February 21, 2024

For immediate release

TVA GROUP REPORTS CONSOLIDATED RESULTS FOR FOURTH QUARTER AND FISCAL 2023

Montreal, Quebec – TVA Group Inc. (TSX: TVA.B) ("TVA Group" or the "Corporation") today reported its consolidated financial results for the fourth quarter and fiscal 2023.

Highlights

Fiscal 2023

- $545,197,000 in revenues, a $49,212,000 (-8.3%) decrease compared with 2022.
- $47,891,000 (-$1.11 per basic share) net loss attributable to shareholders, a $39,022,000 (-$0.90 per basic share) unfavourable variance from 2022.
- $5,431,000 in consolidated negative adjusted EBITDA,[1] a $24,816,000 unfavourable variance compared with fiscal 2022.
- $9,312,000 in negative adjusted EBITDA[1] in the Broadcasting segment, an $8,727,000 unfavourable variance due mainly to a significant decrease in revenues, combined with higher content costs, partially offset by certain operating cost reduction measures.
- $686,000 in adjusted EBITDA[1] in the Film Production & Audiovisual Services segment ("MELS"), a $12,198,000 unfavourable variance due mainly to lower volume of activities in soundstage, mobile and equipment rental, postproduction and media accessibility services, partially offset by the positive impact of the discontinuation of visual effects activities on March 31, 2023.
- $2,008,000 in adjusted EBITDA[1] in the Magazines segment, $1,795,000 unfavourable variance due mainly to a decrease in revenues, particularly reduced government assistance, as well as lower newsstand and subscription revenues, partly offset by certain savings, notably in employee costs, printing costs, subscription and newsstand selling expenses.
- $553,000 in adjusted EBITDA[1] in the Production & Distribution segment, a $2,312,000 unfavourable variance due to lower margins on international and Canadian distribution than last year.
- In the third quarter of 2023, unfavourable market conditions and the changing ecosystem in the television industry led the Corporation to record a $4,813,000 goodwill impairment charge, as well as a $2,850,000 charge for impairment of intangible assets in the Broadcasting segment.

[1] See definition of adjusted EBITDA below.

Fourth quarter 2023

- $151,714,000 in revenues, a $20,210,000 (-11.8%) decrease compared with the fourth quarter of 2022.
- $15,872,000 (-$0.37 per basic share) net loss attributable to shareholders, a $15,608,000 (-$0.36 per basic share) unfavourable variance compared with the same quarter of 2022.
- $5,904,000 in consolidated adjusted EBITDA,[1] a $1,772,000 unfavourable variance from the same quarter of 2022.
- $3,577,000 in adjusted EBITDA[1] in the Broadcasting segment, a $2,612,000 favourable variance mainly due to a retroactive adjustment related to CRTC Part II licence fees and other cost savings that offset the decrease in revenues, particularly advertising revenues.
- $985,000 in adjusted EBITDA[1] in the Film Production & Audiovisual Services segment, a $3,298,000 unfavourable variance due mainly to lower volume of activities in soundstage, mobile and equipment rental, postproduction and media accessibility services, partially offset by the positive impact of the discontinuation of visual effects activities.
- $778,000 in adjusted EBITDA[1] in the Magazines segment, a $283,000 favourable variance, mainly because cost savings were slightly higher than the decrease in revenues.
- $472,000 in adjusted EBITDA[1] in the Production & Distribution segment, a $1,280,000 unfavourable variance due to lower margins on international and Canadian distribution compared with the same period of 2022.

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

"For the fiscal year ended December 31, 2023, all business segments recorded a significant decrease in revenues and adjusted EBITDA.[1]

"The Broadcasting segment's results continue to be greatly affected by the crisis in the media industry, as evidenced by its $9,312,000 in negative adjusted EBITDA[1] for 2023, an unfavourable variance of $8,727,000 compared with 2022, and over $54 million compared with 2021. With the responsibility to take action to remedy this unsustainable deficit situation, TVA Group implemented two major restructuring plans during the year to reduce its operating costs. The deployment over the coming months of the measures announced on November 2, 2023, which include refocusing TVA Group's mission exclusively on broadcasting, reorganizing its news division and optimizing its real estate assets, all of which will result in the elimination of 547 positions, is essential for the Corporation to return to a better financial position and ensure its survival. Implementation of this plan will enable TVA Group to pursue its mission, offering its viewers and advertisers the best original content produced in Quebec, providing reliable, high-quality news coverage throughout Quebec and presenting major sporting events live.

