



INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD QUARTER 2025

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CORPORATE PROFILE

TVA Group Inc. (“TVA Group,” “TVA” or the “Corporation”), a subsidiary of Quebecor Media Inc. (“QMI” or the “parent corporation”), is a communications company with operations in four business segments: Broadcasting, Film Production & Audiovisual Services, Magazines, and Production & Distribution. In the Broadcasting segment, the Corporation creates, broadcasts and produces entertainment, sports, news and public affairs programming and is engaged in commercial production. It operates North America’s largest private French-language television network as well as nine speciality channels. The Film Production & Audiovisual Services segment provides soundstage, mobile and equipment rental services as well as postproduction services. In the Magazines segment, TVA Group publishes numerous titles, making it Quebec’s largest magazine publisher. The Production & Distribution segment produces and distributes television programs for the world market. The Corporation’s Class B shares are listed on the Toronto Stock Exchange under the ticker symbol TVA.B.

This Interim Management’s Discussion and Analysis covers the Corporation’s main activities during the third quarter of 2025 and major changes from the previous fiscal year. The Corporation’s Condensed Consolidated Financial Statements for the three-month and nine-month periods ended September 30, 2025 and 2024 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including in particular IAS 34, *Interim Financial Reporting*.

This report should be read in conjunction with the information in the annual Consolidated Financial Statements and Management’s Discussion and Analysis for the fiscal year ended December 31, 2024 and in the Condensed Consolidated Financial Statements dated September 30, 2025. All amounts are stated in Canadian dollars.

BUSINESS SEGMENTS

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 (“**Qolab**”);
- The **Film Production & Audiovisual Services segment (“MELS”)**, 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 (“**Incendo**”) and the TVA Films division, among others, produces and distributes television shows, movies and television series for the world market.

HIGHLIGHT SINCE END OF SECOND QUARTER 2025

- On August 6, 2025, the Corporation announced the appointment of Louis-Philippe Neveu as Vice-President, Operations, News and Sports. In addition to his responsibilities at “TVA Sports,” Mr. Neveu will head TVA’s key news division and “LCN,” and oversee all the operations of TVA Group’s Broadcasting segment.

NON-IFRS FINANCIAL MEASURES

To evaluate its financial performance, the Corporation uses certain measures that are not calculated in accordance with or recognized under IFRS. The Corporation's method of calculating non-IFRS financial measures may differ from the methods used by other companies and, as a result, the financial measures presented in this Management's Discussion and Analysis may not be comparable to other similarly titled measures reported by other companies.

Adjusted EBITDA

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

Table 1 below presents a reconciliation of adjusted EBITDA (negative adjusted EBITDA) to net income (loss) as disclosed in the Corporation's condensed consolidated financial statements.

Table 1
Reconciliation of the adjusted EBITDA (negative adjusted EBITDA) measure used in this report to the net income (loss) measure used in the condensed consolidated financial statements
(in thousands of dollars)

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Adjusted EBITDA (negative adjusted EBITDA):				
Broadcasting	\$ 16,974	\$ 9,520	\$ (511)	\$ (4,115)
Film Production & Audiovisual Services	1,377	3,285	3,691	11,315
Magazines	707	363	1,174	316
Production & Distribution	(491)	(597)	(3,333)	(1,227)
Intersegment items	(67)	(350)	(1,261)	(199)
	18,500	12,221	(240)	6,090
Depreciation and amortization	5,551	5,149	15,203	16,951
Financial expenses	426	933	1,665	3,684
Restructuring costs, impairment of assets and other	1,367	1,401	5,979	7,359
Income taxes (income tax recovery)	2,910	1,963	(5,999)	(3,252)
Share of loss (income) of associates	234	167	2	(452)
Net income (loss)	\$ 8,012	\$ 2,608	\$ (17,090)	\$ (18,200)

ANALYSIS OF CONSOLIDATED RESULTS

2025/2024 third-quarter comparison

Revenues: \$106,192,000, a \$6,224,000 (-5.5%) decrease.

- Decreases in all business segments: Broadcasting (\$1,776,000 or -2.0% of segment revenues), Film Production & Audiovisual Services (\$3,329,000 or -20.5%), Magazines (\$1,399,000 or -16.2%) and Production & Distribution (\$353,000 or -11.7%).

Adjusted EBITDA: \$18,500,000, a \$6,279,000 (51.4%) increase.

- Favourable variance in Broadcasting (\$7,454,000 or 78.3% of segment adjusted EBITDA), Magazines (\$344,000 or 94.8%) and Production & Distribution (\$106,000).
- Unfavourable variance in Film Production & Audiovisual Services (\$1,908,000 or -58.1%).

Net income attributable to shareholders: \$8,012,000 (\$0.19 per basic share), compared with \$2,608,000 (\$0.06 per basic share) for the same period of 2024. The favourable variance of \$5,404,000 (\$0.13 per basic share) was primarily due to:

- \$6,279,000 increase in adjusted EBITDA; and
 - \$507,000 favourable variance in financial expenses;
- partially offset by:
- \$947,000 unfavourable variance in income taxes; and
 - \$402,000 unfavourable variance in the depreciation and amortization charge.

