August 3, 2023

For immediate release

TVA GROUP REPORTS Q2 2023 RESULTS

Montreal, Canada – TVA Group Inc. ("TVA Group" or the "Corporation") announced today that it recorded revenues in the amount of $138.8 million for the second quarter of 2023, a year-over-year decrease of $8.7 million. Net loss attributable to shareholders was $7.8 million or $0.18 per share, compared with net loss attributable to shareholders of $3.2 million or $0.07 per share for the same quarter of 2022.

Second quarter operating highlights:

- $3,843,000 in consolidated negative adjusted EBITDA,[1] a $7,078,000 unfavourable variance from the same quarter of 2022.

- $4,539,000 in negative adjusted EBITDA[1] in the Broadcasting segment, a $4,390,000 unfavourable variance due mainly to lower traditional advertising revenues, partially offset by an increase in digital advertising revenues, mainly for TVA+, and savings generated by the restructuring plan.

- $413,000 in negative adjusted EBITDA[1] in the Film Production & Audiovisual Services segment ("MELS"), a $2,585,000 unfavourable variance due mainly to lower activity volume in soundstage, mobile and equipment rental, postproduction and media accessibility, partially offset by the positive impact of the discontinuation of visual effects activities.

- $309,000 in adjusted EBITDA[1] in the Magazines segment, a $1,337,000 unfavourable variance due mainly to lower revenues, especially at newsstands, reduced government assistance and lower advertising revenues.

- $582,000 in adjusted EBITDA[1] in the Production & Distribution segment, a favourable variance of $1,071,000, attributable mainly to higher gross margin on international distribution of films produced by companies in the Incendo Group ("Incendo"), especially in the United States, in the second quarter of 2023 compared to the same period in 2022.

"Second quarter results continued to be impacted by declining profitability across all our segments and in the various industries in which we operate. The implementation of our restructuring plan, announced on February 16, 2023, has not yet generated sufficient savings to offset the major challenges of a declining advertising market and the lack of foreign productions in our studios," said Pierre Karl Péladeau, acting President and CEO of TVA Group.

"Results in the Broadcasting segment were seriously impacted by the decline in our advertising revenues, which are the only source of revenues for our over-the-air network. Despite the challenging environment, we continued to invest in content to protect our market shares, both for TVA Network and for our specialty services. TVA Group's market share for the second quarter of 2023 was 42.7%, up 0.4 points compared to the same period of 2022. TVA Network had 4 of the top 5 shows in Quebec in the second quarter. The daily series *Indéfendable*, variety show *La Voix* and the new reality TV show *Sortez-moi d'ici!* all had an average audience of over 1.5 million viewers during the 2023 season.

[1] See definition of adjusted EBITDA below.

“To continue to invest in programming and news content, it is vital that a legislative and regulatory framework be implemented to control the web giants and require them to contribute financially to the Canadian broadcasting system.

“With the *Act respecting online communications* (Bill C-18) expected to come into effect by the end of the year, Meta decided to block news stories on its Facebook and Instagram platforms to avoid paying their fair share to use this news content. No one is above the law and, as such, we encourage organizations to express their disagreement with Meta’s complete disregard for Canada’s government policy and news industry by advertising elsewhere. It need hardly be repeated that the imbalance in the regulatory and legislative frameworks is highly damaging: foreign companies reap profits from the Canadian market and audience with no constraints, while broadcasters such as TVA Group are tangled in outdated, burdensome regulations.

“Another key measure that must be quickly applied is removing advertising on all Radio-Canada platforms. The public broadcaster is engaging in unfair competition with private broadcasters in its race for ratings and advertising revenues, despite the fact that it receives huge amounts of government funding to fulfil its mandate. We will also continue our efforts to ensure that distributor Bell TV ceases its highly prejudicial treatment of our specialty channels and pays fair-market fees.

“In the Film Production & Audiovisual Services segment, the Corporation was particularly affected by a decrease in soundstage and equipment rental services, which continued to suffer from the lack of foreign productions this quarter. Although MELS did sign some major agreements with foreign producers for the coming months, the writers and actors strikes in the United States are fuelling uncertainty. Projects are being postponed and could be cancelled. In virtual production activities, MELS benefited from increased demand for its services and was able to generate additional profits in this growing segment.

“To keep our productions and film studios competitive and viable, when many other jurisdictions in the U.S. and Canada are offering producers more advantageous tax treatment, governments must quickly review tax credits for Quebec film and television productions, and for production services.

