

Consolidated financial statements of

TVA GROUP INC.

Years ended December 31, 2025 and 2024

Independent auditor's report

To the Shareholders of
TVA Group Inc.

Opinion

We have audited the consolidated financial statements of Groupe TVA Inc. and its subsidiaries [the "Group"], which comprise the consolidated balance sheets as at December 31, 2025 and 2024, and the consolidated statements of loss, consolidated statements of comprehensive loss, consolidated statements of equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key audit matter	How our audit addressed the key audit matter
<p>Goodwill impairment assessment of the CGU for Film Production & Audiovisual Services</p> <p>As described in note 14 to the consolidated financial statements, the carrying value of goodwill allocated to the Film Production & Audiovisual Services CGU amounts to \$9.1 million at December 31, 2025. Management assesses at least annually, or at any time if an indicator of impairment exists, whether there has been an impairment loss in the carrying value of goodwill. Determining whether the carrying value of goodwill is recoverable requires management to estimate the recoverable amount of the related CGU on the basis of the higher of its fair value less costs of disposal and its value-in-use.</p> <p>Management estimated the recoverable amount using fair value less costs of disposal, based on market data for the assets of the Film and Audiovisual Services CGU and on the estimated market value of those assets.</p> <p>Given the judgment applied by management in determining fair value less costs of disposal and the significant nature of our audit work in this area, the assessment of goodwill for this CGU represents a key audit matter.</p>	<p>To test the estimated recoverable amount of this CGU, our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • With the assistance of our valuation specialists, we evaluated management's model in order to estimate fair value less costs of disposal. • With the assistance of our valuation specialists, we reviewed the assumptions used to determine the fair value of the assets—consisting primarily of buildings —by comparing the estimated market value with comparable market data. • We also assessed the adequacy of the disclosures included in Note 14 of the accompanying consolidated financial statements in relation to this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Laury Paquette.

*Ernst & Young LLP*¹

Montréal, Canada
February 19, 2026

¹ CPA auditor, public accountancy permit no. A133686



TVA GROUP INC.

CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

Consolidated financial statements

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TVA GROUP INC.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

Years ended December 31, 2025 and 2024

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

	Notes	2025	2024
Revenues	2 and 24	\$ 540,818	\$ 532,229
Purchases of goods and services	3 and 24	393,426	413,757
Employee costs		97,542	107,351
Depreciation and amortization	11,12 and 13	21,987	22,514
Financial expenses	4	1,656	4,801
Restructuring costs, impairment of assets and other	5	6,804	7,601
Income (loss) before income taxes (income tax recovery) and share of income of associates		19,403	(23,795)
Income taxes (income tax recovery)	6	5,044	(3,699)
Share of income of associates		(428)	(753)
Net income (loss) attributable to shareholders		\$ 14,787	\$ (19,343)
Basic and diluted earnings (loss) per share attributable to shareholders		\$ 0.34	\$ (0.45)
Weighted average number of outstanding shares		43,205,535	43,205,535
Weighted average number of diluted shares		43,222,384	43,205,535

See accompanying notes to consolidated financial statements.

TVA GROUP INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Years ended December 31, 2025 and 2024
(in thousands of Canadian dollars)

	Note	2025	2024
Net income (loss) attributable to shareholders		\$ 14,787	\$ (19,343)
Other comprehensive income items that will not be reclassified to income (loss):			
Defined benefit plans:			
Remeasurement gain	23	342	12,609
Deferred income taxes	6	(91)	(3,340)
		251	9,269
Comprehensive income (loss) attributable to shareholders		\$ 15,038	\$ (10,074)

See accompanying notes to consolidated financial statements.

TVA GROUP INC.

CONSOLIDATED STATEMENTS OF EQUITY

Years ended December 31, 2025 and 2024
(in thousands of Canadian dollars)

	Equity attributable to shareholders				Total equity
	Capital stock (note 20)	Contributed surplus	Retained earnings	Accumulated other comprehensive income—Defined benefit plans	
Balance as at December 31, 2023	\$ 207,280	\$ 581	\$ 81,919	\$ 57,568	\$ 347,348
Net loss	—	—	(19,343)	—	(19,343)
Other comprehensive income	—	—	—	9,269	9,269
Balance as at December 31, 2024	207,280	581	62,576	66,837	337,274
Net income	—	—	14,787	—	14,787
Other comprehensive income	—	—	—	251	251
Balance as at December 31, 2025	\$ 207,280	\$ 581	\$ 77,363	\$ 67,088	\$ 352,312

See accompanying notes to consolidated financial statements.

TVA GROUP INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2025 and 2024
(in thousands of Canadian dollars)

	Notes	2025	2024
Cash flows related to operating activities			
Net income (loss)		\$ 14,787	\$ (19,343)
Adjustments for:			
Depreciation and amortization	11, 12 and 13	21,987	22,514
Impairment of assets	5	–	7,781
Gain on disposal and write-off of assets	5	(1,600)	(2,393)
Share of income of associates		(428)	(753)
Deferred income taxes	6	2,421	(409)
Other		(94)	88
		37,073	7,485
Net change in non-cash balances related to operating activities	7 (a)	26,268	59,499
Cash flows provided by operating activities		63,341	66,984
Cash flows related to investing activities			
Additions to property, plant and equipment	11	(11,688)	(16,905)
Additions to intangible assets	12	(1,606)	(4,311)
Disposals of property, plant and equipment	5	2,308	2,920
Other		593	271
Cash flows used in investing activities		(10,393)	(18,025)
Cash flows related to financing activities			
Net change in bank indebtedness		(3,667)	3,491
Net change in debt due to the parent corporation	17	(34,000)	(50,000)
Repayment of lease liabilities	18	(1,994)	(2,300)
Other		(9)	(150)
Cash flows used in financing activities		(39,670)	(48,959)
Net change in cash		13,278	–
Cash at beginning of year		–	–
Cash at end of year		\$ 13,278	\$ –

See accompanying notes to consolidated financial statements.

TVA GROUP INC.

CONSOLIDATED BALANCE SHEETS

At December 31, 2025 and 2024
(in thousands of Canadian dollars)

	Note	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash		\$ 13,278	\$ –
Accounts receivable	8	154,453	134,835
Income taxes		4,256	10,984
Audiovisual content	9	118,226	101,195
Prepaid expenses		1,683	2,291
		291,896	249,305
Non-current assets			
Audiovisual content	9	50,702	82,517
Investments	10	12,881	12,724
Property, plant and equipment	11	132,141	147,397
Intangible assets	12	7,748	8,934
Right-of-use assets	13	6,306	7,519
Goodwill	14	9,102	9,102
Defined benefit plan asset	23	48,888	50,550
Deferred income taxes	6	9,380	6,578
		277,148	325,321
Total assets		\$ 569,044	\$ 574,626

TVA GROUP INC.

CONSOLIDATED BALANCE SHEETS (CONTINUED)

At December 31, 2025 and 2024
(in thousands of Canadian dollars)

	Notes	December 31, 2025	December 31, 2024
Liabilities and equity			
Current liabilities			
Bank indebtedness		\$ –	\$ 3,667
Accounts payable, accrued liabilities and provisions	15	155,441	145,454
Content rights payable		30,303	28,835
Deferred revenues		8,032	8,142
Income taxes		1,688	653
Current portion of lease liabilities	18	1,962	2,515
Current portion of debt due to the parent corporation	17	–	33,976
		197,426	223,242
Non-current liabilities			
Lease liabilities	18	5,267	6,180
Other liabilities	19	7,695	6,900
Deferred income taxes	6	6,344	1,030
		19,306	14,110
Equity			
Capital stock	20	207,280	207,280
Contributed surplus		581	581
Retained earnings		77,363	62,576
Accumulated other comprehensive income		67,088	66,837
Equity		352,312	337,274
Commitments, guarantees, contingencies and subsequent event	16, 25 and 28		
Total liabilities and equity		\$ 569,044	\$ 574,626

See accompanying notes to consolidated financial statements.

On February 19, 2026, the Board of Directors approved the consolidated financial statements for the years ended December 31, 2025 and 2024.

On behalf of the Board of Directors,

[signed]

Sylvie Lalande, Chairwoman of the Board

[signed]

A. Michel Lavigne, Chairman of the Audit and Risk Management Committee

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

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

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, production & international distribution of television content, and magazine publishing. 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 direct and indirect ownership interests in its main subsidiaries are as follows:

	% of ownership
TVA Publications inc.	100.0%
MELS Studios and Postproduction G.P.	100.0%
Mels Dubbing Inc.	100.0%
Incendo Média inc.	100.0%
Communications Qolab inc.	100.0%

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments (note 1(j)), the stock-based compensation liability (note 1(q)) and the net defined benefit asset or liability (note 1(r)), and are presented in Canadian dollars, which is the currency of the primary economic environment in which the Corporation and its subsidiaries operate (“functional currency”).

Certain comparative figures for the year ended December 31, 2024 have been restated to conform to the presentation adopted for the year ended December 31, 2025.

(b) Consolidation

These consolidated financial statements include the accounts of the Corporation and its subsidiaries. All intercompany balances and transactions were eliminated on consolidation.

A subsidiary is an entity controlled by the Corporation. The Corporation controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of those returns.