Depreciation and amortization: \$5,551,000, a \$402,000 increase essentially due to an increase in the depreciation charge on leasehold improvements and technical equipment related to the reorganization plan announced on November 2, 2023, following completion of the fitting out of new studios and the transfer of television operations to 4545 Frontenac St. in Montreal.

Financial expenses: \$426,000, a \$507,000 decrease due primarily to a favourable variance in interest on debt resulting from lower average indebtedness for the third quarter of 2025 compared with the same quarter of 2024, and a favourable variance in interest income related to the defined benefit plans.

Restructuring costs, impairment of assets and other: \$1,367,000 for the third quarter of 2025, compared with \$1,401,000 for the same period of 2024.

- During the three-month period ended September 30, 2025, the Corporation recorded a \$1,400,000 charge arising from the elimination of positions and the implementation of cost-reduction measures, including \$1,073,000 in the Broadcasting segment, \$140,000 in the Film Production & Audiovisual Services segment, \$109,000 in the Production & Distribution segment and \$78,000 in the Magazines segment (\$1,558,000 charge for the same period of 2024, including \$1,210,000 in the Broadcasting segment, \$173,000 in the Film Production & Audiovisual Services segment and \$175,000 in the Magazines segment).
- During the third quarter of 2025, the Corporation recorded a \$121,000 gain on disposal of property, plant and equipment (\$157,000 for the same period of 2024).

Income taxes: \$2,910,000 (effective tax rate of 26.1%) for the third quarter of 2025, compared with \$1,963,000 (effective tax rate of 41.4%) for the same period of 2024, an unfavourable variance of \$947,000, due mainly to the recording of higher taxable income than in the same period of 2024. The effective tax rate was higher than the Corporation's statutory rate of 26.5% for the three-month period ended September 30, 2024 mainly because of the recognition of prior-year adjustments and foreign income taxes. Calculation of the effective tax rate is based only on taxable and deductible items.

Share of loss of associates: \$234,000 for the third quarter of 2025, compared with \$167,000 for the same quarter of 2024, an unfavourable variance of \$67,000 caused by the weaker financial results of an associate in the television industry.

2025/2024 year-to-date comparison

Revenues: \$355,275,000, a \$30,253,000 (-7.8%) decrease.

- Decreases in all business segments: Broadcasting (\$15,755,000 or -5.0% of segment revenues), Film Production & Audiovisual Services (\$12,495,000 or -23.8%), Magazines (\$2,798,000 or -11.3%) and Production & Distribution (\$420,000 or -6.6%).

Negative adjusted EBITDA: \$240,000, a \$6,330,000 unfavourable variance.

- Unfavourable variances in Film Production & Audiovisual Services (\$7,624,000 or -67.4% of segment adjusted EBITDA) and Production & Distribution (\$2,106,000).
- Favourable variances in Broadcasting (\$3,604,000) and Magazines (\$858,000).

Net loss attributable to shareholders: \$17,090,000 (-\$0.40 per basic share) for the first nine months of 2025, compared with \$18,200,000 (-\$0.42 per basic share) for the same period of 2024. The favourable variance of \$1,110,000 (\$0.02 per basic share) was primarily due to:

- \$2,747,000 favourable variance in income tax recovery;
 - \$2,019,000 favourable variance in financial expenses;
 - \$1,748,000 favourable variance in the depreciation and amortization charge; and
 - \$1,380,000 favourable variance in restructuring costs, impairment of assets and other;
- partially offset by:
- \$6,330,000 unfavourable variance in adjusted EBITDA and negative adjusted EBITDA; and
 - \$454,000 unfavourable variance in share of (income) loss of associates.

Depreciation and amortization: \$15,203,000, a \$1,748,000 decrease, essentially due to decreases in the depreciation charge for technical equipment, the amortization charge for intangible assets arising from past business acquisitions and the depreciation charges for equipment for rental and for fully depreciated computer equipment, partially offset by an increase in the depreciation charge for leasehold improvements.

Financial expenses: \$1,665,000, a \$2,019,000 decrease due primarily to the same factors as those noted above in the 2025/2024 third-quarter comparison.

Restructuring costs, impairment of assets and other: \$5,979,000 for the first nine months of 2025, compared with \$7,359,000 for the same period of 2024.

- In the first nine months of 2025, the Corporation recorded a \$6,227,000 charge arising from the elimination of positions and implementation of cost-reduction measures, including \$4,905,000 in the Broadcasting segment, \$613,000 in the Magazines segment, \$431,000 in the Production & Distribution segment and \$278,000 in the Film Production & Audiovisual Services segment (\$2,207,000 for the same period of 2024, including 1,596,000 in the Broadcasting segment, \$325,000 in the Film Production & Audiovisual Services segment and \$286,000 in the Magazines segment).
- For the nine-month period ended September 30, 2025, the Corporation recognized a \$322,000 gain related to the winding up of a portfolio investment and a \$121,000 gain on disposal of property, plant and equipment.
- During the second quarter of 2024, the Corporation performed an impairment test on the Production & Distribution cash-generating unit (“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.
- On March 28, 2024, the Corporation closed the sale of a building in Saguenay to its parent corporation for proceeds on disposal of \$2,600,000. The transaction gave rise to recognition of a gain on disposal of \$2,309,000. During the nine-month period ended September 30, 2024, the Corporation also recognized a \$320,000 gain on disposal of other property, plant and equipment.