“In the Magazines segment, results this quarter continued to be affected by lower revenues. The increase generated by our magazines’ digital revenues was not enough to offset notably the substantial losses caused by the change to the Canada Periodical Fund’s grant allocation method, which continues to have a serious negative impact on the sector amid numerous other challenges.

“Our Production & Distribution segment performed better in the second quarter of 2023 compared with the same period in 2022, with the delivery of two horror films to *Tubi*. We will be keeping a close eye on the strike situation in the United States, which may impact our order book for the coming months.”

Definition

Adjusted EBITDA

In its analysis of operating results, the Corporation defines adjusted EBITDA as net income (loss) before depreciation and amortization, financial expenses (income), 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 International Financial Reporting Standards (“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 impairment, depreciation and amortization of tangible and intangible assets 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 adjusted EBITDA may not be identical to 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 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, including COVID-19, as well as any urgent steps taken by government.

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.sedar.com or 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, 2022.

The forward-looking statements in this news release reflect the Corporation's expectations as of August 3, 2023 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 June 30, 2023, can be consulted on the Corporation's website at www.groupetva.ca.

Source:
Marjorie Daoust, CPA
Vice-President Finance
marjorie.daoust@tva.ca

TVA GROUP INC.
Consolidated statements of loss

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

	Note	Three-month periods ended June 30		Six-month periods ended June 30	
		2023	2022	**2023**	2022
Revenues	2	**$ 138,760**	$ 147,469	**$ 274,863**	$ 291,966
Purchases of goods and services	3	**108,544**	107,040	**232,286**	222,664
Employee costs		**34,059**	37,194	**70,397**	75,788
Depreciation and amortization		**6,973**	7,462	**14,155**	15,082
Financial (income) expenses	4	**(43)**	94	**(161)**	594
Operational restructuring costs and other	5	**120**	113	**1,022**	133
Loss before income tax recovery and share of income of associates		**(10,893)**	(4,434)	**(42,836)**	(22,295)
Income tax recovery		**(3,006)**	(1,062)	**(11,325)**	(5,659)
Share of income of associates		**(40)**	(163)	**(131)**	(412)
Net loss		**$ (7,847)**	$ (3,209)	**$ (31,380)**	$ (16,224)
Net (loss) income attributable to:					
Shareholders		**$ (7,847)**	$ (3,212)	**$ (31,380)**	$ (16,228)
Non-controlling interest		**–**	3	**–**	4
Basic and diluted loss per share attributable to shareholders		**$ (0.18)**	$ (0.07)	**$ (0.73)**	$ (0.38)
Weighted average number of shares outstanding and diluted shares		**43,205,535**	43,205,535	**43,205,535**	43,205,535

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.

Consolidated statements of comprehensive (loss) income

(unaudited)
(in thousands of Canadian dollars)

		Three-month periods ended June 30		Six-month periods ended June 30	
	Note	**2023**	2022	**2023**	2022
Net loss		**$ (7,847)**	$ (3,209)	**$ (31,380)**	$ (16,224)
Other comprehensive items that will not be reclassified to loss:					
Defined benefit plans:					
Re-measurement gain	9	**–**	14,500	**–**	29,000
Deferred income taxes		**–**	(3,900)	**–**	(7,700)
		–	10,600	**–**	21,300
Comprehensive (loss) income		**$ (7,847)**	$ 7,391	**$ (31,380)**	$ 5,076
Comprehensive (loss) income attributable to:					
Shareholders		**$ (7,847)**	$ 7,388	**$ (31,380)**	$ 5,072
Non-controlling interest		**–**	3	**–**	4

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				Equity attributable to non-controlling interest	Total equity
	Capital stock (note 7)	Contributed surplus	Retained earnings	Accumulated other comprehensive income – Defined benefit plans		
Balance as at December 31, 2021	$ 207,280	$ 581	$ 138,679	$ 32,714	$ 1,210	$ 380,464
Net (loss) income	–	–	(16,228)	–	4	(16,224)
Other comprehensive income	–	–	–	21,300	–	21,300
Balance as at June 30, 2022	207,280	581	122,451	54,014	1,214	385,540
Net income (loss)	–	–	7,359	–	(24)	7,335
Dividends	–	–	–	–	(1,190)	(1,190)
Other comprehensive income	–	–	–	1,691	–	1,691
Balance as at December 31, 2022	207,280	581	129,810	55,705	–	393,376
Net loss	–	–	(31,380)	–	–	(31,380)
Balance as at June 30, 2023	**$ 207,280**	**$ 581**	**$ 98,430**	**$ 55,705**	**$ –**	**$ 361,996**

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	June 30, 2023	December 31, 2022
Assets		
Current assets		
Accounts receivable	**$ 141,557**	$ 175,174
Income taxes	**20,040**	8,522
Audiovisual content	**113,323**	135,038
Prepaid expenses	**8,565**	4,400
	283,485	323,134
Non-current assets		
Audiovisual content	**88,004**	88,225
Investments	**12,148**	12,017
Property, plant and equipment	**147,647**	157,784
Right-of-use assets	**6,830**	7,599
Intangible assets	**13,930**	14,671
Goodwill	**21,696**	21,696
Defined benefit plan asset	**44,310**	45,111
Deferred income taxes	**5,118**	5,833
	339,683	352,936
Total assets	**$ 623,168**	$ 676,070

TVA GROUP INC.
Consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note		**June 30, 2023**		December 31, 2022
Liabilities and equity					
Current liabilities					
Bank indebtedness	6	**$**	**10,117**	$	1,107
Accounts payable, accrued liabilities and provisions			**90,232**		114,174
Content rights payable			**42,591**		124,394
Deferred revenues			**8,777**		11,031
Income taxes			**358**		562
Current portion of lease liabilities			**1,860**		2,318
Short-term debt	6		**–**		8,961
			153,935		262,547
Non-current liabilities					
Long-term debt	6		**90,889**		–
Lease liabilities			**5,862**		6,453
Other liabilities			**5,052**		5,395
Deferred income taxes			**5,434**		8,299
			107,237		20,147
Equity					
Capital stock	7		**207,280**		207,280
Contributed surplus			**581**		581
Retained earnings			**98,430**		129,810
Accumulated other comprehensive income			**55,705**		55,705
Equity			**361,996**		393,376
Total liabilities and equity		**$**	**623,168**	$	676,070

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 June 30		Six-month periods ended June 30	
	Note	**2023**	2022	**2023**	2022
Cash flows related to operating activities					
Net loss		**$ (7,847)**	$ (3,209)	**$ (31,380)**	$ (16,224)
Adjustments for:					
Depreciation and amortization		**6,973**	7,462	**14,155**	15,082
Share of income of associates		**(40)**	(163)	**(131)**	(412)
Deferred income taxes		**(3,204)**	(559)	**(2,150)**	(1,539)
Other		**43**	635	**56**	648
		(4,075)	4,166	**(19,450)**	(2,445)
Net change in non-cash balances related to operating items		**(93,040)**	(843)	**(68,103)**	(4,834)
Cash flows (used in) provided by operating activities		**(97,115)**	3,323	**(87,553)**	(7,279)
Cash flows related to investing activities					
Additions to property, plant and equipment		**(210)**	(7,112)	**(1,877)**	(12,308)
Additions to intangible assets		**(54)**	(305)	**(179)**	(728)
Business acquisitions	5	**–**	(3,750)	**–**	(3,750)
Cash flows used in investing activities		**(264)**	(11,167)	**(2,056)**	(16,786)
Cash flows related to financing activities					
Net change in bank indebtedness		**6,918**	1,422	**9,024**	2,996
Net change in revolving credit facility		**–**	6,885	**(8,970)**	19,875
Net change of long-term debt	6	**91,000**	–	**91,000**	–
Repayment of lease liabilities		**(525)**	(715)	**(1,378)**	(1,511)
Other		**(14)**	–	**(67)**	(53)
Cash flows provided by financing activities		**97,379**	7,592	**89,609**	21,307
Net change in cash		**–**	(252)	**–**	(2,758)
Cash at beginning of period		**–**	2,675	**–**	5,181
Cash at end of period		**$ –**	$ 2,423	**$ –**	$ 2,423
Interest and taxes reflected as operating activities					
Net interest paid		**$ 258**	$ 294	**$ 556**	$ 588
Income taxes paid (net of refunds)		**1,338**	1,906	**2,547**	5,723

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 10). 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 1600 de Maisonneuve Boulevard East, 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 2022 annual consolidated financial statements, which describe the accounting policies used to prepare these condensed consolidated financial statements.

These condensed consolidated financial statements were approved by the Corporation's Board of Directors on August 3, 2023.