(c) Business combinations

A business combination is accounted for by the acquisition method. The cost of an acquisition is measured at the acquisition-date fair value of the consideration given in exchange for control of the acquiree. This consideration may comprise cash payments, asset transfers, financial instrument issues or future contingent payments. The identifiable assets acquired and liabilities assumed from the acquiree are recognized at acquisition-date fair value. The results of an acquiree’s operations are included in the Corporation’s consolidated financial statements from the date of the business acquisition. The expenses incurred for the acquisition and integration of the acquiree are included in the consolidated statement of income (loss) under “Restructuring costs, impairment of assets and other.”

Non-controlling interest in an acquiree is presented in equity on the consolidated balance sheets, separately from equity attributable to shareholders, and is initially measured at fair value.

(d) Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated into the functional currency at the exchange rate in effect at the transaction date. Foreign currency transactions are translated into the functional currency at the exchange rate in effect on the transaction date. Translation gains and losses are included in the income (loss) for the year under “Financial expenses.”

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Revenue recognition

The Corporation recognizes revenues from a contract with a customer only when all of the following criteria are satisfied:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to performing their respective obligations;
- the Corporation can identify each party's rights regarding the goods or services to be transferred;
- the Corporation can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the Corporation's future cash flows is expected to change as a result of the contract); and
- it is highly probable that the Corporation will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Advertising revenues

Revenues from the sale of advertising airtime and space on the Corporation's websites and mobile apps are recognized when the advertisement airs or is displayed online. Revenues from the sale of advertising space in magazines are recognized when the advertisement is published, i.e. at the magazine release date.

Subscription revenues

Revenues from specialty television channel subscriptions are recognized on a monthly basis when the service is rendered.

Amounts received for magazine subscriptions are accounted for as deferred revenues and are amortized over the subscription term at publication.

Revenues from soundstage, mobile and equipment rental

Revenues from soundstage, mobile and equipment rental are recognized on a linear basis over the term of the rental.

Postproduction revenues

Revenues from postproduction services are recognized when the service is rendered.

Revenues from newsstand magazine sales

Revenues from newsstand magazine sales are recognized when the magazines are delivered to newsstands and are calculated using an amount of revenue less an allowance for future returns.

Revenues from production and distribution

Revenues from production and distribution are recognized when the production is completed, delivered and accepted by the customer in accordance with the terms of the licence or the distribution agreement, and when the customer can begin to exploit and broadcast the content. Revenues from production services are recognized when the service is rendered.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Impairment of assets

For the purposes of assessing impairment, assets are grouped in cash-generating units (“CGUs”), which are the smallest groups of assets that generate separately identifiable cash inflows. The Corporation reviews at each balance sheet date whether events or circumstances have occurred to indicate that the carrying amounts of long-lived assets with finite useful lives may be less than their recoverable amounts. Goodwill and intangible assets with indefinite useful lives are tested for impairment each fiscal year, as well as whenever there is an indication that the carrying amount of the asset, or the CGU to which an asset has been allocated, exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and the value in use of the asset or the CGU. Fair value less costs of disposal is the amount obtainable by an entity at the valuation date from the sale of an asset or a CGU in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

An impairment loss is recognized in the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. When the recoverable amount of a CGU to which goodwill has been allocated is lower than the CGU’s carrying amount, the related goodwill is impaired first. Any excess amount of impairment is recognized and allocated to the assets in the CGU, prorated to the carrying amount of each asset in the CGU.

(g) Income taxes

Current income taxes are recognized with respect to amounts expected to be paid or recovered according to tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred taxes are accounted for using the liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax assets and liabilities are valued at the enacted or substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect of a change in enacted or substantively enacted tax rates on deferred tax assets and liabilities is recognized in income (loss) in the period during which the substantive enactment date falls. A deferred tax asset is recognized initially when it is probable that future taxable income will be sufficient to use the related tax benefits and may be subsequently reduced, if necessary, to the amount that is more probable than not to be realized. A deferred tax expense or benefit is recognized in other comprehensive income (loss) or otherwise directly in equity to the extent that it relates to items that are recognized in other comprehensive income (loss) or directly in equity in the same or a different period.

In the normal course of the Corporation’s operations, there are a number of uncertain tax positions due to the complexity of certain transactions and continuous changes in related tax interpretations and legislation. When a tax position is uncertain, the Corporation recognizes an income tax benefit or reduces an income tax liability only when it is probable that the tax benefit will be realized in the future or the income tax liability is no longer probable.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(h) Earnings (loss) per share

Earnings (loss) per share is calculated based on the weighted average number of common shares outstanding during the year. The Corporation uses the treasury stock method to determine the dilutive effects of options when calculating diluted earnings (loss) per share.

(i) Leases

For most of its leases, the Corporation recognizes a right-of-use asset and a lease liability on the balance sheet at the commencement of a lease. The right-of-use asset and the lease liability are initially measured at the present value of lease payments over the term lease, less incentive payment received, using the Corporation's incremental borrowing rate at that date. The term of the lease is comprised of the initial lease term and any additional period for which it is reasonably certain that the Corporation will exercise its extension option.

Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset.

Interest paid on lease liabilities is recorded in the consolidated statements of income (loss) as a financial expense and principal payments on the lease liability are presented as part of financing activities in the consolidated statements of cash flows.

(j) Financial instruments

Financial assets and liabilities are classified as subsequently measured at amortized cost, except for certain investments that are presented at fair value in the consolidated statement of income (loss).

(k) Tax credits and government assistance

The Corporation is eligible for several government programs designed to support televisual product programming and production and magazine publishing in Canada. Government financial assistance is recognized as revenue or as a reduction in related costs, whether capitalized and amortized or expensed, in the year the costs are incurred and when management has reasonable assurance that the conditions of the government programs are met. In the Magazines segment, government assistance for the production and distribution of Canadian content in magazines is recognized as revenue. Government assistance is initially reported in deferred revenues and amortized over the number of issues.

(l) Audiovisual content

Television productions

Television productions are accounted for at the lower of cost and net realizable value. The cost of productions includes direct charges for goods and services as well as labour and overhead for each production, and is charged to operating expenses at the time of broadcast or delivery using a method based on the manner in which future economic benefits will be generated.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(I) Audiovisual content (continued)

Broadcast rights

Broadcast rights are contractual rights allowing limited or unlimited broadcast of televisual products or films. The Corporation recognizes an acquired broadcast rights asset and records obligations incurred under broadcast rights acquisition contracts as a liability when the broadcast period begins and the contract conditions have been met.

Prior to all the asset recognition conditions being met, the amounts paid for broadcast rights are accounted for as prepaid broadcast rights under current or non-current "Audiovisual content," as the case may be.

Broadcast rights are classified as current or non-current, based on management's estimate of the broadcast period. These rights are charged to operating expenses when televisual products and films are broadcast over the contract period, using a method based on the manner in which future economic benefits from the rights will be generated.

Distribution rights

Distribution rights related to film and audiovisual product distribution activities include production costs or costs to acquire film distribution rights and costs incidental to such rights. The Corporation recognizes a distribution rights asset and records obligations incurred under distribution rights acquisition contracts as a liability when the audiovisual content is available for distribution and the contract conditions have been met.

Prior to all the asset recognition conditions in the contract being met, the amounts paid for distribution rights are accounted for as prepaid distribution rights under current or non-current "Audiovisual content," as the case may be.

Distribution rights are recognized in operating expenses using the individual-film-forecast-computation method. Under this method, each distribution right is expensed based on actual gross revenues relative to total anticipated economic benefits over a reasonable operating period.

Net realizable value

Estimates of future revenue, used to determine net realizable values of inventories related to broadcasting and distribution are reviewed periodically by management and revised as necessary. The carrying value of audiovisual content is reduced to net realizable value, as necessary, based on this assessment.

The amount of the impairment of audiovisual content may be reversed when the circumstances that previously caused the write-down expense no longer exist.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Investments

Investments in companies over which the Corporation exercises significant influence are accounted for using the equity method. Under this method, the share of the income of associates is recorded in the consolidated statements of income (loss). Other investments are recorded at fair value in the consolidated statements of income (loss). Carrying values of investments are reduced to estimated fair values if there is objective evidence of impairment of the investment.

(n) Property, plant and equipment

Property, plant and equipment are initially stated at cost, which consists of acquisition costs, net of government grants and income tax credits, and/or development costs, including preparation, installation and testing costs. Expenditures, such as maintenance and repair costs, are recorded in operating expenses as incurred.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Assets	Estimated useful life
Buildings and their components	10–40 years
Equipment	5–15 years

Leasehold improvements are amortized over the shorter of the term of the lease or estimated useful life.

Depreciation methods, residual values and the useful lives of significant property, plant and equipment are reviewed at least once a year. Any change is accounted for prospectively as a change in accounting estimate.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(o) Goodwill and intangible assets

Goodwill

Goodwill arising from a business acquisition is measured and recognized as the excess of the fair value of the consideration paid over the fair value of the recognized identifiable assets acquired and liabilities assumed. When the Corporation acquires less than 100% of equity interests in the acquiree at the acquisition date, goodwill attributable to the non-controlling interest is also recognized at fair value.