Income tax recovery: \$5,999,000 (effective tax rate of 26.0%) for the first nine months of 2025, compared with \$3,252,000 (effective tax rate of 14.8%) for the same period of 2024, a favourable variance of \$2,747,000, due mainly to the impact of recognition of a larger tax-deductible loss for the first nine months of 2025 than for the same period of 2024. The effective tax rate was lower than the statutory rate of 26.5% for the nine-month period ended September 30, 2024, mainly due to the permanent variance stemming from the goodwill impairment charge, as well as the recognition of prior-year adjustments. Calculation of the effective tax rate is based only on taxable and deductible items.

Share of loss of associates: \$2,000 for the first nine months of 2025, compared with a \$452,000 share of income of associates for the same period of 2024, an unfavourable variance of \$454,000 caused by the weaker financial results of an associate in the television industry.

SEGMENTED ANALYSIS

Broadcasting

2025/2024 third-quarter comparison

Revenues: \$86,620,000, a \$1,776,000 (-2.0%) decrease due mainly to:

- 6.0% net decrease in TVA Network's revenues essentially due to:
 - 11.1% decrease in advertising revenues; and
 - 64.4% decrease in rental revenues;

partially offset by:

- 93.6% increase in content revenues resulting in part from the recognition of the Corporation's estimated share, for the third quarter of 2025, under the agreement reached by Google with the Canadian Journalism Collective under the *Online News Act* to compensate news organizations for the use of their content, whereas the estimated share for fiscal 2024 was recognized entirely in the fourth quarter of 2024, as well as a favourable retroactive adjustment for fiscal 2024 recognized in the third quarter of 2025;
- 29.6% decrease in Qolab's revenues due to lower volume of activity; and
- 10.0% decrease in advertising revenues at the specialty channels, including a 12.5% decrease for "LCN" and a 10.0% decrease for "TVA Sports," which had broadcast Euro 2024 during the same period of 2024;

partially offset by:

- 10.3% increase in the subscription revenues of the specialty channels, due in part to a favourable retroactive adjustment to their carriage rates.

French-language audience share

Table 2

French-language audience share (Market share in %)

Third quarter 2025 vs Third quarter 2024			
	2025	2024	Difference
French-language conventional broadcasters:			
TVA	22.1	22.3	-0.2
SRC	11.2	15.4	-4.2
Noovo	5.7	5.3	0.4
	39.0	43.0	-4.0
French-language specialty and pay services:			
TVA	19.1	16.7	2.4
Bell Media	15.0	13.6	1.4
Corus	4.4	4.5	-0.1
SRC	7.1	6.3	0.8
Other	5.6	5.5	0.1
	51.2	46.6	4.6
Total English-language channels and other:	9.8	10.4	-0.6
TVA Group	41.2	39.0	2.2

Source: Numeris, French Quebec, July 1 to September 30, Mon-Sun, 2:00 a.m. – 2:00 a.m., All 2+.

TVA Group's market share for the period of July 1 to September 30, 2025 increased by 2.2 points to 41.2%, compared with 39.0% in the same period of 2024.

TVA Group's speciality channels had a combined market share of 19.1% in the third quarter of 2025, compared with 16.7% in the same period of 2024, a 2.4-point increase. The "TVA Sports" channel posted exceptional growth of 1.4 points and the news and public affairs channel "LCN" recorded a significant 0.9-point increase, thanks in part to its in-depth coverage of U.S. politics. It thus maintained its position as Quebec's most-watched specialty channel, even ahead of the over-the-air channel Noovo. The "QUB Télé" channel grew its market share by 0.2 points, while the entertainment channels posted a 0.1-point decrease.

TVA Network maintained its lead among over-the-air channels with a 22.1% market share, more than its two main over-the-air rivals combined. *Chanteurs masqués* was the most-watched program in Quebec in the third quarter of 2025 with an average audience of over 1.5 million, while the daily show *Indéfendable* was third with an average audience of over 1.4 million.

Adjusted EBITDA: \$16,974,000, a \$7,454,000 (78.3%) favourable variance due primarily to:

- 74.4% improvement in TVA Network's negative adjusted EBITDA due to a 12.1% reduction in operating expenses, mainly as a result of the savings generated by the restructuring plans, primarily in employee and content costs. In addition, there was a favourable variance related to the reduction in the digital services tax, whereas in the third quarter of 2024 an adjustment retroactive to January 1, 2022 was recorded. These items were partially offset by the above-noted decrease in revenues;

- 21.3% increase in the adjusted EBITDA of “TVA Sports” resulting from the combination of an 11.8% decrease in operating expenses, as the channel had carried Euro 2024 in the same quarter of 2024, and a 4.9% net increase in revenues, including subscription revenues, due to favourable retroactive adjustments;
- 125.6% increase in the adjusted EBITDA of the entertainment specialty channels resulting from the combination of a 7.5% decrease in operating expenses and a 4.1% net increase in revenues, including subscription revenues, due to favourable retroactive adjustments; and
- 71.8% increase in the adjusted EBITDA of the news specialty channels, also resulting from the combination of an 8.0% net increase in revenues, including subscription revenues, due to favourable retroactive adjustments, and a 6.1% decrease in operating expenses.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Broadcasting segment’s activities (expressed as a percentage of revenues) decreased from 89.2% for the third quarter of 2024 to 80.4% for the same period of 2025, essentially because the decrease in operating expenses exceeded the decrease in revenues.

