November 2, 2023

For immediate release

TVA GROUP REPORTS Q3 2023 RESULTS

Montreal, Canada - TVA Group Inc. (TSX: TVA.B) ("TVA Group" or the "Corporation") announced today that it recorded revenues in the amount of $118.6 million for the third quarter of 2023, a year-over-year decrease of $11.9 million. Net loss attributable to shareholders was $0.6 million or $0.01 per share, compared with net income attributable to shareholders of $7.6 million or $0.18 per share for the same period of 2022. For the nine-month period ended September 30, 2023, the net loss attributable to shareholders was $32.0 million, or $0.74 per share, compared with $8.6 million, or $0.20 per share, for the same period of 2022.

Operating highlights for the third quarter and first nine months of the year:

- $16,485,000 in consolidated adjusted EBITDA[1] for the third quarter, a $1,710,000 unfavourable variance compared with the same quarter of 2022, and $11,335,000 in negative adjusted EBITDA[1] for the first nine months of the year, a $23,044,000 unfavourable variance from the same period of 2022.

- $14,456,000 in adjusted EBITDA[1] for the third quarter in the Broadcasting segment, a $389,000 favourable variance mainly due to higher adjusted EBITDA[1] at Communications Qolab inc. TVA Network's negative adjusted EBITDA[1] continued to deteriorate and the specialty channels continued to suffer from the effects of a shrinking advertising market and a reduction in the number of cable subscribers ("cord-cutting").

- $12,889,000 in negative Adjusted EBITDA[1] in the Broadcasting segment for the first nine months of 2023, compared with $1,550,000 in negative adjusted EBITDA[1] for the same period of 2022. Last February's restructuring plan enabled the Corporation to achieve some savings, but insufficient to offset the significant drop in revenues, both from traditional advertising and specialty channel subscriptions, or to sustain the required investments in content to maintain our market share and our audience in the face of foreign digital on-demand platforms, among other things.

- $669,000 in adjusted EBITDA[1] in the Film Production & Audiovisual Services segment ("MELS") for the third quarter of 2023, a $1,916,000 unfavourable variance compared with the same quarter of 2022, due mainly to lower activity volume in soundstage, mobile and equipment rental, postproduction and media accessibility services, partially offset by the positive impact of the discontinuation of visual effects activities. For the first nine months of 2023, MELS posted $299,000 in negative adjusted EBITDA,[1] compared with $8,601,000 in adjusted EBITDA[1] for the same period of 2022, an unfavourable variance explained by the same factors as for the quarter.

- $1,288,000 in adjusted EBITDA[1] in the Magazines segment for the third quarter, a $66,000 favourable variance compared with the same quarter of 2022, mainly because cost savings were slightly higher than the decrease in revenues, particularly in newsstand and subscription revenues. For the first nine months of the year, adjusted EBITDA[1] for the Magazines segment was $1,230,000, compared with $3,308,000 in adjusted EBITDA[1] for the same period of 2022.

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[1] See definition of adjusted EBITDA below.

- $146,000 in negative adjusted EBITDA[1] in the Production and Distribution segment for the third quarter, a $195,000 unfavourable variance compared with the same quarter of 2022, due mainly to a lower gross margin on the international distribution of films produced by Incendo, as well as lower profitability at TVA Films, partially offset by savings on administrative expenses and a higher gross margin on Canadian distribution for Incendo. For the first nine months of 2023, adjusted EBITDA[1] in the Production and Distribution segment was $81,000, compared with $1,113,000 in adjusted EBITDA[1] for the same period of 2022.

- During the third quarter of 2023, challenging market conditions and changes in the television industry ecosystem led the Corporation to record a goodwill impairment charge of $4,813,000 and an impairment charge of $2,850,000 on certain trademarks in the Broadcasting segment.

Pierre Karl Péladeau, acting President and CEO of TVA Group, had this to say:

"Looking at our results over the last few quarters, which show a negative adjusted EBITDA[1] of nearly $13 million in the Broadcasting segment, it's clear that the broadcasting ecosystem no longer provides the conditions necessary for our conventional television activities to be viable. Even though TVA Group increased its market share by 0.5 points to 40.6% during the quarter, traditional advertising revenues continued their sharp decline of recent years. These factors led the Corporation to conclude that a $7,663,000 non-cash charge for impairment of goodwill and certain trademarks was necessary.