For impairment testing purposes (note 1(f)), goodwill is allocated to one or more CGUs as of the business acquisition date. Goodwill is allocated to the CGU or CGUs expected to benefit from the synergies of the business acquisition.

Intangible assets

Broadcasting licences, magazine operating licences and trademarks have indefinite useful lives and are not amortized.

Software is initially recorded at cost. Internally developed intangible assets such as software and websites are mainly comprised of internal costs incurred for the development of these assets to be used internally or for providing services to customers. Those costs are capitalized when the development stage of the software application begins and costs incurred prior to that stage are recognized as expenses.

Intangible assets with finite useful lives are amortized on a straight-line basis over the following periods:

Assets	Estimated useful life
Software, websites and mobile applications	3–10 years

Amortization methods, residual values, and the useful lives of significant intangible assets are reviewed at least once a year. Any change is accounted for prospectively as a change in accounting estimate.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(p) Provisions

Provisions are recognized when (a) the Corporation has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and when (b) the amount of the obligation can be reliably estimated.

Restructuring costs, including, among other things, termination benefits, are recognized when a detailed plan for the restructuring exists and a valid expectation has been raised in those affected that the plan will be carried out.

Provisions are reviewed at each balance sheet date and changes in estimates are reflected in the consolidated statement of income (loss) in the reporting period in which the remeasurement occurred.

(q) Stock-based compensation

Stock-based awards to officers or directors that call for settlement in cash, such as Deferred Stock Units ("DSUs"), or that call for settlement in cash or other assets at the holder's option, such as stock option awards, are accounted for at fair value and classified as a liability. The compensation cost is recognized in expenses over the vesting period. Changes in the fair value of stock-based awards between the grant date and the measurement date result in a change in the liability and compensation expense.

The fair value of the DSUs is based on the underlying share price as of the measurement date. Estimates of the fair value of stock options are determined by applying an option-pricing model, taking into account the terms and conditions of the grant, the share price and the key assumptions described in note 21.

(r) Pension plans and postretirement benefits

The Corporation offers employees defined contribution pension plans and defined benefit pension plans.

Defined contribution pension plans

In accordance with its defined contribution pension plans, the Corporation pays fixed contributions to participating employees' pension plans and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as employee costs in the consolidated statements of income (loss) when the contributions fall due.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(r) Pension plans and postretirement benefits (continued)

Defined benefit pension plans and postretirement benefits

Defined benefit pension plan costs are determined using actuarial methods and are accounted for using the projected unit credit method, which incorporates management's best estimates of future salary levels, other cost escalations, employee retirement ages and other actuarial factors. Defined benefit pension costs recognized in the consolidated statements of income (loss) under employee costs primarily include the following:

- (i) services costs in exchange for employee services rendered during the year;
- (ii) past service costs recognized on the earlier of the following dates: (a) when the benefit plan is amended, or (b) when restructuring costs are recognized.

Interest on the net defined benefit asset or liability recognized in the consolidated statements of income (loss) under financial expenses is determined by multiplying the net defined benefit asset or liability by the discount rate used to determine the defined benefit obligation.

Remeasurements of the net defined benefit asset or liability are recognized immediately in other comprehensive income (loss) and recorded in accumulated other comprehensive income. Remeasurements include the following items:

- (i) actuarial gains and losses arising from changes in the financial and demographic actuarial assumptions used to determine defined benefit obligations or resulting from experience adjustments on liabilities;
- (ii) the difference between the actual rate of return on plan assets and the expected interest revenues on plan assets considered in the calculation of interest on net defined benefit asset or liability;
- (iii) changes in the net defined benefit asset limit or the minimum funding liability.

Recognition of a net benefit asset is limited under certain circumstances to the amount recoverable, which is primarily based on the extent to which the Corporation can unilaterally reduce future contributions to the plan. In addition, an adjustment to the net defined benefit asset or liability can be recorded to reflect a minimum funding liability in some of the Corporation's pension plans.

Under a former plan, the Corporation also offers life, health and dental insurance plans to some of its retired employees. This postretirement coverage is no longer offered to the Corporation's active employees. The cost of postretirement benefits is determined using an accounting methodology similar to that for defined benefit pension plans. The related expense is funded by the Corporation as the benefits fall due.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(s) Use of estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities, related amounts of revenues and expenses, and disclosure of contingent assets and liabilities. These estimates are determined to the best of management's knowledge based on the information available at the measurement date. Actual results could differ from these estimates.

The following are the significant areas that require management to make the most difficult, subjective or complex estimates:

(i) Recoverable value of an asset or a CGU

When an impairment test is performed on an asset or CGU, management estimates the recoverable amount of the asset or the CGU on the basis of its fair value less costs of disposal or its value in use. These estimates are based on valuation models that require the use of certain assumptions, such as expected future cash flows, a pre-tax discount rate (WACC) and a perpetual growth rate, or the use of multiples of operating performance of comparable entities and comparable market data for comparable assets. Those assumptions materially affect the results of the impairment tests and the impairment expense recorded in the consolidated statement of income (loss), if any. Note 14 describes the key assumptions used in the goodwill impairment tests and presents a sensitivity analysis of recoverable amounts.

(ii) Audiovisual content

For the recognition of television and distribution rights, management uses assumptions to estimate future revenues for the purpose of determining net realizable value and the manner in which future economic benefits from the rights will be generated. These assumptions take into account, among other factors, viewership and subscriber statistics, the advertising market, the broadcast strategy and the type of content. The estimates can materially affect the audiovisual content costs recognized in the consolidated statement of income (loss) and the carrying amount of audiovisual content recognized on the consolidated balance sheet.

(iii) Costs and obligations related to pension plans and postretirement benefits

Defined benefit pension plan costs and obligations and postretirement benefits are estimated on the basis of a number of assumptions, including the discount rate, future salary levels, the retirement age of employees, health care costs, and other actuarial factors. Some of these assumptions could materially affect the employee costs and financial expenses (income) recognized in the consolidated statement of income (loss), the gain or loss on remeasurement of defined benefit plans recognized in the consolidated statement of comprehensive income (loss) and the carrying amount of defined benefit assets and other liabilities recognized in the consolidated balance sheet. Note 23 describes the key assumptions and presents a sensitivity analysis of the discount rate.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(s) Use of estimates (continued)

(iv) Provisions

Recognition of provisions requires management to estimate the payments required as of the valuation date to settle the existing obligation or transfer it to a third party. In particular, an assessment of the probable outcomes of legal disputes and other contingencies is also necessary. Management's assessment of the potential impact of the outcome of legal disputes is presented in note 16.

(t) Future changes to accounting standards

The IASB has issued the following accounting standard that will become effective for the annual period beginning on January 1, 2027, with early adoption permitted:

- IFRS 18, *Presentation and Disclosure in Financial Statements* (replacing IAS 1, *Presentation of financial statements*), to set out additional requirements and guidance in the presentation of financial statements, especially on how information is presented in the statement of income (loss) and the statement of cash flows. The new standard will also require the disclosure of management-defined performance measures related to the statements of income (loss), along with expectations on their use.

The Corporation is currently assessing the impact that adopting this new standard will have on its consolidated financial statements.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

2. REVENUES

	2025	2024
Advertising services	\$ 233,355	\$ 246,489
Carriage rates ⁽¹⁾	181,898	142,307
Rental, postproduction and distribution services and other services rendered ⁽²⁾	77,412	93,655
Product sales ⁽³⁾	48,153	49,778
	\$ 540,818	\$ 532,229

(1) During the fiscal year ended December 31, 2025, the Corporation recorded a favourable retroactive adjustment of \$36,402,000 relating to periods prior to 2025, as well as a favourable adjustment of \$7,476,000 for the current year, in connection with carriage rates for the specialty channels other than the news channels, mainly "TVA Sports". During the fiscal year ended December 31, 2024, a favourable retroactive adjustment of \$10,184,000 was recorded for the period of September 1, 2017 to December 31, 2023 in connection with carriage rates for the "LCN" channel.

(2) Revenues from soundstage, mobile and equipment rental and rental space amounted to \$24,870,000 during the year ended December 31, 2025 (\$37,534,000 during the year ended December 31, 2024). Service revenues also include the activities of the Production & Distribution segment.

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

3. PURCHASES OF GOODS AND SERVICES

	2025	2024
Rights, audiovisual content and services rendered	\$ 298,657	\$ 305,031
Printing and distribution	10,675	12,090
Services rendered by the parent corporation:		
- Commissions on advertising sales	17,124	20,433
- Other	11,176	12,953
Building costs	12,056	15,498
Marketing costs	15,364	15,953
Other	28,374	31,799
	\$ 393,426	\$ 413,757

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

4. FINANCIAL EXPENSES

	Note	2025	2024
Interest on debt ⁽¹⁾		\$ 3,816	\$ 6,153
Amortization of financing costs		33	88
Interest on lease liabilities		527	416
Interest income		(742)	(254)
Interest income related to defined benefit plans	23	(2,208)	(1,577)
Other		230	(25)
		\$ 1,656	\$ 4,801

(1) For the fiscal year ended December 31, 2025, interest totalling \$3,637,000 were recorded on the renewable credit facility with Quebecor Media (\$5,685,000 for the year ended December 31, 2024) (note 17).