2025/2024 year-to-date comparison

Revenues: \$298,209,000, a \$15,755,000 (-5.0%) decrease due mainly to:

- 7.8% net decrease in TVA Network’s revenues essentially due to:
 - 7.1% decrease in advertising revenues;
 - 40.8% decrease in video-on-demand (“VOD”) revenues resulting from a timing difference in recognition of the decrease in pricing for these services for the period of January 1 to September 30, 2024 during the fourth quarter of 2024; and
 - decreases of 79.7% in rental revenues and 34.8% in commercial production revenues;

partially offset by:

- 33.3% increase in content revenues, resulting in part from the recognition of the Corporation’s estimated share, for the first nine months of 2025, under the agreement reached by Google with the Canadian Journalism Collective, as noted in the 2025/2024 third quarter comparison, whereas the estimated share for fiscal 2024 was recognized entirely in the fourth quarter of 2024;
- 15.6% decrease in the subscription revenues of the specialty channels other than “TVA Sports” due mainly to a favourable non-recurring retroactive adjustment of \$10,184,000 recorded in the second quarter of 2024 in connection with carriage rates for the “LCN” channel;
- 10.3% decrease in Qolab’s revenues due to lower volume of activity; and
- 5.5% decrease in the advertising revenues of the speciality channels other than “TVA Sports”;

partially offset by:

- increases of 28.8% in advertising revenues and 6.4% in subscription revenues at “TVA Sports,” due in part to the presence of the Montreal Canadiens in the National Hockey League (“NHL”) playoffs, the broadcast of the 4 Nations Face-Off, and a favourable retroactive adjustment related to the channel’s carriage rates.

Negative adjusted EBITDA: \$511,000, a \$3,604,000 favourable variance primarily due to:

- 98.0% improvement in the negative adjusted EBITDA of “TVA Sports” due to the combination of the above-noted 11.6% increase in revenues and the 3.4% decrease in operating expenses, particularly content costs, as the channel had carried Euro 2024 during the same period of 2024; and
- 79.8% increase in adjusted EBITDA for the entertainment channels resulting mainly from the impact of a 9.2% decrease in operating expenses, particularly content costs, while their revenues decreased by 2.0%, essentially due to advertising revenues;

partially offset by:

- 51.4% decrease in the adjusted EBITDA of the news channels, due mainly to the recording of a non-recurring favourable retroactive adjustment to subscription revenues for the “LCN” channel in the second quarter of 2024, as noted above, despite a 5.6% decrease in their operating expenses; and
- 12.8% increase in TVA Network’s negative adjusted EBITDA, essentially due to the above-noted 7.8% decrease in revenues, although operating expenses were reduced by 5.9%, notably in content costs, employee costs and commissions on advertising sales, as well as a favourable variance related to the reduction in the digital services tax, whereas in the third quarter of 2024 an adjustment retroactive to January 1, 2022 was recorded.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Broadcasting segment’s activities (expressed as a percentage of revenues) decreased from 101.3% for the first nine months of 2024 to 100.2% for the same period of 2025, essentially because the decrease in operating expenses exceeded the decrease in revenues.

Film Production & Audiovisual Services

2025/2024 third-quarter comparison

Revenues: \$12,927,000, a \$3,329,000 (-20.5%) decrease due mainly to:

- 27.8% decrease in revenues from soundstage and equipment rentals, mainly due to lower volume of activity in the third quarter of 2025, whereas major foreign productions were filming at our studios in the same quarter of 2024; and
- 20.2% decrease in postproduction revenues due to lower volume of activity.

Adjusted EBITDA: \$1,377,000, a \$1,908,000 (-58.1%) decrease resulting mainly from a 71.6% decline in adjusted EBITDA generated by soundstage and equipment rental services, essentially due to the same factors as those noted above in the discussion of the unfavourable variance in revenues. There was an 11.0% reduction in operating expenses, reflecting in part savings in employee costs and some administrative expenses.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Film Production & Audiovisual Services segment’s activities (expressed as a percentage of revenues) increased from 79.8% for the third quarter of 2024 to 89.3% for the third quarter of 2025. The increase was essentially due to the fact that the decrease in revenues exceeded the decrease in operating expenses.

2025/2024 year-to-date comparison

Revenues: \$40,034,000, a \$12,495,000 (-23.8%) decrease due mainly to:

- 45.6% decrease in soundstage and equipment rental revenues, due to the same factors as those noted above in the 2025/2024 third-quarter comparison;

- 8.4% decrease in revenues from media accessibility services due to lower rates; and
- decreases of 58.3% and 3.0% in virtual production and postproduction revenues respectively due to lower volume of activity;

partially offset by:

- 88.2% increase in mobile rental revenues due to higher volume of activity.

