant reduction in government support from the Canada Periodical Fund. We will of course continue our efforts to convince Canadian Heritage to take action in this precarious situation.

“The Production & Distribution segment had a similar first quarter to last year. Although the segment continues to be affected by a slowdown in orders in the U.S. market, Incendo has begun production of a Christmas movie for the Roku platform.

[1] See definition of adjusted EBITDA below.

"At a time when we are operating in an uncertain environment that is affecting the entire industry, we would like to highlight the dedication of all our employees, who are committed to contributing to TVA Group's success. We are actively pursuing the implementation of our reorganization plan, continuing to make the necessary efforts and decisions to meet the challenges of the new media reality and ensure the sustainability of our business.

"In closing, following Jean-Marc Léger's decision not to seek another term as a director, I would like to thank him, on behalf of the Board of Directors of TVA Group, for his dedication and important contribution as a director since 2007. Jean-Marc has been a key associate and it is a privilege for TVA Group to be able to continue to benefit from his expertise as an on-air analyst, particularly during election campaigns."

Definition

Adjusted EBITDA

In its analysis of operating results, the Corporation defines adjusted EBITDA, as reconciled to net income (loss) under IFRS, as net income (loss) before depreciation and amortization, financial expenses, operational restructuring costs and other, income tax expense (recovery) and share of income of associates. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS. It is not intended to be regarded as an alternative to other financial operating performance measures or to the statement of cash flows as a measure of liquidity. This measure should not be considered in isolation or as a substitute for other performance measures prepared in accordance with IFRS. This measure is used by management and the Board of Directors to evaluate the Corporation's consolidated results and the results of its segments. This measure eliminates the significant level of depreciation and amortization of tangible and intangible assets, including any asset impairment charges, as well as the cost associated with one-time restructuring measures, and is unaffected by the capital structure or investment activities of the Corporation and its segments. Adjusted EBITDA is also relevant because it is a significant component of the Corporation's annual incentive compensation programs. The Corporation's definition of EBITDA may not be the same as similarly titled measures reported by other companies.

Forward-looking information disclaimer

The statements in this news release that are not historical facts may be forward-looking statements and are subject to important known and unknown risks, uncertainties and assumptions which could cause the Corporation's actual results for future periods to differ materially from those set forth in the forward-looking statements. Forward-looking statements generally can be identified by the use of the conditional, the use of forward-looking terminology such as "propose," "will," "expect," "may," "anticipate," "intend," "estimate," "plan," "foresee," "believe" or the negative of these terms or variations of them or similar terminology. Certain factors that may cause actual results to differ from current expectations include the possibility that the reorganization plan announced on November 2, 2023 will not be carried out on schedule or at all, the possibility that the Corporation will be unable to realize the anticipated benefits of the reorganization plan on schedule or at all, the possibility that unknown potential liabilities or costs will be associated with the reorganization plan, the possibility that the Corporation will be unable to successfully implement its business strategies, seasonality, operational risks (including pricing actions by competitors and the risk of loss of key customers in the Film Production & Audiovisual Services and Production & Distribution segments), programming, content and production cost risks, credit risk, government regulation risks, government assistance risks, changes in economic conditions, fragmentation of the media landscape, risk related to the Corporation's ability to adapt to fast-paced technological change and to new delivery and storage methods, labour relation risks, and the risks related to public health emergencies, as well as any urgent steps taken by government.

The forward-looking statements in this document are made to give investors and the public a better understanding of the Corporation's circumstances and are based on assumptions it believes to be reasonable as of the day on which they were made. Investors and others are cautioned that the foregoing list of factors that may affect future results is not exhaustive and that undue reliance should not be placed on any forward-looking statements.

For more information on the risks, uncertainties and assumptions that could cause the Corporation's actual results to differ from current expectations, please refer to the Corporation's public filings, available at www.sedarplus.ca and www.groupetva.ca, including in particular the “Risks and Uncertainties” section of the Corporation’s annual Management’s Discussion and Analysis for the year ended December 31, 2023.

The forward-looking statements in this news release reflect the Corporation’s expectations as of May 6, 2024, and are subject to change after this date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by the applicable securities laws.

TVA Group

TVA Group Inc., a subsidiary of Quebecor Media Inc., is a communications company engaged in the broadcasting, film production and audiovisual services, international production and distribution of television content, and magazine publishing industries. TVA Group Inc. is North America’s largest broadcaster of French-language entertainment, information and public affairs programming and one of the largest private-sector producers of French-language content. It is also the largest publisher of French-language magazines and publishes some of the most popular English-language titles in Canada. The Corporation’s Class B shares are listed on the Toronto Stock Exchange under the ticker symbol TVA.B.