5. RESTRUCTURING COSTS, IMPAIRMENT OF ASSETS AND OTHER

	2025	2024
Restructuring costs	\$ 8,531	\$ 2,449
Impairment of assets	–	7,781
Gain on disposal of property, plant and equipment	(1,600)	(2,629)
Other	(127)	–
	\$ 6,804	\$ 7,601

Restructuring costs

For the fiscal years ended December 31, 2025 and 2024, the Corporation recorded an operational restructuring charge in connection with the elimination of positions and the implementation of cost-reduction measures, mainly in the Broadcasting segment.

Impairment of assets

During the second quarter of 2024, the Corporation performed an impairment test on the Production & Distribution CGU due to the competitive industry environment and the slowdown in its volume of activity. The Corporation concluded that the recoverable amount of the CGU, based on value in use, was less than its carrying amount. Accordingly, a \$7,781,000 goodwill impairment charge (without any tax consequences) was recognized (note 14).

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

5. RESTRUCTURING COSTS, IMPAIRMENT OF ASSETS AND OTHER (continued)

Gain on disposal of property, plant and equipment

During the fiscal year ended December 31, 2025, the Corporation closed the sale of a building in Trois-Rivières for net proceeds on disposal of \$1,872,000, resulting in the recognition of a gain on disposal of \$1,181,000. During the fiscal year ended December 31, 2024, the Corporation closed the sale of a building in Saguenay to the parent corporation for proceeds on disposal of \$2,600,000, resulting in recognition of a gain on disposal of \$2,309,000.

The Corporation also recognized gains on disposal of other property, plant and equipment in the amount of \$419,000 in 2025 (\$320,000 in 2024).

6. INCOME TAXES

Income tax expense (recovery) is detailed as follows:

	2025	2024
Current	\$ 2,623	\$ (3,290)
Deferred	2,421	(409)
	\$ 5,044	\$ (3,699)

The following table reconciles income tax expense (recovery) at the Canadian statutory rate of 26.5% in 2025 and 2024 and income tax expense (recovery) reported on the consolidated statements of income (loss):

	2025	2024
Income taxes (income tax recovery) at the Canadian statutory tax rate	\$ 5,142	\$ (6,306)
(Decrease) increase resulting from:		
Tax effect of non-deductible expenses for tax purposes and non-taxable income	(138)	1,987
Other	40	620
Income taxes (income tax recovery)	\$ 5,044	\$ (3,699)

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

6. INCOME TAXES (continued)

The significant items comprising the Corporation's net deferred income tax asset and their impact on deferred income tax expense (recovery) are as follows:

	Consolidated balance sheets		Consolidated statements of income (loss)	
	2025	2024	2025	2024
Loss carryforwards	\$ 6,938	\$ 9,502	\$ 2,564	\$ (3,734)
Defined benefit plans	(12,667)	(13,081)	(505)	(473)
Property, plant and equipment	3,040	3,326	286	(20)
Goodwill and intangible assets	3,825	4,213	388	597
Accounts payable, accrued liabilities and provisions	1,469	2,749	1,280	2,955
Other	431	(1,161)	(1,592)	266
	\$ 3,036	\$ 5,548	\$ 2,421	\$ (409)

Changes in net deferred income tax assets are as follows:

	2025	2024
Balance at beginning of year	\$ 5,548	\$ 8,479
Recognized in statement of income (loss)	(2,421)	409
Recognized in other comprehensive income (loss)	(91)	(3,340)
Balance at end of year	\$ 3,036	\$ 5,548
Deferred income tax assets	9,380	6,578
Deferred income tax liabilities	(6,344)	(1,030)
	\$ 3,036	\$ 5,548

The Corporation recorded no deferred tax liabilities with respect to its subsidiaries' retained earnings during the current year or in prior years because it does not expect to sell these investments or that these retained earnings will become taxable.

As at December 31, 2025, the Corporation had operating loss carryforwards for income tax purposes of approximately \$26,202,000 available to reduce its future taxable income. These loss carryforwards expire by 2045.

The Corporation also has \$166,668,000 in unrecognized loss carryforwards with no expiry to be used solely to reduce future capital gains.

Pillar Two legislation, which introduces new taxation mechanisms that could impose a minimum tax on income from the Corporation and its subsidiaries, was substantively enacted in Canada in 2024. The Corporation was not impacted by the implementation of these new tax rules in 2025 and 2024.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

7. SUPPLEMENTARY CASH FLOW INFORMATION

The following tables provide supplementary information regarding the consolidated statements of cash flows.

(a) Net changes in non-cash operating items are as follows:

	2025	2024
Accounts receivable	\$ (19,618)	\$ 19,230
Audiovisual content	14,784	37,357
Accounts payable, accrued liabilities and provisions	18,574	10,965
Content rights payable	2,368	(11,351)
Income taxes	7,763	788
Defined benefit plans	1,858	1,903
Other	539	607
	\$ 26,268	\$ 59,499

(b) Net interest and income taxes paid (received) are classified in operating activities and are detailed as follows:

	2025	2024
Interest paid	\$ 3,653	\$ 6,687
Income taxes received (net of payments)	(5,140)	(4,078)

8. ACCOUNTS RECEIVABLE

	Note	2025	2024
Trade receivables	26 (b)	\$ 56,837	\$ 68,336
Other receivables		19,327	22,823
Trade and other receivables from companies under common control and associates		73,302	40,114
Tax credits and government assistance receivable		4,987	3,562
		\$ 154,453	\$ 134,835

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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9. AUDIOVISUAL CONTENT

The cost of inventories and expenses related to television productions, broadcast and distribution rights included in purchases of goods and services and employee costs amounted to \$356,046,000 for 2025 (\$368,671,000 for 2024). For 2025, a total audiovisual content impairment charge of \$14,281,000 was recorded in purchases of goods and services, mainly in the Production & Distribution segment (\$5,232,000 for 2024 in the Broadcasting and Production & Distribution segments).

10. INVESTMENTS

	2025	2024
Tele Inter-Rives Ltd., associate, 45% ownership interest	\$ 12,326	\$ 12,169
Publications Senior inc., associate, 50% ownership interest	500	500
Other investments	55	55
	\$ 12,881	\$ 12,724

Tele Inter-Rives is a company that operates four local television stations, including two that are affiliated with TVA Network. Its head office is in Rivière-du-Loup, Quebec, Canada.

Publications Senior inc. is a company that operates magazines and websites, primarily *Le Bel Âge* and *Good Times*. Its head office is in Montreal, Quebec, Canada.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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11. PROPERTY, PLANT AND EQUIPMENT

For the years ended December 31, 2025 and 2024, changes in the net carrying amount of property, plant and equipment are as follows:

	Land, buildings and leasehold improvements	Equipment	Projects under development	Total
Cost:				
Balance as at December 31, 2023	\$ 205,834	\$ 250,566	\$ 14,078	\$ 470,478
Acquisitions ⁽¹⁾	2,367	8,538	12,293	23,198
Reclassification	1,701	118	(1,819)	–
Write-offs and disposals	(743)	(1)	(3)	(747)
Balance as at December 31, 2024	209,159	259,221	24,549	492,929
Acquisitions ⁽¹⁾	238	3,108	(1,176)	2,170
Reclassification	143	11,146	(11,289)	–
Write-offs and disposals	(4,258)	(70,168)	–	(74,426)
Balance as at December 31, 2025	\$ 205,282	\$ 203,307	\$ 12,084	\$ 420,673
Accumulated depreciation and impairment:				
Balance as at December 31, 2023	\$ 117,816	\$ 210,763	\$ –	\$ 328,579
Depreciation	5,420	11,986	–	17,406
Write-offs and disposals	(452)	(1)	–	(453)
Balance as at December 31, 2024	122,784	222,748	–	345,532
Depreciation	5,664	11,054	–	16,718
Write-offs and disposals	(3,567)	(70,151)	–	(73,718)
Balance as at December 31, 2025	\$ 124,881	\$ 163,651	\$ –	\$ 288,532
Net carrying amount:				
As at December 31, 2024	\$ 86,375	\$ 36,473	\$ 24,549	\$ 147,397
As at December 31, 2025	80,401	39,656	12,084	132,141

⁽¹⁾ The net change in additions to property, plant and equipment funded by accounts payable, consisting primarily of equipment, was a \$9,518,000 decrease for the year ended December 31, 2025 (\$6,293,000 increase for the year ended December 31, 2024).

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

12. INTANGIBLE ASSETS

For the years ended December 31, 2025 and 2024, changes in the net carrying amount of licences and other intangible assets are as follows:

	Broadcasting licences ⁽¹⁾	Software, websites and mobile applications	Other intangible assets ⁽¹⁾	Projects under development	Total
Cost:					
Balance as at December 31, 2023	\$ 92,569	\$ 53,952	\$ 48,226	\$ 4,104	\$ 198,851
Acquisitions ⁽²⁾	–	343	–	2,265	2,608
Reclassification	–	3,013	–	(3,013)	–
Write-offs and disposals	–	–	–	(233)	(233)
Balance as at December 31, 2024	92,569	57,308	48,226	3,123	201,226
Acquisitions ⁽²⁾	–	442	–	1,711	2,153
Reclassification	–	1,941	–	(1,941)	–
Write-offs and disposals	–	(25,708)	–	–	(25,708)
Balance as at December 31, 2025	\$ 92,569	\$ 33,983	\$ 48,226	\$ 2,893	\$ 177,671

For the year ended December 31, 2025, the Corporation recognized additions to internally generated intangible assets totalling \$721,000 (\$336,000 for 2024).