Certain comparative figures for the three-month and six-month periods ended June 30, 2022 have been restated to conform to the presentation adopted for the three-month and six-month periods ended June 30, 2023.

2. Revenues

	Three-month periods ended June 30		Six-month periods ended June 30	
	2023	2022	**2023**	2022
Advertising services	**$ 67,013**	$ 72,587	**$ 135,793**	$ 139,055
Royalties	**33,305**	34,134	**66,614**	68,387
Rental, postproduction and distribution services and other services rendered (1)	**22,503**	25,924	**43,212**	55,725
Product sales (2)	**15,939**	14,824	**29,244**	28,799
	$ 138,760	$ 147,469	**$ 274,863**	$ 291,966

(1) Revenues from rental of soundstages, mobiles, equipment and rental space amounted to $5,427,000 and $9,653,000 for the three-month and six-month periods ended June 30, 2023 respectively ($8,222,000 and $17,795,000 for the same periods of 2022). 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 June 30		Six-month periods ended June 30	
	2023	2022	**2023**	2022
Rights and audiovisual content costs	**$ 82,052**	$ 80,301	**$ 178,303**	$ 168,704
Printing and distribution	**3,663**	3,027	**6,966**	6,705
Services rendered by the parent corporation:				
- Commissions on advertising sales	**5,976**	6,506	**12,105**	13,138
- Other	**2,269**	2,080	**4,726**	4,464
Building costs	**4,240**	3,999	**8,630**	8,461
Marketing, advertising and promotion	**3,719**	4,168	**8,028**	8,296
Other	**6,625**	6,959	**13,528**	12,896
	$ 108,544	$ 107,040	**$ 232,286**	$ 222,664

4. Financial (income) expenses

	Three-month periods ended June 30		Six-month periods ended June 30	
	2023	2022	**2023**	2022
Interest on debt [1]	**$ 260**	$ 189	**$ 509**	$ 380
Amortization of financing costs	**49**	13	**62**	26
Interest on lease liabilities	**97**	112	**199**	231
Interest income related to defined benefit plans	**(515)**	(115)	**(1,019)**	(226)
Foreign exchange loss (gain)	**182**	(101)	**274**	95
Other	**(116)**	(4)	**(186)**	88
	$ (43)	$ 94	**$ (161)**	$ 594

(1) For the three-month and six-month periods ended June 30, 2023, interests totalling $60,000 were recorded on the secured revolving credit facility with Quebecor Media (note 6).

(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 June 30		Six-month periods ended June 30	
	2023	2022	**2023**	2022
Operational restructuring costs	**$ 163**	$ 78	**$ 1,065**	$ 115
Other	**(43)**	35	**(43)**	18
	$ 120	$ 113	**$ 1,022**	$ 133

Operational restructuring costs

For the three-month and six-month periods ended June 30, 2023 and 2022, the segment breakdown of the Corporation's operational restructuring costs in connection with the elimination of positions and the implementation of cost reduction initiatives is as follows:

	Three-month periods ended June 30		Six-month periods ended June 30	
	2023	2022	**2023**	2022
Broadcasting	**$ 134**	$ 65	**$ 719**	$ 102
Film Production & Audiovisual Services	**29**	–	**203**	–
Magazines	**–**	13	**111**	13
Production & Distribution	**–**	–	**32**	–
	$ 163	$ 78	**$ 1,065**	$ 115

Other

For the second quarter of 2022, the Corporation had recorded a $622,000 charge for impairment of its investment in an associate in the Magazines segment following revised financial guidance from that corporation's management and the continuing downward trend in revenues in the industry.

During the same period, the Corporation had reversed a $587,000 charge following remeasurement of the contingent consideration payable on the acquisition of the companies in the Incendo group and had made a $3,750,000 payment in connection with that acquisition.

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

6. Long-term debt

The components of long-term debt are as follows:

		June 30, 2023		December 31, 2022
Revolving credit facility - Quebecor	**$**	**91,000**	$	–
Syndicated revolving credit facility		**–**		8,970
Financing costs, net of accumulated amortization		**(111)**		(9)
		90,889		8,961
Less the current portion		**–**		(8,961)
	$	**90,889**	$	–

On June 28, 2023, the Corporation entered into a new $120,000,000 secured revolving credit facility maturing on June 15, 2025, with Quebecor Media as lender. This revolving credit facility bears interest at Bankers' acceptance rate or Canadian prime rate, plus a premium based on the Corporation's debt ratio.