"To protect its market share, both for TVA Network and for its specialty services, TVA Group also continued to invest in content. The family show *Chanteurs masqués*, the Quebec version of *The Masked Singer*, which drew an average audience of over 1.8 million viewers, as well as programs such as *La Voix*, *Sortez-moi d'ici!* and the daily program *Indéfendable*, with more than 1.5 million viewers each, played a major role in TVA Network's high ratings. TVA Nouvelles also remains Quebecers' number one news source in each of its time slots (noon, 6 p.m. and 10 p.m.). Most viewers tune in at 6 p.m., where TVA dominates the field, with an average audience of 787,500 last fall, beating the competition by 41.2% across Quebec and also leading the pack in the Montreal area. On a weekly basis, these flagship news programs reached an impressive 4.3 million viewers.

"TVA Group's market share was 41.0%, up 0.2 points compared with 2022. These figures are a testament to TVA Group's popularity, at twice the market share of its rivals.

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[1] See definition of adjusted EBITDA below.

"Nevertheless, the Broadcasting segment is obviously not immune to the difficult market trend, and again recorded a loss of advertising revenues in 2023, due in particular to the proliferation of on-demand digital broadcasting platforms, competition from the Web giants and unfair competition from Radio-Canada.

"In the Film Production & Audiovisual Services segment, the Corporation was particularly affected by a decrease in soundstage and equipment rental services due to the shutdown of foreign productions as a result of the writers' and actors' strikes in the U.S. during the year. However, MELS' virtual stage services have seen attractive growth this year, drawing the attention of increasing numbers of producers to the technology. MELS is also proud to welcome two major U.S. productions to its studios, with shooting set to begin shortly.

"In the Magazines segment, results for all 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 declining market for several years.

"Adjusted EBITDA[1] in the Production & Distribution segment decreased, primarily due to the negative impact of the strikes in the U.S. on the order books. In December 2023, Incendo delivered its original production *Guess Who* to the U.S. platform Tubi, owned by FOX. Shot entirely in the Montreal area, the horror film is attracting interest from international buyers.

"The year 2023 is indicative of a media industry undergoing profound transformation and the resulting suite of restructuring initiatives once again demonstrates the urgent need for action to support local businesses. Government bodies and regulators need to take concrete action now to provide relief, flexibility and tax credits that are better suited to the realities of film and television production.

"TVA Group will continue to focus all its efforts and make the necessary decisions to regain a solid foundation on which to maintain its leadership in this new media reality."

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 Management's Discussion and Analysis 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

[1] See definition of adjusted EBITDA below.

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 emergency measures implemented 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 “Risks and Uncertainties” section of the Corporation annual Management’s Discussion and Analysis and other public filings available at www.sedarplus.ca and www.groupetva.ca.