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

12. INTANGIBLE ASSETS (continued)

	Broadcasting licences ⁽¹⁾	Software, websites and mobile applications	Other intangible assets ⁽¹⁾	Projects under development	Total
Accumulated amortization and impairment:					
Balance as at December 31, 2023	\$ 92,569	\$ 50,827	\$ 46,395	\$ –	\$ 189,791
Amortization	–	1,870	631	–	2,501
Balance as at December 31, 2024	92,569	52,697	47,026	–	192,292
Amortization	–	3,339	–	–	3,339
Write-offs and disposals	–	(25,708)	–	–	(25,708)
Balance as at December 31, 2025	\$ 92,569	\$ 30,328	\$ 47,026	\$ –	\$ 169,923
Net carrying amount:					
As at December 31, 2024	\$ –	\$ 4,611	\$ 1,200	\$ 3,123	\$ 8,934
As at December 31, 2025	–	3,655	1,200	2,893	7,748

(1) Intangible assets with indefinite useful lives are not amortized. They include fully impaired broadcasting licences in the Broadcasting CGU and a fully impaired magazine operating licence. They also include fully impaired trademarks in the Broadcasting CGU and trademarks in the Magazines CGU with a net carrying amount of \$1,200,000.

(2) The net change in additions to intangible assets funded by accounts payable, consisting primarily of software, was a \$547,000 increase for the year ended December 31, 2025 (\$1,703,000 decrease for the year ended December 31, 2024).

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

13. RIGHT-OF-USE ASSETS

For the years ended December 31, 2025 and 2024, changes in the net carrying amount of right-of-use assets are as follows:

	Note	2025	2024
Cost:			
Balance at beginning of year		\$ 18,016	\$ 15,331
Acquisitions funded by lease liabilities	18	1,077	3,342
Write-offs and other		(3,534)	(657)
Balance at end of year		\$ 15,559	\$ 18,016
Accumulated depreciation and impairment:			
Balance at beginning of year		\$ 10,497	\$ 8,547
Depreciation		1,930	2,607
Write-offs and other		(3,174)	(657)
Balance at end of year		\$ 9,253	\$ 10,497
Net carrying amount		\$ 6,306	\$ 7,519

The Corporation does not recognize right-of-use assets or lease liabilities for short-term contracts or for which the underlying assets are of little value.

The net carrying value for 2025 includes right-of-use assets with companies under common control in the amount of \$2,161,000 (\$2,644,000 for 2024) and a depreciation expense related to these contracts in the amount of \$400,000 (\$687,000 in 2024).

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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14. GOODWILL

As at December 31, 2025 and 2024, the net carrying amount of goodwill, totalling \$9,102,000, is entirely attributable to the Film Production & Audiovisual Services CGU.

Recoverable amounts

Recoverable amounts of CGUs were determined based on the higher of value in use or fair value less costs of disposal with respect to the impairment tests performed. The Corporation uses the discounted cash flow method to estimate the recoverable amount, which is calculated with a forecast of future cash flows for a three-year period as estimated by the Corporation's management and a perpetual growth rate used for cash flows beyond this three-year period. These forecasts consider each CGU's past operating performance and market share as well as economic trends, along with specific market and industry trends and corporate strategies. In particular, specific assumptions are used for each type of revenue generated by a CGU or for each type of expense as well as for future property, plant and equipment and intangible assets expenditures. The assumptions take into account, among other things, the competitive landscape, evolving product and service offerings, proliferation of media platforms and changes in content spend requirements, technology and operating cost structures.

The discount rate used by the Corporation is derived from the weighted average cost of capital pertaining to each CGU, which reflects the current market assessment of (i) the time value of money, and (ii) the risk specific to the assets for which the future cash flow estimates have not been risk-adjusted. The perpetual growth rate was determined with regard to the specific markets of each CGU. In some cases, the Corporation can also estimate the fair value less costs of disposal with a market approach based on multiples of operating performance of comparable entities, transaction metrics and other available market information, or an approach based on the estimated market value of the assets, instead of using primarily the discounted cash flow method. This market approach uses a combination of observable and unobservable inputs in the market (Level 3 inputs (note 26)).

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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14. GOODWILL (continued)

Recoverable amounts (continued)

The following key assumptions were used to determine recoverable amounts in the most recent impairment tests:

CGUs	2025		2024	
	Pre-tax discount rate (WACC)	Perpetual growth rate	Pre-tax discount rate (WACC)	Perpetual growth rate
Film Production & Audiovisual Services ⁽¹⁾	- %	- %	11.1 %	2.0 %
Production & Distribution ⁽²⁾	- %	- %	13.2 %	1.0 %

⁽¹⁾ The recoverable amount of the Film Production & Audiovisual Services CGU is based on the fair value less costs of disposal for 2025 and the value in use for 2024.

⁽²⁾ The recoverable amount of this CGU is based on value in use in 2024.

15. ACCOUNTS PAYABLE, ACCRUED LIABILITIES AND PROVISIONS

	2025	2024
Accounts payable and accrued liabilities	\$ 48,132	\$ 42,189
Employee salaries and benefits	13,535	15,116
Accounts payable to companies under common control and associates	89,762	80,402
Provisions ⁽¹⁾	3,678	7,494
Stock-based compensation	125	123
Interest payable	209	130
	\$ 155,441	\$ 145,454

⁽¹⁾ Mainly comprises a provision for severance payments and a provision for legal disputes.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

16. CONTINGENCIES

There are a number of pending legal proceedings brought by and against the Corporation and its subsidiaries. Management of the Corporation, after taking legal advice, has established provisions for specific claims or actions considering the facts of each case. The Corporation cannot determine when and if a payment related to these provisions will be made.

17. LONG-TERM DEBT

	2025	2024
Renewable credit facility – Quebecor Media	\$ –	\$ 34,000
Financing costs, net of accumulated amortization	–	(24)
	–	33,976
Less the current portion of debt	–	(33,976)
	\$ –	\$ –

On June 12, 2025, the Corporation amended its \$120,000,000 secured renewable credit facility with Quebecor Media as lender to extend its term from June 15, 2025 to June 30, 2026. This renewable credit facility bears interest at the Canadian Overnight Repo Rate Average (“CORRA”) or the Canadian prime rate, plus a premium based on the Corporation’s debt leverage ratio.

The Corporation also has access to a \$20,000,000 secured renewable credit facility, refundable on demand. This demand credit facility bears interest at the Canadian or U.S. prime rate, plus a premium based on the Corporation’s debt leverage ratio.

The two credit facilities contain certain restrictive covenants as well as standard representations and warranties for this type of agreement.

As at December 31, 2025, no amount was drawn on the demand credit facility, while letters of credit for a total amount of \$1,723,000 were outstanding. At the same date, no amount was drawn from the renewable credit facility with Quebecor Media. As at December 31, 2024, \$382,000 was drawn on the demand credit facility, bearing interest at an effective rate of 6.95%, in addition to outstanding letters of credit for a total amount of \$2,573,000. At the same date, \$34,000,000 was drawn from the renewable credit facility with Quebecor Media; the loan bears interest at an effective rate of 6.09%.

As at December 31, 2025, the Corporation was in compliance with all the terms of its renewable credit facilities.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

18. LEASE LIABILITIES

For the years ended December 31, 2025 and 2024, changes in lease liabilities are as follows:

	2025	2024
Balance at beginning of year	\$ 8,695	\$ 7,653
Lease liabilities funding the right-of-use assets	1,077	3,342
Repayments	(1,994)	(2,300)
Write-offs and other	(549)	–
	7,229	8,695
Less the current portion	(1,962)	(2,515)
	\$ 5,267	\$ 6,180

Lease liabilities due to companies under common control totalled \$2,512,000 at December 31, 2025 (\$3,027,000 at December 31, 2024).

Interest rates on lease liabilities ranged between 3.1% and 7.3% at December 31, 2025 and 2024.

Payments of lease liabilities due in the coming years are as follows:

2026	\$ 1,962
2027	1,053
2028	954
2029	805
2030	850
2031 and thereafter	1,605
	\$ 7,229

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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19. OTHER LIABILITIES

	2025	2024
Content rights payable	\$ 6,606	\$ 5,706
Other	1,089	1,194
	\$ 7,695	\$ 6,900

20. CAPITAL STOCK

Authorized

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.

	2025	2024
Issued and paid up		
4,320,000 Class A common shares	\$ 72	\$ 72
38,885,535 Class B shares	207,208	207,208
	\$ 207,280	\$ 207,280

21. STOCK-BASED COMPENSATION

(a) Class B stock option plan for officers

The plan specifies that the granting of options and the terms and conditions associated with the options granted are determined by the Corporation's Human Resources and Corporate Governance Committee. However, the purchase price of each Class B share under an option cannot be less than the closing price on the Toronto Stock Exchange on the last trading day before the option is granted. In addition, the option term cannot exceed ten years. The number of Class B shares issuable over the term of the Class B stock option plan for officers is 2,200,000.