The crisis in the media industry has affected results more than ever, with competition from web giants and Radio-Canada monopolizing advertising revenues. For too long, TVA Group has been calling for regulatory relief to give private broadcasters greater flexibility. Moreover, despite TVA Group's extensive efforts to stabilize its financial situation, including the elimination of 140 positions in February 2023, the decline in advertising revenues is now an unfortunate fact of life with which we have to contend. Consequently, we are announcing today major changes to our organizational structure in order to secure the future of our business. Our goal is clear, to continue offering our viewers and our advertisers the best original content produced in Quebec, providing reliable, high-quality news coverage throughout Quebec, and presenting major sporting events live. The Corporation will therefore implement a reorganization plan that will refocus its mission on broadcasting, restructure its news division and optimize its real estate holdings. The goal is to reduce the Corporation's operating costs. The plan will reduce the Corporation's workforce by 547 employees. Most of the costs associated with the elimination of positions will be recognized in the next quarter.

TVA Group's third quarter results were affected by lower revenues across all business segments, particularly at MELS, which continues to suffer from the lack of foreign productions. Although the writers' strike has been resolved, the actors' strike in the U.S. continues, prolonging the absence of foreign producers at our studios. The appointment of Patrick Jutras as President of MELS will strengthen the company's local and international business ties, attract more large-scale productions and accelerate growth.

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 for all our titles were affected by a decline in revenues, offset by cost savings. The significant reduction in government assistance from the Canada Periodical Fund remains a cause for concern for this segment, which has been operating in a sharply declining market for several years.

Our Production and Distribution segment suffered a decrease in adjusted EBITDA[1] primarily due to the negative impact of strikes on the order book in the U.S. industry. Incendo is currently starting its first film shoot of 2023 for Tubi."

[1] See definition of adjusted EBITDA below.

Definition

Adjusted EBITDA

In its analysis of operating results, the Corporation defines adjusted EBITDA as net income (loss) before depreciation and amortization, financial expenses, operational restructuring costs and other, income taxes (income tax recovery) and share of (income) loss 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 the possibility that the reorganization plan 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 in a timely manner or at all, the possibility of unknown potential liabilities or costs related to 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.

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, 2022.

The forward-looking statements in this news release reflect the Corporation's expectations as of November 2, 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 as at September 30, 2023, with notes, and the interim Management's Discussion and Analysis can be consulted on the Corporation's website at www.groupetva.ca.

Source:
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TVA GROUP INC.
Consolidated statements of income (loss)

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

		Three-month periods ended September 30		Nine-month periods ended September 30	
	Note	**2023**	2022	**2023**	2022
Revenues	2	**$ 118,620**	$ 130,519	**$ 393,483**	$ 422,485
Purchases of goods and services	3	**72,958**	78,155	**305,244**	300,819
Employee costs		**29,177**	34,169	**99,574**	109,957
Depreciation and amortization		**6,805**	7,446	**20,960**	22,528
Financial expenses	4	**947**	64	**786**	658
Operational restructuring costs and other	5	**7,684**	49	**8,706**	182
Income (loss) before income taxes (income tax recovery) and share of (income) loss of associates		**1,049**	10,636	**(41,787)**	(11,659)
Income taxes (income tax recovery)		**1,691**	2,842	**(9,634)**	(2,817)
Share of (income) loss of associates		**(3)**	195	**(134)**	(217)
Net (loss) income		**$ (639)**	$ 7,599	**$ (32,019)**	$ (8,625)
Net (loss) income attributable to:					
Shareholders		**$ (639)**	$ 7,623	**$ (32,019)**	$ (8,605)
Non-controlling interest		**–**	(24)	**–**	(20)
Basic and diluted (loss) earnings per share attributable to shareholders		**$ (0.01)**	$ 0.18	**$ (0.74)**	$ (0.20)
Weighted average number of outstanding shares		**43,205,535**	43,205,535	**43,205,535**	43,205,535
Weighted average number of diluted shares		**43,205,535**	43,307,990	**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)