Adjusted EBITDA: \$3,691,000, a \$7,624,000 (-67.4%) unfavourable variance due primarily to:

- 80.9% decrease in adjusted EBITDA from soundstage and equipment rentals due to lower volume of activity caused in part by the lack of major foreign productions at our studios;

partially offset by:

- 61.0% improvement in negative adjusted EBITDA from postproduction activities; and
- increased profitability of media accessibility services.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Film Production & Audiovisual Services segment's activities (expressed as a percentage of revenues) increased from 78.5% for the first nine months of 2024 to 90.8% for the same period of 2025. The increase was due to the same factor as that noted above in the 2025/2024 third-quarter comparison.

Magazines

2025/2024 third-quarter comparison

Revenues: \$7,244,000, a \$1,399,000 (-16.2%) decrease essentially due to:

- 25.5% decrease in advertising revenues, mainly affecting the monthly titles category, due in part to a reduction in the number of issues;
- 20.0% decrease in assistance from the Canada Periodical Fund;
- 9.3% decrease in newsstand revenues, mainly in the entertainment and monthly titles categories, due to the decline in the market and the reduction in the number of issues; and
- 17.1% decrease in subscription revenues, mainly affecting the monthly titles category, due in part to the reduction in the number of issues.

Canada Periodical Fund ("CPF")

The Government of Canada created the CPF on April 1, 2010. The CPF provides financial assistance to the Canadian magazine and non-daily newspaper industries so they can continue to produce and distribute Canadian content. The Minister of Canadian Heritage announced in 2020 that the CPF would be modernized with the goal of relying more heavily on Canadian content creation, a change that would take effect with the grant period starting April 1, 2021, with a five-year transition period, after which all program changes would be in effect. Since the former method of grant allocation was geared more towards distribution of titles, the change has and will continue to have an impact on the amount of government assistance received by this segment from the regular program. All assistance related to the CPF is fully recorded under revenues. It amounted to 18.4% of the segment's revenues for the three-month period ended September 30, 2025 (19.3% for the same period of 2024).

Adjusted EBITDA: \$707,000, a \$344,000 (94.8%) increase, mainly due to savings, particularly in content, messaging and printing costs, as well as a favourable variance related to legal fees recorded in the third quarter of 2024 in connection with a dispute, which more than offset the above-noted decline in revenues and the increase in recycling fees under the new curbside recycling system.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Magazines segment's activities (expressed as a percentage of revenues) decreased from 95.8% for the third quarter of 2024 to 90.2% for the same period of 2025 because the decrease in operating expenses exceeded the decrease in revenues.

2025/2024 year-to-date comparison

Revenues: \$21,879,000, a \$2,798,000 (-11.3%) decrease due mainly to:

- 16.2% decrease in advertising revenues, mainly in the monthly titles category, due in part to the reduction in the number of issues;
- 8.2% decrease in newsstand revenues, mainly in the entertainment category, due to the decline in the market and a reduction in the number of issues;
- 12.7% decrease in subscription revenues, mainly in the monthly titles category, due in part to the above-noted reduction in the number of issues; and
- 11.5% decrease in assistance from the CPF.

Adjusted EBITDA: \$1,174,000, an \$858,000 increase resulting mainly from cost savings that exceeded the decrease in revenues, essentially due to the same factors as those noted in the 2025/2024 third-quarter comparison.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Magazines segment's activities (expressed as a percentage of revenues) decreased from 98.7% for the nine-month period ended September 30, 2024 to 94.6% for the same period of 2025, essentially due to the same factor as that noted above in the 2025/2024 third quarter comparison.

Production & Distribution

2025/2024 third-quarter comparison

Revenues: \$2,661,000, a \$353,000 (-11.7%) decrease due mainly to:

- 43.2% decrease in revenues at TVA Films, essentially due to exceptional theatrical distribution revenues generated by the film *Nos Belles-Sœurs* in the third quarter of 2024, partially offset by higher revenues from the sale of television rights for the same film in the third quarter of 2025;

partially offset by:

- higher international distribution revenues, essentially from films produced by Incendo, as well as a 65.0% increase in distribution revenues from the streaming platforms.

Activities related to the distribution of films produced by Incendo accounted for 39.6% of the segment's revenues for the three-month period ended September 30, 2025, compared with 22.9% for the same period of 2024.

Negative adjusted EBITDA: \$491,000, a \$106,000 favourable variance due mainly to the increase in gross margin generated by international distribution activities and by savings in Incendo's administrative expenses, as well as the improvement in TVA Distribution's negative adjusted EBITDA compared with the third quarter of 2024, when an impairment charge on certain rights was recorded, partially offset by the lower profitability of TVA Films.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Production & Distribution segment's activities (expressed as a percentage of revenues) decreased from 119.8% for the three-month period ended September 30, 2024 to 118.5% for the same period of 2025, mainly because the decrease in operating expenses exceeded the decrease in revenues.

2025/2024 year-to-date comparison

Revenues: \$5,925,000, a \$420,000 (-6.6%) decrease, due primarily to the same factors as those noted above in the 2025/2024 third-quarter comparison.

Activities related to the distribution of films produced by Incendo accounted for 31.2% of the segment's revenues for the nine-month period ended September 30, 2025, compared with 21.3% for the same period of 2024.

Negative adjusted EBITDA: \$3,333,000, a \$2,106,000 unfavourable variance due to an impairment charge on certain rights recorded in the first nine months of 2025, as well as the same factors as those noted in the 2025/2024 third-quarter comparison.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Production & Distribution segment's activities (expressed as a percentage of revenues) increased from 119.3% for the nine-month period ended September 30, 2024 to 156.3% for the same period of 2025, due primarily to higher operating expenses, essentially because of the recognition of an impairment charge on certain rights.