When exercising options, holders may elect to receive from the Corporation a cash payment equal to the number of shares underlying the options exercised, multiplied by the difference between the market value and the subscription price of the shares under option or, subject to certain terms and conditions, subscribe for Class B shares of the Corporation at the subscription price. Market value is defined as the average closing market price of the shares over the last five trading days preceding the date on which the option was exercised. Option holders have undertaken to obtain the Corporation's consent before exercising their right to subscribe for the shares for which they wish to exercise their options.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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21. STOCK-BASED COMPENSATION (continued)

(a) Class B stock option plan for officers (continued)

Unless the Human Resources and Corporate Governance Committee decides otherwise, options vest over a five-year period according to one of the following schedules:

- (i) equally over five years, with the first 20% vesting on the first anniversary of the grant date;
- (ii) equally over four years, with the first 25% vesting on the second anniversary of the grant date;
- (iii) equally over three years, with the first 33⅓% vesting on the third anniversary of the grant date.

Since 2018, the Human Resources and Corporate Governance Committee has determined that the options would vest equally over three years with the first 33⅓% vesting on the third anniversary of the date of grant.

The following table provides details of changes to outstanding options granted as at December 31, 2025 and 2024:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance at beginning of year	685,774	\$ 1.96	393,774	\$ 2.42
Granted	205,000	0.67	312,000	1.35
Cancelled	(225,324)	1.77	(20,000)	1.35
Expired	(25,000)	6.85	–	–
Balance at end of year	640,450	\$ 1.43	685,774	\$ 1.96
Vested options at end of year	135,648	\$ 1.94	175,390	\$ 2.59

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

21. STOCK-BASED COMPENSATION (continued)

(a) Class B stock option plan for officers (continued)

The following table provides summary information on stock options outstanding as at December 31, 2025:

Range of exercise price	Outstanding options			Vested options	
	Number	Weighted average years to maturity	Weighted average exercise price	Number	Weighted average exercise price
\$0.67 to \$2.76	640,450	7.64	\$ 1.43	135,648	\$ 1.94

(b) Quebecor stock option plan

This stock option plan was established by Quebecor for directors, officers, senior managers and other key employees of Quebecor and its subsidiaries. Options may be exercised at a price equal to the weighted average price of Quebecor Class B Shares on the Toronto Stock Exchange for the last five trading days immediately preceding the grant date. Each option may be exercised during a period not exceeding 10 years after the grant date. Under the provisions of the plan, options normally vest as follows: 1/3 after one year, 2/3 after two years and 100% three years after the initial grant. The Board of Directors of Quebecor may, at its discretion, determine other terms and conditions of exercise at the time of each grant. Since 2018, the Board of Directors has determined that the options would vest over three years with the first 33⅓% vesting on the third anniversary of the date of grant. In addition, since 2023, options with performance criteria predetermined by senior management have been granted and these options may be exercised in equal part over three years if the performance criteria are met. Holders of options under the stock option plan have the following choices when exercising their options: acquire Quebecor Class B Shares at the exercise price of the option or receive a cash payment equal to the difference between the market value of the underlying shares and exercise price of the option. Option holders have undertaken to obtain Quebecor's consent before exercising their right to subscribe for the shares when they exercise their options.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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21. STOCK-BASED COMPENSATION (continued)

(b) Quebecor stock option plan (continued)

The following table provides details of changes to stock options granted to senior executives of the Corporation as at December 31, 2025 and 2024:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance at beginning of year	227,656	\$ 30.63	85,656	\$ 31.96
Granted	80,000	43.58	182,000	29.82
Exercised	(29,683)	32.23	–	–
Cancelled	(67,000)	30.15	(40,000)	29.82
Transferred	(60,000)	30.97	–	–
Balance at end of year	150,973	\$ 37.24	227,656	\$ 30.63
Vested options at end of year	5,973	\$ 33.19	29,683	\$ 32.23

The following table provides summary information on stock options outstanding as at December 31, 2025:

Range of exercise price	Outstanding options			Vested options	
	Number	Weighted average years to maturity	Weighted average exercise price	Number	Weighted average exercise price
\$29.82 to \$43.58	150,973	8.9	\$ 37.24	5,973	\$ 33.19

During the year ended December 31, 2025, \$158,000 was disbursed by the Corporation for the Quebecor stock options exercised (nil for 2024).

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

21. STOCK-BASED COMPENSATION (continued)

(c) Deferred stock unit plan for directors

The Corporation has a DSU plan for directors. Under the terms of the DSU plan, each director who is not an officer of the Corporation must receive a minimum of \$15,000 per year in the form of DSUs (“mandatory portion”). Once the minimum ownership threshold described in the Directors’ Minimum Ownership Policy has been reached, the mandatory portion is lowered to a minimum of \$10,000 per year. Subject to certain conditions, each director may elect to receive up to 100% of the total cash compensation payable for his or her services as a director in the form of DSUs.

The value of a DSU is based on the weighted average trading price of the Corporation’s Class B non-voting shares on the Toronto Stock Exchange over the last five trading days immediately preceding the relevant date. DSUs entitle the holder to receive dividends, payable in the form of additional DSUs at the same rate as that which applies to the dividends paid from time to time on the Class B non-voting shares.

The DSU plan provides that all DSUs credited to a director’s account will be redeemed by the Corporation at the director’s request and their value will be paid to the director after he or she ceases to be a director of the Corporation. For the purposes of DSU redemption, the value of a DSU is determined on the basis of the closing price of the Class B non-voting shares on the Toronto Stock Exchange on the last trading day before the redemption date.

The following table details changes to outstanding units under the DSU plan for directors during the year ended December 31, 2025:

	Outstanding units Corporation stock units
Balance at beginning of year	545,298
Granted	140,754
Redeemed	(98,399)
Balance at end of year	587,653

During the year ended December 31, 2025, \$71,000 was disbursed by the Corporation to redeem DSUs (\$108,000 for 2024).

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

21. STOCK-BASED COMPENSATION (continued)

(d) Assumptions for estimating the fair value of stock options

The fair value of stock options under the Corporation's and Quebecor's stock option plans was estimated using the Black-Scholes option pricing model. The following weighted-average assumptions were used to estimate the fair value of all outstanding stock options under the Corporation and Quebecor stock option plans as at December 31, 2025 and 2024:

	TVA Group		Quebecor	
	2025	2024	2025	2024
Risk-free interest rate	3.00 %	3.00 %	3.06 %	3.09 %
Dividend rate	– %	– %	2.71 %	4.14 %
Expected volatility	78.00 %	56.00 %	20.98 %	22.40 %
Expected remaining life	3.9 years	3.7 years	4.9 years	4.4 years

The expected remaining life of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate over the expected remaining life of the option is based on the Government of Canada yield curve in effect at the time of the valuation. Dividend yield is based on the current average yield.

As at December 31, 2025, the intrinsic value of liabilities for which options have vested was \$110,000 (nil as at December 31, 2024).

(e) Stock-based compensation expense

For the year ended December 31, 2025, a \$272,000 compensation expense was recognized in connection with all the stock-based compensation plans (\$33,000 compensation expense for the year ended December 31, 2024).

22. TAX CREDITS AND GOVERNMENT ASSISTANCE

Revenues included \$6,913,000 (\$7,224,000 for 2024) in government assistance, primarily for producing and publishing Canadian content in the magazines and for dubbing in the Film Production & Audiovisual Services segment.

Tax credits in the amount of \$1,800,000 (\$864,000 for 2024) were recorded as a reduction of production costs in the Production & Distribution segment, which are included under "Audiovisual content" on the balance sheet.

Deferred revenues included \$1,209,000 (\$1,741,000 in 2024) in financial assistance for the creation and publishing of Canadian content in magazines.

Tax credits and government assistance amounting to \$88,000 (\$37,000 in 2024) were recorded as a reduction of operating expenses, primarily under program production expenses and film marketing costs.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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23. PENSION PLANS AND POSTRETIREMENT BENEFITS

Pension plans provided to the management and unionized employees of the Corporation include a defined benefit portion based on career earnings indexed before and after retirement, as well as a defined contribution portion. The Corporation offers some senior managers an end-of-career earnings pension plan indexed before and after retirement, as well as a non-indexed supplemental postretirement plan for which the benefits offset the tax limit effect. Certain employees are provided with a career-earnings pension plan indexed before and after retirement. The Corporation also offers postretirement benefits to eligible retired employees.

TVA Group pension plans are registered with a Quebec or federal regulatory authority. The Corporation's financing policy is to maintain its contributions at sufficient levels to fund benefit payments and to meet applicable regulatory requirements and provisions governing pension plan funding. These provisions require, among other things, the future payment of special solvency contributions when the funding of the retirement plans is insufficient under applicable Quebec and federal legislation. The contributions are determined by an actuarial valuation performed by an independent company at least once every three years or annually, according to the applicable legislation and the provisions of the plans.