On June 28, 2023, the Corporation also entered into a new $20,000,000 secured on-demand credit facility with a banking institution. This on-demand credit facility bears interest at Canadian prime rate or U.S. prime rate, plus a premium based on the Corporation's debt ratio.

Concurrently, on June 28, 2023, the Corporation terminated its bank facility consisting of a $75,000,000 secured syndicated revolving credit facility.

The two new credit facilities contain standard representations and warranties for this type of agreement.

As at June 30, 2023, $294,000 was drawn on the on-demand credit facility, which is presented under "Bank indebtedness" (including bank overdraft), in addition to outstanding letters of credit for a total amount of $3,832,000. As at June 30, 2023, $91,000,000 was drawn on the revolving credit facility with Quebecor Media. Costs of $111,000 were incurred in setting up this new financing.

As at June 30, 2023, the Corporation was in compliance with all the terms of its credit agreements.

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

7. 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.

b) Issued and outstanding capital stock

		June 30, 2023		December 31, 2022
4,320,000 Class A common shares	**$**	**72**	$	72
38,885,535 Class B shares		**207,208**		207,208
	$	**207,280**	$	207,280

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

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

a) Stock option plans

	Outstanding options	
	Number	Weighted average exercise price
TVA Group		
Balance as at December 31, 2022	519,503	$ 2.29
Granted	125,000	2.03
Cancelled	(140,729)	1.83
Balance as at June 30, 2023	**503,774**	**$ 2.35**
Vested options as at June 30, 2023	**120,332**	**$ 3.09**
Quebecor		
Balance as at December 31, 2022	244,216	$ 30.36
Granted	135,000	33.28
Exercised	(8,250)	31.59
Cancelled	(80,985)	31.87
Balance as at June 30, 2023	**289,981**	**$ 31.26**
Vested options as at June 30, 2023	**50,493**	**$ 28.81**

During the three-month and six-month periods ended June 30, 2023, 8,250 Quebecor stock options were exercised for a cash consideration of $27,000.

b) Deferred stock unit ("DSU") plan for directors

	Outstanding units
	Corporation stock units
Balance as at December 31, 2022	446,934
Granted	35,205
Balance as at June 30, 2023	**482,139**

c) Stock-based compensation expense

For the three-month and six-month periods ended June 30, 2023, a compensation expense reversal in the amount of $372,000 and a compensation expense of $194,000 respectively were recorded in respect of all stock-based compensation plans (compensation expense reversal of $113,000 and compensation expense of $356,000 respectively for the same periods of 2022).

9. Pension plans and post-retirement benefits

The gain on remeasurement of defined benefit plans recognized on the consolidated statement of comprehensive income for the three-month and six-month periods ended June 30, 2022 reflected the increase in the discount rate, net of the decrease in the fair value of pension plan assets.

10. 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;

– 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)

10. Segmented information (continued)

	Three-month periods ended June 30		Six-month periods ended June 30	
	2023	2022	**2023**	2022
Revenues				
Broadcasting	**$ 115,840**	$ 122,168	**$ 231,850**	$ 236,307
Film Production & Audiovisual Services	**12,239**	18,334	**26,511**	37,685
Magazines	**9,362**	10,374	**18,009**	20,035
Production & Distribution	**5,882**	2,456	**8,223**	8,436
Intersegment items	**(4,563)**	(5,863)	**(9,730)**	(10,497)
	138,760	147,469	**274,863**	291,966
(Negative adjusted EBITDA) adjusted EBITDA(1)				
Broadcasting	**(4,539)**	(149)	**(27,345)**	(15,617)
Film Production & Audiovisual Services	**(413)**	2,172	**(968)**	6,016
Magazines	**309**	1,646	**(58)**	2,086
Production & Distribution	**582**	(489)	**227**	1,064
Intersegment items	**218**	55	**324**	(35)
	(3,843)	3,235	**(27,820)**	(6,486)
Depreciation and amortization	**6,973**	7,462	**14,155**	15,082
Financial (income) expenses	**(43)**	94	**(161)**	594
Operational restructuring costs and other	**120**	113	**1,022**	133
Loss before income tax recovery and share of income of associates	**$ (10,893)**	$ (4,434)	**$ (42,836)**	$ (22,295)

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 income (loss) before depreciation and amortization, financial (income) expenses, 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.