CASH FLOWS AND FINANCIAL POSITION

Table 3 below shows a summary of cash flows related to operating activities, investing activities and financing activities:

Table 3
Summary of the Corporation's cash flows
(in thousands of dollars)

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Cash flows related to operating activities	\$ 35,608	\$ 8,234	\$ 20,925	\$ 23,121
Additions to property, plant and equipment and intangible assets	(3,372)	(7,423)	(10,219)	(18,685)
Disposals of property, plant and equipment	138	157	138	2,920
Other	(177)	(273)	(888)	(1,494)
Repayment of net debt	\$ 32,197	\$ 695	\$ 9,956	\$ 5,862
	September 30, 2025		December 31, 2024	
At period end:				
Bank indebtedness	\$	–	\$	3,667
Current portion of debt due to the parent corporation		32,993		33,976
Less: cash		(5,306)		–
Net debt	\$	27,687	\$	37,643

Operating activities

Quarterly cash flows related to operating activities: \$27,374,000 increase for the three-month period ended September 30, 2025 compared with the same period of 2024, due mainly to a \$23,898,000 favourable net variance in operating assets and liabilities, including favourable variances in accounts receivable, accounts payable, accrued liabilities and provisions, and content rights payable, partially offset by an unfavourable variance in audiovisual content.

Year-to-date cash flows related to operating activities: \$2,196,000 decrease for the nine-month period ended September 30, 2025 compared with the same period of 2024, due mainly to a \$6,330,000 unfavourable variance in adjusted EBITDA and unfavourable variances in current tax savings and restructuring costs, partially offset by a \$12,589,000 favourable net change in operating assets and liabilities, largely due to favourable variances in accounts receivable, content rights payable and current tax assets and liabilities, partially offset by an unfavourable variance in audiovisual content.

Working capital: \$35,696,000 as at September 30, 2025, compared with \$26,063,000 as at December 31, 2024. The \$9,633,000 favourable variance was due primarily to the increase in audiovisual content and the decrease in accounts payable, accrued liabilities and provisions, partially offset by a decrease in accounts receivable.

Investing activities

Quarterly additions to property, plant and equipment and to intangible assets: \$3,372,000 for the third quarter of 2025, compared with \$7,423,000 for the same period of 2024. The \$4,051,000 decrease was essentially due to lower

investments in line with the reorganization plan announced on November 2, 2023, particularly in technical equipment, due to completion of the fitting out of new studios and the transfer of television operations to 4545 Frontenac St. in Montreal.

Year-to-date additions to property, plant and equipment and to intangible assets: \$10,219,000 for the first nine months of 2025 compared with \$18 685,000 for the same period of 2024, an \$8,466,000 decrease due mainly to the same factor as that noted above under additions for the third quarter of 2025 compared with the same period of 2024, as well as lower investment in equipment for rental.

During the nine-month period ended September 30, 2025, cash outflows related to property, plant and equipment and intangible assets consisted primarily of disbursements related to projects initiated in 2024, financed by accounts payable and accrued liabilities as of December 31 of that year, including investments in connection with the reorganization plan announced on November 2, 2023, as noted above, as well as certain steps related to the start of the project to convert the Corporation's former head office and investments in the Corporation's audiovisual content management system.

Quarterly disposals of property, plant and equipment: \$138,000 for the third quarter of 2025 (\$157,000 for the same period of 2024, generated by the disposal of fully depreciated assets).

Year-to-date disposals of property, plant and equipment: \$138,000 for the first nine months of 2025 (\$2,920,000 for the same period of 2024, mainly arising from the sale of a building in Saguenay to the parent corporation).

Financing activities

Debt due to the parent corporation (excluding deferred financing costs): \$33,000,000 as at September 30, 2025, compared with \$34,000,000 as at December 31, 2024, a \$1,000,000 decrease.

Financial position as at September 30, 2025

Net available liquid assets: \$92,306,000, consisting of an \$87,000,000 unused and available renewable credit facility and \$5,306,000 in cash.

As at September 30, 2025, the entire \$33,000,000 in principal on the debt due to the parent corporation was payable within the next 12-month period.

The weighted average term of TVA Group's debt was approximately 0.6 years as at September 30, 2025 (0.4 years as at December 31, 2024). The debt consisted entirely of floating-rate debt as at September 30, 2025 and December 31, 2024.

On June 28, 2023, the Corporation entered into an agreement for a \$120,000,000 secured renewable credit facility maturing on June 15, 2025, with QMI as the lender. On June 12, 2025, the Corporation amended this agreement 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 ratio.

Also on June 28, 2023, the Corporation entered into a \$20,000,000 secured renewable credit facility, repayable on demand and bearing interest at the Canadian or U.S. prime rate, plus a premium based on the Corporation's debt ratio.

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

As at September 30, 2025, no amounts were drawn on the demand credit facility, while letters of credit totalling \$1,757,000 were outstanding. At the same date, \$33,000,000 was drawn from the QMI renewable credit facility. As at December 31, 2024, drawings on the demand credit facility totalled \$382,000, in addition to \$2,573,000 in outstanding letters of credit. At the same date, \$34,000,000 was drawn from the QMI renewable credit facility.