By their design, the defined benefit plans expose the Corporation to certain specific risks, such as investment performance, changes to the discount rate used to value the obligations, longevity of plan members and future inflation. The plans are administered by the pension committees, which are composed of plan members, members of Corporation management and independent members, or by the Corporation, according to the provisions of the plans. Under the Corporation's rules of governance, approval and oversight of all policies related to defined benefit plans are the responsibility at different levels of the pension committees, the Corporation's senior management and the Audit and Risk Management Committee. Management of the risks associated with the pension plans is also performed under the control of these committees at various levels. Custody of securities and management of securities transactions are also performed by trustees under a mandate conferred by the Pension Committee or the Corporation, as the case may be. The policies include those dealing with investment objectives, risk mitigation strategies and the mandate to hire investment fund managers and oversee their work and their performance. The defined benefit plans are monitored on an ongoing basis to assess funding and investment policies, financial status and the funding requirements of the Corporation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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23. PENSION PLANS AND POSTRETIREMENT BENEFITS (continued)

The following table provides information on the defined benefit plans and reconciles the changes in the plans' accrued benefit obligations and the fair value of plan assets for the years ended December 31, 2025 and 2024:

	Pension benefits and postretirement benefits	
	2025	2024
Change in benefit obligations⁽¹⁾		
Benefit obligations at beginning of year	\$ 268,719	\$ 276,669
Service costs	2,421	2,967
Interest costs	12,468	12,683
Participant contributions	1,750	2,309
Actuarial (gains) losses arising from:		
Financial assumptions	(6,288)	(2,450)
Demographic assumptions	(76)	–
Participant experience	2,583	1,032
Benefits paid	(13,647)	(13,691)
Benefits paid following a liquidation	–	(10,381)
Past service costs, curtailment and other	217	(419)
Benefit obligations at end of year	\$ 268,147	\$ 268,719
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 339,610	\$ 325,888
Actual return on plan assets	23,087	35,498
Employer contributions	119	323
Participant contributions	1,750	2,309
Transfers	(243)	(336)
Benefits paid	(13,647)	(13,691)
Benefits paid following a liquidation	–	(10,381)
Fair value of plan assets at end of year	\$ 350,676	\$ 339,610

⁽¹⁾ The postretirement benefits obligation was \$193,000 at December 31, 2025 (\$339,000 at December 31, 2024).

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

23. PENSION PLANS AND POSTRETIREMENT BENEFITS (continued)

As at December 31, 2025, the weighted average duration of defined benefit obligations was 12.4 years (11.8 years at December 31, 2024). The Corporation projects benefit payments in the amount of \$17,118,000 in 2026.

The Corporation's investment strategy for plan assets takes into consideration a number of factors, including the time horizon of plan obligations and investment risk. For each plan, an allocation range is developed for each asset category, in which a combination of equity securities and debt securities is used to optimize the risk-return profile of plan assets and mitigate any mismatch between assets and liabilities.

Plan assets are allocated as follows:

	2025	2024
Equity securities:		
Canadian	17.3 %	17.7 %
Foreign	39.3	38.6
Debt securities	42.0	42.3
Other	1.4	1.4
	100.0 %	100.0 %

The fair value of equity securities and debt securities is based on quoted prices in an active market, unlike the fair value of other investments.

Where funded plans have a net defined benefit asset, the Corporation determines if potential reductions in future contributions are permitted by applicable regulation and collective agreements. When a defined benefit asset is created, it may not exceed the future economic benefit that the Corporation may expect to derive from that asset. The future economic benefit represents the value of future contribution holidays and fees payable to the pension plan. It does not reflect potential future gains that could enable the Corporation to take contribution holidays. Where there is a minimum funding requirement, this may further limit the amount recognized on the balance sheet. The minimum funding requirement represents the present value of solvency contributions, based on the latest actuarial funding valuations filed.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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23. PENSION PLANS AND POSTRETIREMENT BENEFITS (continued)

The reconciliation of funded status to the net amount recognized in the consolidated balance sheets is detailed as follows:

	Pension benefits and postretirement benefits	
	2025	2024
Reconciliation of funded status		
Benefit obligations	\$ (268,147)	\$ (268,719)
Fair value of plan assets	350,676	339,610
Plan surplus	82,529	70,891
Asset limit	(33,834)	(20,680)
Net amount recognized⁽¹⁾	\$ 48,695	\$ 50,211

⁽¹⁾ The net amount recognized for 2025 comprises a \$48,888,000 asset reported under "Defined benefit plan asset" (\$50,550,000 as at December 31, 2024) and a \$193,000 liability reported under "Other liabilities" (\$339,000 as at December 31, 2024).

The remeasurement components are:

	Pension benefits and postretirement benefits	
	2025	2024
Actuarial gain on benefit obligations	\$ 3,781	\$ 1,418
Actual return on plan assets, less interest income anticipated in the interest calculation on the net defined benefit asset or liability	8,744	21,710
Asset limit	(12,183)	(10,519)
Remeasurements recorded in comprehensive income (loss)	\$ 342	\$ 12,609

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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23. PENSION PLANS AND POSTRETIREMENT BENEFITS (continued)

Components of the net benefit costs are as follows:

	Pension benefits and postretirement benefits	
	2025	2024
Employee costs:		
Service costs	\$ 2,421	\$ 2,967
Curtailment and plan amendments	1,147	496
Interest on net defined benefit asset or liability	(2,208)	(1,577)
Net benefit costs	\$ 1,360	\$ 1,886

The cost related to defined contribution pension plans for fiscal 2025 amounted to \$2,084,000 (\$2,373,000 for 2024).

The expected employer contributions to the Corporation's defined benefit pension plans and postretirement benefit plans for 2026 are \$115,000, based on the most recently filed actuarial report (contributions of \$119,000 were paid in 2025).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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23. PENSION PLANS AND POSTRETIREMENT BENEFITS (continued)

Assumptions

The Corporation determines its assumption for the discount rate to be used for computing annual service and interest expense on the basis of an index of high-quality corporate bond yields and a matched-funding yield curve analysis as of the measurement date.

The actuarial assumptions used to determine the Corporation's retirement plan obligations as at December 31, 2025 and 2024 are as follows:

	Pension benefits and postretirement benefits	
	2025	2024
Benefit obligations		
Rates as of year-end:		
Discount rate	4.90 %	4.70 %
Rate of compensation increase	3.10	3.10
Periodic benefit costs		
Rates as of preceding year-end:		
Discount rate	4.70 %	4.60 %
Rate of compensation increase	3.10	3.00

The average retirement age assumed for plan members varies with the plan and averaged 63 in 2025 (62 in 2024).

For the purpose of calculating the postretirement benefit obligation, the annual rate of increase in healthcare costs was assumed to be 5.3% at the end of 2025. Based on forecasts, the cost is expected to decrease gradually over the next 15 years to 4.0%, and to remain at that level thereafter.

Sensitivity analysis

As at December 31, 2025, an increase of 10 basis points in the discount rate would have decreased the pension and postretirement benefits obligation by \$2,869,000.

There are limitations to this sensitivity analysis since it only considers the impacts of an increase of 10 basis points in the discount rate, without any change in the other assumptions. No sensitivity analysis was performed on the other assumptions, because similar changes in those assumptions would have no significant impact on the consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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24. RELATED-PARTY TRANSACTIONS

Compensation of key officers

The key officers are the senior executives and the members of the Board of Directors of the Corporation. Their compensation is as follows:

	2025	2024
Salaries and short-term benefits	\$ 2,265	\$ 2,178
Stock-based compensation	272	33
Other benefits	336	16
	\$ 2,873	\$ 2,227

Revenues and operating expenses

For the year ended December 31, 2025, the Corporation entered into the following transactions with related parties in the normal course of business. These transactions were accounted for at the consideration agreed between the parties.

- The Corporation sold advertising space and content, recognized subscription revenues and provided production, postproduction and other services to companies under common control and associates for an aggregate amount of \$122,472,000 (\$119,129,000 for 2024). The increase was mainly due to higher rental, production and postproduction revenues from associates, partially offset by lower advertising revenues from companies under common control and an associate.
- The Corporation recorded content acquisition costs, telecommunications service costs, advertising space acquisition costs, professional service fees and commissions on sales and newsgathering services arising from transactions with companies under common control and associates totalling \$110,324,000 (\$127,970,000 for 2024). The decrease was primarily due to lower content acquisition costs with associates, a decrease in commissions on advertising sales and newsgathering services with the parent corporation and lower fees for technological services with a company under common control, net of an increase in fees for digital services with a company under common control.
- In 2025, the Corporation also billed management fees to companies under common control in the amount of \$1,213,000 (\$2,813,000 for 2024). The decrease in management fees billed was mainly due to the transfer of certain services to the parent corporation, which enabled the Corporation to realize savings on employee costs. These fees are recorded as a reduction of operating expenses.
- The Corporation also assumed management fees of the parent corporation in the amount of \$8,954,000 in 2025 and 2024, as well as interest on the secured renewable credit facility in the amount of \$3,637,000 (\$5,685,000 in 2024) (note 17).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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25. COMMITMENTS AND GUARANTEES

(a) Contracts for services and purchase agreements

The Corporation has commitments under contracts for services, broadcast and distribution rights, property, plant and equipment and intangible assets, calling for payments totalling \$161,256,000, including \$1,167,000 with related parties. Minimum payments for future years are as follows:

2026	\$	120,684
2027 to 2030		35,810
2031 and thereafter		4,762

(b) Guarantees

The Corporation has guaranteed a portion of the residual values of certain assets under lease for the benefit of the lessor. If the fair value of the assets at the end of their respective lease terms is less than their guaranteed residual value, the Corporation is required to compensate the lessor for a portion of the shortfall, subject to certain conditions. In previous years, the Corporation has made no payments in respect of these guarantees.