The condensed consolidated Financial Statements, with notes, and the interim Management’s Discussion and Analysis for the three-month period ended March 31, 2024, can be consulted on the Corporation’s website at www.groupetva.ca.

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TVA GROUP INC.
Consolidated statements of loss

(unaudited)
(in thousands of Canadian dollars, except per-share amounts)

		Three-month periods ended March 31	
	Note	**2024**	2023
Revenues	2	**$ 129,161**	$ 136,103
Purchases of goods and services	3	**118,556**	123,742
Employee costs		**29,906**	36,338
Depreciation and amortization		**6,210**	7,182
Financial expenses (income)	4	**1,238**	(118)
Operational restructuring costs and other	5	**(1,892)**	902
Loss before income tax recovery and share of income of associates		**(24,857)**	(31,943)
Income tax recovery		**(6,676)**	(8,319)
Share of income of associates		**(278)**	(91)
Net loss attributable to shareholders		**$ (17,903)**	$ (23,533)
Basic and diluted loss per share attributable to shareholders		**$ (0.41)**	$ (0.54)
Weighted average number of outstanding and diluted shares		**43,205,535**	43,205,535

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated statements of comprehensive loss

(unaudited)
(in thousands of Canadian dollars)

	Note	Three-month periods ended March 31 2024	2023
Net loss attributable to shareholders		**$ (17,903)**	$ (23,533)
Other comprehensive items that will not be reclassified to loss:			
Defined benefit plans:			
Re-measurement gain	8	**14,000**	–
Deferred income taxes		**(3,700)**	–
		10,300	–
Comprehensive loss attributable to shareholders		**$ (7,603)**	$ (23,533)

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated statements of equity

(unaudited)
(in thousands of Canadian dollars)

	Equity attributable to shareholders				
	Capital stock (note 6)	Contributed surplus	Retained earnings	Accumulated other comprehensive income – Defined benefit plans	Total equity
Balance as at December 31, 2022	$ 207,280	$ 581	$ 129,810	$ 55,705	$ 393,376
Net loss	–	–	(23,533)	–	(23,533)
Balance as at March 31, 2023	207,280	581	106,277	55,705	369,843
Net loss	–	–	(24,358)	–	(24,358)
Other comprehensive income	–	–	–	1,863	1,863
Balance as at December 31, 2023	207,280	581	81,919	57,568	347,348
Net loss	–	–	(17,903)	–	(17,903)
Other comprehensive income	–	–	–	10,300	10,300
Balance as at March 31, 2024	**$ 207,280**	**$ 581**	**$ 64,016**	**$ 67,868**	**$ 339,745**

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	Note	**March 31, 2024**	December 31, 2023
Assets			
Current assets			
Accounts receivable		**$ 136,902**	$ 154,065
Income taxes		**12,326**	12,738
Audiovisual content		**143,639**	140,696
Prepaid expenses		**7,239**	3,408
		300,106	310,907
Non-current assets			
Audiovisual content		**77,174**	80,373
Investments		**12,520**	12,242
Property, plant and equipment		**142,845**	141,899
Intangible assets		**7,864**	9,060
Right-of-use assets		**6,290**	6,784
Goodwill		**16,883**	16,883
Defined benefit plan asset	8	**53,328**	39,867
Deferred income taxes		**11,414**	8,495
		328,318	315,603
Total assets		**$ 628,424**	$ 626,510

TVA GROUP INC.
Consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note	March 31, 2024	December 31, 2023
Liabilities and equity			
Current liabilities			
Bank indebtedness		**$ 3,574**	$ 176
Accounts payable, accrued liabilities and provisions		**134,517**	130,054
Content rights payable		**48,741**	42,417
Deferred revenues		**7,148**	8,444
Income taxes		**611**	1,619
Current portion of lease liabilities		**1,816**	1,876
		196,407	184,586
Non-current liabilities			
Debt due to the parent corporation		**80,902**	83,883
Lease liabilities		**5,332**	5,777
Other liabilities		**5,848**	4,900
Deferred income taxes		**190**	16
		92,272	94,576
Equity			
Capital stock	6	**207,280**	207,280
Contributed surplus		**581**	581
Retained earnings		**64,016**	81,919
Accumulated other comprehensive income		**67,868**	57,568
Equity		**339,745**	347,348
Total liabilities and equity		**$ 628,424**	$ 626,510

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated statements of cash flows

(unaudited)
(in thousands of Canadian dollars)