	Note	Three-month periods ended September 30		Nine-month periods ended September 30	
		2023	2022	**2023**	2022
Net (loss) income		**$ (639)**	$ 7,599	**$ (32,019)**	$ (8,625)
Other comprehensive income items that will not be reclassified to income:					
Defined benefit plans:					
Re-measurement gain	9	**–**	1,000	**–**	30,000
Deferred income taxes		**–**	(300)	**–**	(8,000)
		–	700	**–**	22,000
Comprehensive (loss) income		**$ (639)**	$ 8,299	**$ (32,019)**	$ 13,375
Comprehensive (loss) income attributable to:					
Shareholders		**$ (639)**	$ 8,323	**$ (32,019)**	$ 13,395
Non-controlling interest		**–**	(24)	**–**	(20)

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	–	–	(8,605)	–	(20)	(8,625)
Dividends	–	–	–	–	(1,190)	(1,190)
Other comprehensive income	–	–	–	22,000	–	22,000
Balance as at September 30, 2022	207,280	581	130,074	54,714	–	392,649
Net loss	–	–	(264)	–	–	(264)
Other comprehensive income	–	–	–	991	–	991
Balance as at December 31, 2022	207,280	581	129,810	55,705	–	393,376
Net loss	–	–	(32,019)	–	–	(32,019)
Balance as at September 30, 2023	**$ 207,280**	**$ 581**	**$ 97,791**	**$ 55,705**	**$ –**	**$ 361,357**

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	Note	**September 30, 2023**	December 31, 2022
Assets			
Current assets			
Accounts receivable		**$ 137,797**	$ 175,174
Income taxes		**18,535**	8,522
Audiovisual content		**121,455**	135,038
Prepaid expenses		**6,187**	4,400
		283,974	323,134
Non-current assets			
Audiovisual content		**90,838**	88,225
Investments		**11,880**	12,017
Property, plant and equipment		**144,093**	157,784
Right-of-use assets		**7,037**	7,599
Intangible assets	**5**	**10,006**	14,671
Goodwill	**5**	**16,883**	21,696
Defined benefit plan asset		**43,562**	45,111
Deferred income taxes		**6,136**	5,833
		330,435	352,936
Total assets		**$ 614,409**	$ 676,070

TVA GROUP INC.
Consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note	September 30, 2023	December 31, 2022
Liabilities and equity			
Current liabilities			
Bank indebtedness	6	**$ 14,004**	$ 1,107
Accounts payable, accrued liabilities and provisions		**95,858**	114,174
Content rights payable		**44,355**	124,394
Deferred revenues		**10,958**	11,031
Income taxes		**778**	562
Current portion of lease liabilities		**1,868**	2,318
Short-term debt	6	**–**	8,961
		167,821	262,547
Non-current liabilities			
Long-term debt	6	**68,868**	–
Lease liabilities		**6,046**	6,453
Other liabilities		**4,684**	5,395
Deferred income taxes		**5,633**	8,299
		85,231	20,147
Equity			
Capital stock	7	**207,280**	207,280
Contributed surplus		**581**	581
Retained earnings		**97,791**	129,810
Accumulated other comprehensive income		**55,705**	55,705
Equity		**361,357**	393,376
Total liabilities and equity		**$ 614,409**	$ 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 September 30		Nine-month periods ended September 30	
		2023	2022	**2023**	2022
Cash flows related to operating activities					
Net (loss) income		**$ (639)**	$ 7,599	**$ (32,019)**	$ (8,625)
Adjustments for:					
Depreciation and amortization		**6,805**	7,446	**20,960**	22,528
Share of (income) loss of associates		**(3)**	195	**(134)**	(217)
Deferred income taxes		**(819)**	(2,004)	**(2,969)**	(3,543)
Impairment of assets and other	5	**7,696**	13	**7,752**	661
		13,040	13,249	**(6,410)**	10,804
Net change in non-cash balances related to operating activities		**6,372**	(15,073)	**(61,731)**	(19,907)
Cash flows provided by (used in) operating activities		**19,412**	(1,824)	**(68,141)**	(9,103)
Cash flows related to investing activities					
Additions to property, plant and equipment		**(996)**	(3,939)	**(2,873)**	(16,247)
Additions to intangible assets		**(46)**	(87)	**(225)**	(815)
Business acquisitions	5	**–**	(2,573)	**–**	(6,323)
Dividends to non-controlling shareholders		**–**	(1,150)	**–**	(1,150)
Other		**271**	271	**271**	271
Cash flows used in investing activities		**(771)**	(7,478)	**(2,827)**	(24,264)
Cash flows related to financing activities					
Net change in bank indebtedness		**3,873**	5,624	**12,897**	8,620
Net change in revolving credit facility	6	**–**	1,835	**(8,970)**	21,710
Net change in long-term debt	6	**(22,000)**	–	**69,000**	–
Repayment of lease liabilities		**(514)**	(580)	**(1,892)**	(2,091)
Other		**–**	–	**(67)**	(53)
Cash flows (used in) provided by financing activities		**(18,641)**	6,879	**70,968**	28,186
Net change in cash		**–**	(2,423)	**–**	(5,181)
Cash at beginning of period		**–**	2,423	**–**	5,181
Cash at end of period		**$ –**	$ –	**$ –**	$ –
Interest and taxes reflected as operating activities					
Net interest paid		**$ 1,442**	$ 450	**$ 1,998**	$ 1,038
Income taxes paid (received)		**585**	(1,975)	**3,132**	3,748

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 financial statements.

These condensed consolidated financial statements were approved by the Corporation's Board of Directors on November 2, 2023.

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

2. Revenues

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2023	2022	**2023**	2022
Advertising services	**$ 50,098**	$ 50,472	**$ 185,891**	$ 189,527
Royalties	**32,705**	33,391	**99,319**	101,778
Rental, postproduction and distribution services and other services rendered(1)	**20,003**	32,709	**63,215**	88,434
Product sales(2)	**15,814**	13,947	**45,058**	42,746
	$ 118,620	$ 130,519	**$ 393,483**	$ 422,485

(1) Revenue from rental of soundstages, mobiles, equipment and rental space amounted to $5,004,000 and $14,657,000 during the three-month and nine-month periods ended September 30, 2023, respectively ($8,229,000 and $26,024,000 during 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 September 30		Nine-month periods ended September 30	
	2023	2022	**2023**	2022
Rights and audiovisual content costs	**$ 50,436**	$ 53,787	**$ 228,739**	$ 222,491
Printing and distribution	**3,315**	3,385	**10,281**	10,090
Services rendered by the parent corporation:				
- Commissions on advertising sales	**4,054**	4,536	**16,159**	17,674
- Other	**2,273**	2,381	**6,999**	6,845
Building costs	**4,002**	3,786	**12,632**	12,247
Marketing, advertising and promotion	**3,484**	3,692	**11,512**	11,988
Other	**5,394**	6,588	**18,922**	19,484
	$ 72,958	$ 78,155	**$ 305,244**	$ 300,819

4. Financial expenses

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2023	2022	**2023**	2022
Interest on debt[1]	**$ 1,612**	$ 384	**$ 2,121**	$ 764
Amortization of financing costs	**33**	13	**95**	39
Interest on lease liabilities	**96**	109	**295**	340
Interest income related to defined benefit plans	**(516)**	(115)	**(1,535)**	(341)
Foreign exchange (gain) loss	**(142)**	(285)	**132**	(190)
Other	**(136)**	(42)	**(322)**	46
	$ 947	$ 64	**$ 786**	$ 658

(1) For the three-month and nine-month periods ended September 30, 2023, interest totalling $1,445,000 and $1,505,000, respectively, 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 September 30		Nine-month periods ended September 30	
	2023	2022	**2023**	2022
Operational restructuring costs	**$ 21**	$ 49	**$ 1,086**	$ 164
Impairment of assets	**7,663**	–	**7,663**	–
Other	**–**	–	**(43)**	18
	$ 7,684	$ 49	**$ 8,706**	$ 182

Operational restructuring costs

For the three-month and nine-month periods ended September 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 September 30		Nine-month periods ended September 30	
	2023	2022	**2023**	2022
Broadcasting	**$ 10**	$ –	**$ 729**	$ 102
Film Production & Audiovisual Services	**11**	49	**214**	49
Magazines	**–**	–	**111**	13
Production & Distribution	**–**	–	**32**	–
	$ 21	$ 49	**$ 1,086**	$ 164

Impairment of assets

During the third quarter of 2023, unfavourable market conditions and the changing ecosystem of the television industry led the Corporation to perform an impairment test on its Broadcasting cash-generating unit. The Corporation concluded that the recoverable amount, based on fair value less costs of disposal, was less than its carrying amount. Accordingly, a $4,813,000 goodwill impairment charge was recognized, as well as a $2,850,000 impairment charge with respect to certain trademarks.

Other

In 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. Payments of $2,573,000 and $6,323,000 were made in connection with this acquisition for the three-month and nine-month periods ended September 30, 2022 respectively.

(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:

	September 30, 2023	December 31, 2022
Revolving credit facility - Quebecor	**$ 69,000**	$ –
Syndicated revolving credit facility	**–**	8,970
Financing costs, net of accumulated amortization	**(132)**	(9)
	68,868	8,961
Less the current portion	**–**	(8,961)
	$ 68,868	$ –

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 the Canadian banker's acceptance rate or prime rate, plus a spread based on the Corporation's debt ratio.

Also on June 28, 2023, the Corporation entered into a new $20,000,000 secured on-demand credit facility with a banking institution. This on-demand credit facility bears interest at the Canadian or U.S. prime rate, plus a spread 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 September 30, 2023, $9,310,000 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 $2,805,000. As at September 30, 2023, $69,000,000 was drawn on the revolving credit facility with Quebecor Media. Costs of $151,000 were incurred in setting up this new financing.

As at September 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

	September 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
Exercised	(6,666)	1.40
Cancelled	(217,397)	1.95
Balance as at September 30, 2023	**420,440**	**$ 2.40**
Vested options as at September 30, 2023	**144,025**	**$ 2.81**
Quebecor		
Balance as at December 31, 2022	244,216	$ 30.36
Granted	135,000	33.28
Exercised	(21,583)	28.46
Cancelled	(234,035)	31.86
Balance as at September 30, 2023	**123,598**	**$ 31.04**
Vested options as at September 30, 2023	**48,573**	**$ 30.47**

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

	Outstanding units
	Corporation stock units
Balance as at December 31, 2022	446,934
Granted	53,115
Balance as at September 30, 2023	**500,049**

(c) Stock-based compensation expense

During the three-month and nine-month periods ended September 30, 2023, compensation expense reversals in the amounts of $387,000 and $193,000 respectively were recorded in respect of all stock-based compensation plans (compensation expense reversals of $624,000 and $268,000, respectively, for the same periods of 2022).

9. Pension plans and postretirement benefits

The gain on remeasurement for defined benefit plans recognized on the consolidated statement of comprehensive income resulted from the increase in the fair value of pension plan assets for the three-month period ended September 30, 2022. For the nine-month period ended September 30, 2022, the gain resulted from 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 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)

10. Segmented information (continued)

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2023	2022	**2023**	2022
Revenues				
Broadcasting	**$ 98,317**	$ 104,601	**$ 330,167**	$ 340,908
Film Production & Audiovisual Services	**12,519**	17,304	**39,030**	54,989
Magazines	**9,342**	9,945	**27,351**	29,980
Production & Distribution	**2,550**	3,279	**10,773**	11,715
Intersegment items	**(4,108)**	(4,610)	**(13,838)**	(15,107)
	118,620	130,519	**393,483**	422,485
Adjusted EBITDA (negative adjusted EBITDA)[1]				
Broadcasting	**14,456**	14,067	**(12,889)**	(1,550)
Film Production & Audiovisual Services	**669**	2,585	**(299)**	8,601
Magazines	**1,288**	1,222	**1,230**	3,308
Production & Distribution	**(146)**	49	**81**	1,113
Intersegment items	**218**	272	**542**	237
	16,485	18,195	**(11,335)**	11,709
Depreciation and amortization	**6,805**	7,446	**20,960**	22,528
Financial expenses	**947**	64	**786**	658
Operational restructuring costs and other	**7,684**	49	**8,706**	182
Income (loss) before income taxes (income tax recovery) and share of (income) loss of associates	**$ 1,049**	$ 10,636	**$ (41,787)**	$ (11,659)

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 expenses, operational restructuring costs and other, income taxes (income tax recovery) and share of (income) loss of associates. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS.

11. Subsequent event

On November 2, 2023, in the context of the worldwide crisis in the media industry, the Corporation announced major changes to its organizational structure. It will implement a reorganization plan that will refocus its mission on broadcasting, restructure its news division and optimize its real estate holdings. The goal is to reduce the Corporation's operating costs. The plan will reduce the Corporation's workforce by 547 employees. Most of the costs associated with the elimination of positions will be recognized in the fourth quarter of 2023.