In December 2021, Investissement Québec granted Mels Studios and Postproduction G.P. an unsecured loan without interest for a maximum amount of \$25,000,000 to support the construction of a fourth production studio. The loan contains certain restrictive covenants as well as typical representations and warranties for such loans. The agreement provides for repayment of the loan in seven annual instalments starting on September 30, 2027. As at September 30, 2025 and December 31, 2024, no disbursements had been made on the loan by Investissement Québec.

The Corporation's management believes that the cash flows generated on an annual basis by continuing operating activities and by available sources of external and parent corporation financing should be sufficient to fulfill its commitments with respect to investment in property, plant and equipment and intangible assets, business acquisitions, working capital, interest payments, income tax payments, repayment of debt and lease liabilities, pension plan contributions, share redemptions and shareholder dividends, and to meet its commitments and guarantees.

As at September 30, 2025, the Corporation was in compliance with all the terms of its renewable credit facilities.

Analysis of consolidated balance sheet as at September 30, 2025

Table 4

Consolidated balance sheets of TVA Group

Analysis of main differences between September 30, 2025 and December 31, 2024

(in thousands of dollars)

	September 30, 2025	December 31, 2024	Difference	Main reasons for difference
<u>Assets</u>				
Accounts receivable	\$ 104,906	\$ 134,835	\$ (29,929)	Impact of collection of certain receivables from customers and associates and decrease in volume of activity in some segments.
Current audiovisual content	120,540	101,195	19,345	Impact of current and seasonal variations in activity and decrease in sub-licences to a company under common control.
Non-current audiovisual content	62,770	82,517	(19,747)	Impact of current and seasonal variations in activity and the impairment of certain rights.
<u>Liabilities</u>				
Accounts payable, accrued liabilities and provisions	\$ 128,428	\$ 145,454	\$ (17,026)	Impact of the payment of balances due to suppliers and associates, lower volume of activity and payment of termination benefits.

ADDITIONAL INFORMATION

Contractual obligations

The Corporation's material contractual commitments of operating activities include payments of principal and interest on debt and lease liabilities, payments under audiovisual content acquisition contracts, and other obligations related to expenditures on property, plant and equipment, intangible assets and other commitments.

For a summary of the Corporation's contractual obligations, please refer to TVA Group's annual Management's Discussion and Analysis for the year ended December 31, 2024. As of September 30, 2025, there have been no significant changes in the Corporation's material contractual obligations since the end of the previous fiscal year.

Related party transactions

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 parties.

In the third quarter of 2025, the Corporation sold advertising space and content, recognized subscription revenues, and provided production, postproduction and other services to corporations under common control and associates in the aggregate amount of \$28,620,000 (\$27,626,000 for the third quarter of 2024). The increase was mainly due to higher rental, production and postproduction revenues from associates and higher content revenues from a company under common control, net of reduced advertising revenues from an associate and lower commercial production revenues from a company under common control.

In the third quarter of 2025, the Corporation recorded content acquisition costs, telecommunications service costs, advertising space acquisition costs, professional service fees, commissions on sales and newsgathering services arising from transactions with corporations under common control and associates totalling \$20,092,000 (\$24,796,000 for the third quarter of 2024). The decrease was primarily due to lower content acquisition costs with associates, a decrease in commissions on advertising sales from the parent corporation and lower fees for technological and digital services from companies under common control.

In the third quarter of 2025, the Corporation also billed management fees to corporations under common control in the amount of \$260,000 (\$399,000 in the third quarter of 2024). The decrease in management fees billed was due primarily to the transfer of certain services to the parent corporation. These fees are recorded as a reduction of operating expenses.

The Corporation also assumed management fees of the parent corporation in the amount of \$2,239,000 for the third quarters of 2025 and 2024, as well as interest in the amount of \$953,000 on the secured renewable credit facility for the third quarter of 2025 (\$1,136,000 for the third quarter of 2024).

In the first nine months of 2025, the Corporation sold advertising space and content, recorded subscription revenues, and provided production, postproduction and other services to corporations under common control and associates in the aggregate amount of \$88,607,000 (\$85,760,000 during the first nine months of 2024). The increase was mainly due to higher rental, production and postproduction revenues from associates, net of reduced content revenues, advertising revenues and commercial production revenues from an associate and companies under common control, as well as lower rental revenues from the parent corporation.

In the first nine months of 2025, the Corporation recorded content acquisition costs, telecommunications service costs, advertising space acquisition costs, professional service fees, commissions on sales and newsgathering services arising from transactions with corporations under common control and associates totalling \$78,563,000 (\$86,793,000 for the first nine months of 2024). The decrease was primarily due to lower content acquisition costs with associates, a decrease in commissions on advertising sales, newsgathering services and content fees from the parent corporation and lower fees for technological services and purchases of advertising space from companies under common control, net of an increase in rental costs with a company under common control.

In the first nine months of 2025, the Corporation also billed management fees to companies under common control in the amount of \$954,000 (\$1,967,000 for the first nine months of 2024). The decrease was due to the same factor as that noted above.

The Corporation also assumed management fees of the parent corporation in the amount of \$6,716,000 for the first nine months of 2025 and 2024, as well as interest in the amount of \$2,907,000 on the secured renewable credit facility for the first nine months of 2025 (\$4,392,000 for the same period of 2024).

Capital stock

Table 5 below presents information on the Corporation's capital stock. In addition, 680,450 Class B stock options of the Corporation were outstanding as at October 14, 2025.

Table 5
Number of shares outstanding as at October 14, 2025
(in shares and dollars)

	Issued and outstanding	Carrying amount
Class A common shares	4,320,000	\$ 0.02
Class B shares	38,885,535	\$ 5.33

Disclosure controls and procedures

The purpose of internal control over financial reporting is to provide reasonable assurance as to the reliability of the Corporation's financial reporting and the preparation of its financial statements in accordance with IFRS. During the three-month period ended September 30, 2025, there have not been any changes to internal control over financial reporting that have materially affected, or are reasonably likely to material effect, the Corporation's internal control over financial reporting.

Additional information

The Corporation is a reporting issuer under the securities acts of all the provinces of Canada. It is therefore required to file financial statements, an information circular and an annual information form with the various securities regulatory authorities. Copies of those documents are available free of charge from the Corporation on request, and on the Web at www.sedarplus.ca and www.groupepva.ca.

Forward-looking information disclaimer

The statements in this Management's Discussion and Analysis that are not historical facts may be forward-looking statements and are subject to important known and unknown risks, uncertainties and assumptions which could cause the Corporation's actual results for future periods to differ materially from those set forth in the forward-looking statements. Forward-looking statements generally can be identified by the use of the conditional, the use of forward-looking terminology such as "propose," "will," "expect," "may," "anticipate," "intend," "estimate," "plan," "foresee," "believe" or the negative of these terms or variations of them or similar terminology. Certain factors that may cause actual results to differ from current expectations include seasonality, operational risks (including pricing actions by competitors and the risk of loss of key customers in the Film Production & Audiovisual Services and Production & Distribution segments), programming, content and production cost risks, credit risk, government regulation risks, government assistance risks, changes in economic conditions, fragmentation of the media landscape, risk related to the Corporation's ability to adapt to fast-paced technological change and to new delivery and storage methods, labour relations risks, and the risks related to public health emergencies, as well as any urgent steps taken by government.

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

For more information on the risks, uncertainties and assumptions that could cause the Corporation's actual results to differ from current expectations, please refer to the Corporation's public filings, available at www.sedarplus.ca and www.groupepetva.ca, including in particular the "Risks and Uncertainties" section of the Corporation's annual Management's Discussion and Analysis for the year ended December 31, 2024.

The forward-looking statements in this Management's Discussion and Analysis reflect the Corporation's expectations as of October 30, 2025, and are subject to change after that date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by the applicable securities laws.

Montreal, Quebec

October 30, 2025

Table 6
SELECTED QUARTERLY FINANCIAL DATA
(in thousands of dollars, except for per-share data)

	2025				2024	
	Sept. 30	June 30	March 31	Dec. 31		
Operations						
Revenues	\$ 106,192	\$ 129,415	\$ 119,668	\$ 146,701		
Adjusted EBITDA (negative adjusted EBITDA)	\$ 18,500	\$ 1,754	\$ (20,494)	\$ 5,031		
Net income (loss) attributable to shareholders	\$ 8,012	\$ (4,793)	\$ (20,309)	\$ (1,143)		
Basic and diluted per-share data						
Basic and diluted earnings (loss) per share	\$ 0.19	\$ (0.11)	\$ (0.47)	\$ (0.03)		
Weighted average number of outstanding and diluted shares (in thousands)	43,206	43,206	43,206	43,206		
	2024			2023		
	Sept. 30	June 30	March 31	Dec. 31		
Operations						
Revenues	\$ 112,416	\$ 143,951	\$ 129,161	\$ 151,714		
Adjusted EBITDA (negative adjusted EBITDA)	\$ 12,221	\$ 13,170	\$ (19,301)	\$ 5,904		
Net income (loss) attributable to shareholders	\$ 2,608	\$ (2,905)	\$ (17,903)	\$ (15,872)		
Basic and diluted per-share data						
Basic and diluted earnings (loss) per share	\$ 0.06	\$ (0.07)	\$ (0.41)	\$ (0.37)		
Weighted average number of outstanding and diluted shares (in thousands)	43,206	43,206	43,206	43,206		

- The Corporation's businesses experience significant seasonality caused, among other factors, by seasonal advertising patterns, consumers' viewing, reading and listening habits, demand from international and local producers for production services, demand from global broadcasters for content, and the related delivery schedules. Because the Corporation depends on the sale of advertising for a significant portion of its revenues, operating results are also sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions, particularly as they may affect advertising spending.
- In the Broadcasting segment, operating expenses vary mainly as a result of programming costs, which are directly related to programming strategies and to live sports broadcasts. In the Film Production & Audiovisual Services segment, operating costs fluctuate according to demand for production services from international and local producers. In the Magazines segment, operating expenses fluctuate according to publication schedules, which may vary from quarter to quarter. In the Production & Distribution segment, operating expenses fluctuate according to delivery schedules and estimated future revenues.

Accordingly, adjusted EBITDA for interim periods may vary from one quarter to the next.