The forward-looking statements in this news release reflect the Corporation’s expectations as of February 21, 2024, and are subject to change after that 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 audited consolidated financial statements, with notes, and the annual Management’s Discussion and Analysis, 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 December 31		Years ended December 31	
	2023	2022	**2023**	2022
Revenues	**$ 151,714**	$ 171,924	**$ 545,197**	$ 594,409
Purchases of goods and services	**113,498**	126,455	**418,742**	427,274
Employee costs	**32,312**	37,793	**131,886**	147,750
Depreciation and amortization	**6,735**	7,419	**27,695**	29,947
Financial expenses	**1,365**	647	**2,151**	1,305
Operational restructuring costs and other	**20,119**	748	**28,825**	930
Loss before income tax recovery and share of income of associates	**(22,315)**	(1,138)	**(64,102)**	(12,797)
Income tax recovery	**(6,081)**	(296)	**(15,715)**	(3,113)
Share of income of associates	**(362)**	(578)	**(496)**	(795)
Net loss	**$ (15,872)**	$ (264)	**$ (47,891)**	$ (8,889)
Net loss attributable to:				
Shareholders	**$ (15,872)**	$ (264)	**$ (47,891)**	$ (8,869)
Non-controlling interest	**–**	–	**–**	(20)
Basic and diluted loss per share attributable to shareholders	**$ (0.37)**	$ (0.01)	**$ (1.11)**	$ (0.21)
Weighted average number of outstanding and diluted shares	**43,205,535**	43,205,535	**43,205,535**	43,205,535

TVA GROUP INC.

Consolidated statements of comprehensive (loss) income

(unaudited)
(in thousands of Canadian dollars)

	Three-month periods ended December 31		Years ended December 31	
	2023	2022	**2023**	2022
Net loss	**$ (15,872)**	$ (264)	**$ (47,891)**	$ (8,889)
Other comprehensive income items that will not be reclassified to loss:				
Defined benefit plans:				
Re-measurement gain	**2,535**	1,281	**2,535**	31,281
Deferred income taxes	**(672)**	(290)	**(672)**	(8,290)
	1,863	991	**1,863**	22,991
Comprehensive (loss) income	**$ (14,009)**	$ 727	**$ (46,028)**	$ 14,102
Comprehensive (loss) income attributable to:				
Shareholders	**$ (14,009)**	$ 727	**$ (46,028)**	$ 14,122
Non-controlling interest	**–**	–	**–**	(20)

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	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	–	–	(8,869)	–	(20)	(8,889)
Dividends	–	–	–	–	(1,190)	(1,190)
Other comprehensive income	–	–	–	22,991	–	22,991
Balance as at December 31, 2022	207,280	581	129,810	55,705	–	393,376
Net loss	–	–	(47,891)	–	–	(47,891)
Other comprehensive income	–	–	–	1,863	–	1,863
Balance as at December 31, 2023	**$ 207,280**	**$ 581**	**$ 81,919**	**$ 57,568**	**$ –**	**$ 347,348**

TVA GROUP INC.
Consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	December 31, 2023	December 31, 2022
Assets		
Current assets		
Accounts receivable	**$ 154,065**	$ 175,174
Income taxes	**12,738**	8,522
Audiovisual content	**140,696**	135,038
Prepaid expenses	**3,408**	4,400
	310,907	323,134
Non-current assets		
Audiovisual content	**80,373**	88,225
Investments	**12,242**	12,017
Property, plant and equipment	**141,899**	157,784
Intangible assets	**9,060**	14,671
Right-of-use assets	**6,784**	7,599
Goodwill	**16,883**	21,696
Defined benefit plan asset	**39,867**	45,111
Deferred income taxes	**8,495**	5,833
	315,603	352,936
Total assets	**$ 626,510**	$ 676,070

TVA GROUP INC.
Consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	December 31, 2023	December 31, 2022
Liabilities and equity		
Current liabilities		
Bank indebtedness	**$ 176**	$ 1,107
Accounts payable, accrued liabilities and provisions	**130,054**	114,174
Content rights payable	**42,417**	124,394
Deferred revenues	**8,444**	11,031
Income taxes	**1,619**	562
Current portion of lease liabilities	**1,876**	2,318
Short-term debt	**–**	8,961
	184,586	262,547
Non-current liabilities		
Long-term debt with the parent corporation	**83,883**	–
Lease liabilities	**5,777**	6,453
Other liabilities	**4,900**	5,395
Deferred income taxes	**16**	8,299
	94,576	20,147
Equity		
Capital stock	**207,280**	207,280
Contributed surplus	**581**	581
Retained earnings	**81,919**	129,810
Accumulated other comprehensive income	**57,568**	55,705
Equity	**347,348**	393,376
Total liabilities and equity	**$ 626,510**	$ 676,070

TVA GROUP INC.