	Note	Three-month periods ended March 31	
		2024	2023
Cash flows related to operating activities			
Net loss		**$ (17,903)**	$ (23,533)
Adjustments for:			
Depreciation and amortization		**6,210**	7,182
Gain on disposal of property, plant and equipment	5	**(2,309)**	–
Share of income of associates		**(278)**	(91)
Deferred income taxes		**(6,445)**	1,054
Other		**19**	13
		(20,706)	(15,375)
Net change in non-cash balances related to operating items		**21,523**	24,937
Cash flows provided by operating activities		**817**	9,562
Cash flows related to investing activities			
Additions to property, plant and equipment		**(2,292)**	(1,667)
Additions to intangible assets		**(1,018)**	(125)
Disposal of property, plant and equipment	5	**2,600**	–
Cash flows used in investing activities		**(710)**	(1,792)
Cash flows related to financing activities			
Net change in bank indebtedness		**3,398**	2,106
Net change in syndicated renewable credit facility		**–**	(8,970)
Net change of debt due to the parent corporation		**(3,000)**	–
Repayment of lease liabilities		**(505)**	(853)
Other		**–**	(53)
Cash flows used in financing activities		**(107)**	(7,770)
Net change in cash		**–**	–
Cash at beginning of period		**–**	–
Cash at end of period		**$ –**	$ –
Interest and income taxes reflected as operating activities			
Net interest paid		**$ 1,783**	$ 298
Income taxes paid		**365**	1,209

See accompanying notes to condensed consolidated financial statements.

TVA Group Inc. ("TVA Group" or the "Corporation") is governed by the Quebec *Business Corporations Act.* TVA Group is a communications company engaged in broadcasting, film production & audiovisual services, international production & distribution of television content, and magazine publishing (note 9). The Corporation is a subsidiary of Quebecor Media Inc. ("Quebecor Media" or the "parent corporation") and its ultimate parent corporation is Quebecor Inc. ("Quebecor"). The Corporation's head office is located at 612 Saint-Jacques St., Montreal, Quebec, Canada.

The Corporation's businesses experience significant seasonality due to, among other factors, seasonal advertising patterns, consumers' viewing, reading and listening habits, demand for production services from international and local producers, and demand for content from global broadcasters. Because the Corporation depends on the sale of advertising for a significant portion of its revenues, operating results are also sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions, particularly as they may affect advertising spending. In view of the seasonal nature of some of the Corporation's activities, the results of operations for interim periods should not necessarily be considered indicative of full-year results.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

1. Basis of presentation

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), except that they do not include all disclosures required under IFRS for annual consolidated financial statements. In particular, these consolidated financial statements were prepared in accordance with IAS 34, *Interim Financial Reporting*, and accordingly are condensed consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the Corporation's 2023 annual consolidated financial statements, which describe the material accounting policies used to prepare these financial statements.

These condensed consolidated financial statements were approved by the Corporation's Board of Directors on May 6, 2024.

Certain comparative figures for the three-month period ended March 31, 2023 have been restated to conform to the presentation adopted for the three-month period ended March 31, 2024.

2. Revenues

	Three-month periods ended March 31	
	2024	2023
Advertising services	**$ 63,015**	$ 68,780
Royalties	**32,169**	33,309
Rental, postproduction and distribution services and other services rendered (1)	**21,808**	20,709
Product sales (2)	**12,169**	13,305
	$ 129,161	$ 136,103

(1) Revenues from rental of soundstages, mobiles, equipment and rental space amounted to $8,802,000 for the three-month period ended March 31, 2024 ($4,226,000 for the same period of 2023). Service revenues also include the activities of the Production & Distribution segment.

(2) Revenues from product sales include newsstand and subscription sales of magazines and sales of audiovisual content.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

3. Purchases of goods and services

	Three-month periods ended March 31	
	2024	2023
Rights, audiovisual content costs and costs of services rendered	**$ 89,419**	$ 96,251
Printing and distribution	**3,084**	3,303
Services rendered by the parent corporation:		
- Commissions on advertising sales	**5,271**	6,129
- Other	**3,435**	2,457
Building costs	**4,642**	4,390
Marketing, advertising and promotion	**4,395**	4,309
Other	**8,310**	6,903
	$ 118,556	$ 123,742

4. Financial expenses (income)

	Three-month periods ended March 31	
	2024	2023
Interest on debt[1]	**$ 1,766**	$ 249
Amortization of financing costs	**19**	13
Interest on lease liabilities	**98**	102
Interest income related to defined benefit plans	**(417)**	(504)
Foreign exchange (gain) loss	**(108)**	92
Other	**(120)**	(70)
	$ 1,238	$ (118)

(1) For the three-month period ended March 31, 2024, interest totalling $1,716,000 were recorded on the renewable credit facility with Quebecor Media (nil for the same period of 2023).