In the normal course of business, the Corporation enters into indemnification agreements with third parties as part of certain transactions, including acquisition contracts for goods, service agreements and leases. These indemnification agreements require the Corporation to compensate the third parties for costs incurred as a result of specific circumstances. The terms of these indemnification agreements vary from transaction to transaction, based on the contract terms. The nature of these indemnification agreements prevents the Corporation from making a reasonable estimate of the maximum potential amount it could be required to pay to third parties for all of its commitments.

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26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Corporation's risk management policies have been established to identify and analyze the Corporation's risk exposures, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and in the Corporation's activities.

As the Corporation and its subsidiaries use financial instruments, they are exposed to credit risk, liquidity risk and market risk related to foreign exchange and interest rate fluctuations.

(a) Fair value of financial instruments

In accordance with IFRS 13, *Fair Value Measurement*, the Corporation has considered the following fair value hierarchy. This hierarchy reflects the significance of the inputs used in measuring the financial instruments accounted for at fair value on the consolidated balance sheets:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs that are not based on observable market data (unobservable inputs).

The fair value of long-term debt is estimated based on a valuation model using Level 2 inputs. The fair value is based on discounted cash flows using year-end market yields or the market value of similar instruments with the same maturity.

The fair value of long-term debt corresponds to its carrying amount as at December 31, 2024.

(b) Credit risk management

Credit risk is the risk of the Corporation incurring a financial loss on bad debts should a client or another party to the contract fail to meet its contractual obligations and arises principally from amounts receivable from clients.

The carrying amounts of financial assets represent the Corporation's maximum credit exposure. As at December 31, 2025, the gross carrying amount of trade receivables, excluding companies under common control and associates, was \$58,164,000 (69,970,000 as at December 31, 2024).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk management (continued)

In the normal course of business, the Corporation regularly evaluates the financial position of its clients and reviews the credit history of each new client. The Corporation uses its clients' historical terms of payment and acceptable collection periods for each client class, as well as changes in its clients' credit profiles, to define default to collect amounts receivable from clients. As at December 31, 2025 and 2024, no clients had balances representing a significant portion of the Corporation's consolidated trade receivables. The Corporation uses the expected credit loss method to estimate the allowance. It is based on the specific credit risk of its clients, the expected life of the financial assets, historical trends and economic conditions. The Corporation has trade accounts receivable from numerous clients, primarily advertising agencies. As a result, the Corporation does not believe that it is exposed to an unusual or significant level of credit risk. As at December 31, 2025, 13.8% of trade receivables, excluding companies under common control and associates, had been outstanding for more than 90 days after the billing date (13.6% as at December 31, 2024), of which 18.9% were covered by an allowance for doubtful accounts (18.6% as at December 31, 2024).

The table below shows the variance in the allowance for expected credit losses for the years ended December 31, 2025 and 2024:

	2025	2024
Balance at beginning of year	\$ 1,634	\$ 1,590
Changes in expected credit losses	150	349
Write-off	(210)	(305)
Balance at end of year	\$ 1,574	\$ 1,634

(c) Liquidity risk management

Liquidity risk is the risk that the Corporation and its subsidiaries will be unable to meet financial obligations as they fall due or will be required to meet them at excessive cost. The Corporation and its subsidiaries ensure that they have sufficient cash flows from continuing operations and available sources of financing to meet future cash requirements for long-term investments, working capital, interest payments and debt servicing, lease liabilities, income tax payments, pension plan contributions, dividends, share redemptions, commitments and guarantees.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

As at December 31, 2025, the obligations and maturities of significant financial liabilities of the Corporation are as follows:

	Total	Less than 1 year	1–3 years	More than 3 years
Accounts payable, accrued liabilities and provisions	\$ 156,920	\$ 156,920	\$ –	\$ –
Content rights payable	36,909	30,303	6,606	–
Lease liabilities	7,229	1,962	2,007	3,260
Interest payments ⁽¹⁾	1,890	1,018	461	411
Total	\$ 202,948	\$ 190,203	\$ 9,074	\$ 3,671

⁽¹⁾ Interest includes standby fees on the secured renewable credit facility with Quebecor Media and interest on lease liabilities.

(d) Market risk

Market risk is the risk that changes in market prices due to fluctuations in foreign exchange rates and interest rates could affect the Corporation's revenues or the value of its financial instruments. The objective of market risk management is to mitigate and control exposures within acceptable parameters while optimizing the return on risk.

Foreign exchange risk

The Corporation is exposed to limited foreign exchange risk on revenues and expenses arising from transactions made in currencies other than the Canadian dollar. The most frequently used foreign currency is the U.S. dollar, which is primarily used for certain expenditures on property, plant and equipment and intangible assets and collect revenues from certain clients. In light of the low volume of foreign currency transactions, the Corporation rarely uses financial instruments to hedge its foreign exchange exposure. Accordingly, the Corporation has limited sensitivity to changes in foreign exchange rates.

Interest rate risk

The Corporation is exposed to interest rate risk associated with its floating-rate secured renewable credit facilities.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management

The Corporation's primary objectives in managing capital are to:

- safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders;
- maintain an optimal capital base in order to meet the capital requirements of its various operating segments, including growth opportunities and maintaining investor and creditor confidence.

The Corporation manages its capital structure in accordance with the characteristics of the risks associated with its segments' underlying assets and applicable requirements, if any. The Corporation manages its capital structure by issuing new debt or repaying existing debt with cash flows provided by operating activities, distributing amounts to shareholders through dividends or share redemptions, issuing capital stock in the marketplace and making adjustments to its capital expenditure program for property, plant and equipment and intangible assets. The Corporation's strategy remains unchanged from last year.

The Corporation's capital structure consists of shareholders' equity, bank indebtedness, short-term debt, lease liabilities and cash.

The capital structure as at December 31, 2025 and 2024 was as follows:

	2025	2024
Bank indebtedness	\$ -	\$ 3,667
Current portion of debt due to the parent corporation	-	34,000
Lease liabilities	7,229	8,695
Cash	(13,278)	-
Net (asset) liabilities	(6,049)	46,362
Equity	\$ 352,312	\$ 337,274

The Corporation is not subject to any externally imposed capital requirements. As at December 31, 2025, the Corporation was in compliance with the terms of its renewable credit facilities.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

27. 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 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 publishes magazines 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, among others, produces and distributes television shows, movies and television series for the world market.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

27. SEGMENTED INFORMATION (continued)

Intersegment items represent the elimination of normal course business transactions between the Corporation's business segments regarding revenues and expenses.

The reportable segments determined by the Corporation's management are strategic operating units that provide various goods and services. They are managed separately because, among other reasons, each segment requires different marketing strategies.

The segments' accounting policies are the same as those used by the Corporation as a whole (see note 1).

						2025
	Broadcasting	Film Production & Audiovisual Services	Magazines	Production & Distribution	Intersegment items	Total
Revenues	\$ 460,905	\$ 54,838	\$ 29,949	\$ 9,331	\$ (14,205)	\$ 540,818
Purchases of goods and services	339,577	27,617	20,655	18,778	(13,201)	393,426
Employee costs	68,041	19,809	7,517	2,175	-	97,542
Adjusted EBITDA (negative adjusted EBITDA) ⁽¹⁾	53,287	7,412	1,777	(11,622)	(1,004)	49,850
Depreciation and amortization						21,987
Financial expenses						1,656
Restructuring costs, impairment of assets and other						6,804
Income before income taxes and share of income of associates						\$ 19,403

⁽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 before depreciation and amortization, financial expenses, restructuring costs, impairment of assets and other, income taxes and share of income of associates. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS.

TVA GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Years ended December 31, 2025 and 2024

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

27. SEGMENTED INFORMATION (continued)

	2024					
	Broadcasting	Film Production & Audiovisual Services	Magazines	Production & Distribution	Intersegment items	Total
Revenues	\$ 437,863	\$ 66,894	\$ 33,286	\$ 10,706	\$ (16,520)	\$ 532,229
Purchases of goods and services	364,152	31,573	23,718	9,607	(15,293)	413,757
Employee costs	74,389	22,303	7,958	2,701	–	107,351
(Negative adjusted EBITDA) adjusted EBITDA ⁽¹⁾	(678)	13,018	1,610	(1,602)	(1,227)	11,121
Depreciation and amortization						22,514
Financial expenses						4,801
Restructuring costs, impairment of assets and other						7,601
Loss before income tax recovery and share of income of associates						\$ (23,795)

⁽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, restructuring costs, impairment of assets 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.

28. SUBSEQUENT EVENT

On January 1, 2026, the Corporation sold the assets of its TVA Films division to Quebecor Films Inc., a subsidiary of QMI, for proceeds on disposal of \$2,000,000, plus liabilities assumed as part of the transaction.