Consolidated statements of cash flows

(unaudited)
(in thousands of Canadian dollars)

	Three-month periods ended December 31		Years ended December 31	
	2023	2022	**2023**	2022
Cash flows related to operating activities				
Net loss	**$ (15,872)**	$ (264)	**$ (47,891)**	$ (8,889)
Adjustments for:				
Depreciation and amortization	**6,735**	7,419	**27,695**	29,947
Share of income of associates	**(362)**	(578)	**(496)**	(795)
Deferred income taxes	**(8,648)**	698	**(11,617)**	(2,845)
Impairment of assets	**433**	777	**8,096**	1,399
Other	**16**	14	**105**	53
	(17,698)	8,066	**(24,108)**	18,870
Net change in non-cash balances related to operating items	**17,055**	29,091	**(44,676)**	9,184
Cash flows (used in) provided by operating activities	**(643)**	37,157	**(68,784)**	28,054
Cash flows related to investing activities				
Additions to property, plant and equipment	**715**	(3,989)	**(2,158)**	(20,236)
Additions to intangible assets	**(731)**	(299)	**(956)**	(1,114)
Business acquisitions	**–**	–	**–**	(6,323)
Dividends to non-controlling shareholders	**–**	–	**–**	(1,150)
Other	**–**	–	**271**	271
Cash flows used in investing activities	**(16)**	(4,288)	**(2,843)**	(28,552)
Cash flows related to financing activities				
Net change in bank indebtedness	**(13,828)**	(7,513)	**(931)**	1,107
Net change in syndicated renewable credit facility	**–**	(24,729)	**(8,970)**	(3,019)
Net change in long-term debt with the parent corporation	**15,000**	–	**84,000**	–
Repayment of lease liabilities	**(513)**	(627)	**(2,405)**	(2,718)
Other	**–**	–	**(67)**	(53)
Cash flows provided by (used in) financing activities	**659**	(32,869)	**71,627**	(4,683)
Net change in cash	**–**	–	**–**	(5,181)
Cash at beginning of period	**–**	–	**–**	5,181
Cash at end of period	**$ –**	$ –	**$ –**	$ –
Interest and taxes reflected as operating activities				
Interest paid	**$ 1,646**	$ 728	**$ 3,644**	$ 1,766
Income taxes (refunded) paid (net of payments or refunds)	**(4,071)**	(189)	**(939)**	3,559

TVA GROUP INC.
Segmented information

(unaudited)
(in thousands of Canadian dollars)

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.

TVA GROUP INC.
Segmented information (continued)

(unaudited)
(in thousands of Canadian dollars)

	Three-month periods ended December 31		Years ended December 31	
	2023	2022	**2023**	2022
Revenues				
Broadcasting	**$ 129,071**	$ 138,550	**$ 459,238**	$ 479,458
Film Production & Audiovisual Services	**12,863**	19,925	**51,893**	74,914
Magazines	**9,813**	10,567	**37,164**	40,547
Production & Distribution	**4,218**	8,276	**14,991**	19,991
Intersegment items	**(4,251)**	(5,394)	**(18,089)**	(20,501)
	151,714	171,924	**545,197**	594,409
Adjusted EBITDA[1] (negative adjusted EBITDA)				
Broadcasting	**3,577**	965	**(9,312)**	(585)
Film Production & Audiovisual Services	**985**	4,283	**686**	12,884
Magazines	**778**	495	**2,008**	3,803
Production & Distribution	**472**	1,752	**553**	2,865
Intersegment items	**92**	181	**634**	418
	5,904	7,676	**(5,431)**	19,385
Depreciation and amortization	**6,735**	7,419	**27,695**	29,947
Financial expenses	**1,365**	647	**2,151**	1,305
Operational restructuring costs and other	**20,119**	748	**28,825**	930
Loss before income tax recovery and share of income of associates	**$ (22,315)**	$ (1,138)	**$ (64,102)**	$ (12,797)