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

5. Operational restructuring costs and other

	Three-month periods ended March 31	
	2024	2023
Operational restructuring costs	**$ 417**	$ 902
Gain on disposal of property, plant and equipment	**(2,309)**	–
	$ (1,892)	$ 902

Operational restructuring costs

For the three-month periods ended March 31, 2024 and 2023,the Corporation recorded a charge for operational restructuring in connection with the elimination of positions and the implementation of cost reduction initiatives. The segment breakdown is as follows:

	2024	2023
Broadcasting	**$ 303**	$ 585
Film Production & Audiovisual Services	**3**	174
Magazines	**111**	111
Production & Distribution	**–**	32
	$ 417	$ 902

Gain on disposal of fixed assets

During the three-month period ended March 31, 2024, the Corporation closed the sale of a building in Saguenay to the parent corporation for proceeds on disposal of $2,600,000. The transaction gave rise to the recognition of a $2,309,000 gain on disposal.

6. Capital stock

(a) Authorized capital stock

An unlimited number of Class A common shares, participating, voting, without par value.

An unlimited number of Class B shares, participating, non-voting, without par value.

An unlimited number of preferred shares, non–participating, non-voting, with a par value of $10 each, issuable in series.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

6. Capital stock (continued)

(b) Issued and outstanding capital stock

		March 31, 2024		December 31, 2023
4,320,000 Class A common shares	**$**	**72**	$	72
38,885,535 Class B shares		**207,208**		207,208
	$	**207,280**	$	207,280

7. Stock-based compensation and other stock-based payments

(a) Stock option plans

	Outstanding options		
	Number		Weighted average exercise price
Groupe TVA			
Balance as at December 31, 2023 and as at March 31, 2024	**393,774**	**$**	**2.42**
Vested options as at March 31, 2024	**134,527**	**$**	**2.87**
Quebecor			
Balance as at December 31, 2023 and as at March 31, 2024	**85,656**	**$**	**31.96**
Vested options as at March 31, 2024	**17,798**	**$**	**32.13**

(b) Deferred stock unit (“DSU”) plan for directors

	Outstanding units
	Corporation stock units
Balance as at December 31, 2023	533,955
Granted	21,228
Balance as at March 31, 2024	**555,183**

7. Stock-based compensation and other stock-based payments (continued)

(c) Stock-based compensation expense

For the three-month period ended March 31, 2024, an $86,000 compensation charge was recorded in respect of all stock-based compensation plans ($566,000 for the same period of 2023).

8. Pension plans and postretirement benefits

The gain on remeasurement of defined benefit plans recognized in the consolidated statement of comprehensive loss for the three-month period ended March 31, 2024 mainly reflects the increase in the discount rate.

9. Segmented information

The Corporation's operations consist of the following segments:

– The **Broadcasting segment**, which includes the operations of TVA Network, specialty services, the marketing of digital products associated with the various televisual brands, and commercial production and custom publishing services, including those of its Communications Qolab inc. subsidiary;

– The **Film Production & Audiovisual Services segment**, which through its subsidiaries Mels Studios and Postproduction G.P. and Mels Dubbing Inc. provides soundstage, mobile and production equipment rental services, as well as dubbing and described video ("media accessibility services"), postproduction and virtual production services;

– The **Magazines segment**, which through its TVA Publications inc. subsidiary publishes magazines in various fields including the arts, entertainment, television, fashion and decorating, and markets digital products associated with the various magazine brands;

– The **Production & Distribution segment**, which through the companies in the Incendo group and the TVA Films division produces and distributes television shows, movies and television series for the world market.

(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

9. Segmented information (continued)

	Three-month periods ended March 31	
	2024	2023
Revenues		
Broadcasting	**$ 107,663**	$ 116,010
Film Production & Audiovisual Services	**16,250**	14,272
Magazines	**7,619**	8,647
Production & Distribution	**1,876**	2,341
Intersegment items	**(4,247)**	(5,167)
	129,161	136,103
(Negative adjusted EBITDA) adjusted EBITDA [(1)]		
Broadcasting	**(21,259)**	(22,806)
Film Production & Audiovisual Services	**2,605**	(555)
Magazines	**(319)**	(367)
Production & Distribution	**(370)**	(355)
Intersegment items	**42**	106
	(19,301)	(23,977)
Depreciation and amortization	**6,210**	7,182
Financial expenses (income)	**1,238**	(118)
Operational restructuring costs and other	**(1,892)**	902
Loss before income tax recovery and share of income of associates	**$ (24,857)**	$ (31,943)

The above-noted intersegment items represent the elimination of normal course business transactions between the Corporation's business segments.

(1) The Chief Executive Officer uses adjusted EBITDA as a measure of financial performance for assessing the performance of each of the Corporation's segments. Adjusted EBITDA is defined as net loss before depreciation and amortization, financial expenses (income), operational restructuring costs and other, income tax recovery and share of income of associates. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS.