May 11, 2020

For immediate release

TVA GROUP REPORTS ITS RESULTS FOR FIRST QUARTER 2020

Montreal, Canada – TVA Group Inc. (“TVA Group” or the “Corporation”) announced today that it recorded operating revenues in the amount of $137.1 million in the first quarter of 2020, a year-over-year increase of $3.0 million. The quarterly net loss attributable to shareholders was $0.7 million or $0.02 per share, compared with a net loss attributable to shareholders of $6.7 million or $0.16 per share in the same quarter of 2019.

First quarter operating highlights

- Consolidated adjusted EBITDA[1] of $8,507,000, representing a $4,540,000 favourable variance from the same quarter of 2019.
- $3,829,000 in adjusted EBITDA[1] in the Broadcasting segment, a $1,349,000 (54.4%) favourable variance due primarily to the increase in adjusted EBITDA[1] for the specialty channels, in particular “TVA Sports,” where the costs reflect a significant decrease of sporting events broadcast on the channel, partially offset by the increase in negative adjusted EBITDA[1] for TVA Network.
- $664,000 in adjusted EBITDA[1] in the Magazines segment, a $717,000 unfavourable variance mainly because the decrease in operating revenues was greater than the savings generated by the continuation of staff and expense rationalization plans implemented in recent quarters.
- $3,172,000 in adjusted EBITDA[1] in the Film Production & Audiovisual Services (“MELS”) segment, a $3,066,000 favourable variance caused primarily by an increase in profitability of soundstage, mobile and equipment rental services, whereas the segment’s other activities recorded decreased profitability.
- $667,000 in adjusted EBITDA[1] in the Production & Distribution segment, which since April 1, 2019 has included the businesses acquired through the acquisition of the companies in the Incendo group.

“Although the COVID-19 pandemic affecting us all right now had a limited impact on our first quarter 2020 results, the Corporation had to scale down a number of its operations considerably toward the end of the quarter in response to the Quebec government’s directives. Among other impacts, the COVID-19 virus and the measures to prevent its spread have led to a significant reduction in advertising revenues, a significant decrease of sporting events broadcast on the “TVA Sports” specialty channel, a reduction in the publication frequency of some periodicals and the suspension of most of our content production activities. TVA Group has however continued to provide essential services in order to inform in addition to entertain the population, while putting in place internal measures to safeguard the health and safety of its employees and the public,” commented France Lauzière, President of TVA Group.

[1] See definition of adjusted EBITDA below.

“TVA Group’s total market share increased by 2.1 points[1] to 40.4% in Q1 2020. TVA Network grew its share by 1.1 points[1] while the specialty channels’ share increased 1.0 points[1] as a result of strong 2.2-point[1] growth at “LCN,” which peaked at a 6.9%[1] share, holding its position as Quebec’s most-watched specialty channel. In that respect, we are very proud of and grateful for our employees’ hard work, which has enabled us to continue providing essential services, particularly through our continuous news coverage,” added Ms. Lauzière.

“While the Magazines segment’s operating revenues continued their decline in the first quarter of 2020, exacerbated by the current situation, our efforts to reduce operating expenses, increase operational efficiencies and prioritize our strong brands yielded an 18.4% decrease in operating expenses on a comparable basis, thus enabling the segment to maintain a positive contribution to the Corporation’s operating results. In fact, we are pleased to report that, according to the most recent Vividata survey, TVA Publications held its position as the top publisher of French-language magazines in Quebec with more than 3.6 million[2] readers of its monthlies, while our English-language titles are read by nearly 5.5 million[2] people,” continued the President of TVA Group.

“The Film Production & Audiovisual Services segment’s quarterly numbers were up significantly year-over-year, due primarily to the use of our soundstages and equipment by local and international producers, as well as by a major Disney production at our facilities for the filming of a remake of the well-known family comedy *Home Alone*.

The new Production & Distribution segment, which includes the operations of the companies in the Incendo group, has made a positive contribution to the Corporation’s financial results since its acquisition. In addition to diversifying our revenue sources and expanding our presence internationally, particularly in English-language markets, the acquisition will allow us to take advantage of the anticipated strong demand for production of original content once the current crisis is resolved.

In closing, I want to express my gratitude to all of our employees at all of our business segments and across Quebec. They are the reason we have been able to continue to inform and entertain the people of Quebec,” concluded Ms. Lauzière.

Update on the current context related to the COVID-19 pandemic

The positive first quarter results must however be viewed in the context of the COVID-19 pandemic, an unprecedented situation with major consequences for the Canadian population and the global economy. As an essential services provider, our priority is to continue our mission of informing and entertaining the public. In that respect, we have ensured that we maintain our ongoing news services, available to all via our various broadcasting platforms, and have provided free access to our specialty news channel “LCN.” TVA Group has taken all the necessary steps to safeguard its employees’ health and safety by delivering services remotely whenever possible, introducing social distancing measures in the workplace and adopting stringent sanitary measures at our facilities.

In this crisis context, we anticipate greater financial impacts over the coming quarters, which may include:

- significant reduction in advertising revenues, which will inevitably affect the Broadcasting and Magazines segments;
- increase in bad debts as a result of the difficult situation affecting some advertisers;
- suspension of all live broadcasting of sporting events held by professional leagues, which, whether postponed or not, could have a considerable impact on our content costs and revenues from such events;
- reduction in the publication frequency of some periodicals, which will affect revenues in the Magazines segment;
- suspension of most of our content production activities, which will have an impact on our MELS and Production & Distribution segments.

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[1] Source: Numeris – Quebec Franco, January 1 to March 31 2020, Mon-Sun, 2:00 – 2:00, All 2+.
[2] Source: Vividata, Spring 2020, Total Canada, 14+, January 1 to December 31, 2019

With that in mind, on March 27, in order to adjust its cost structure for the lower volume of activities, the Corporation reduced the work hours of approximately 25% of its workforce, while providing affected employees with supplemental benefits to top up the government emergency relief programs and minimize the impact on them.

Given the uncertainty surrounding the duration of the pandemic and its potential impacts, we are currently unable to predict the overall effect it will have on our operating and financial results, however we believe that our current sound financial health, strong balance sheet and the steps we have taken will enable us to continue to deliver positive cash flow.

TVA Group continues to take steps on a daily basis to implement the action plans necessary to ensure the continuity of its business operations and the pursuit of its long-term strategies. Our management team is working to ensure sound management of the current crisis while planning for a gradual resumption of the Corporation's activities once government directives allow.

Definition

Adjusted EBITDA

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

Conference call for investors

TVA Group will hold a conference call to discuss its first quarter 2020 results on May 12, 2020, at 2:30 p.m. EDT. There will be a question period reserved for financial analysts. To access the call, please dial 1-877-293-8052, followed by access code for participants 66581#. A tape recording of the call will be available from May 12 to June 12, 2020 by dialling 1-877-293-8133 followed by conference access code 66581# and recording access code 66581#.

Forward-looking information disclaimer

The statements in this news release that are not historical facts may be forward-looking statements and are subject to important known and unknown risks, uncertainties and assumptions which could cause the Corporation's actual results for future periods to differ materially from those set forth in the forward-looking statements. Forward-looking statements generally can be identified by the use of the conditional, the use of forward-looking terminology such as "propose," "will," "expect," "may," "anticipate," "intend," "estimate," "plan," "foresee," "believe" or the negative of these terms or variations of them or similar terminology. Certain factors that may cause actual results to differ from current expectations include seasonality, operational risks (including pricing actions by competitors and the risk of loss of key customers in the Film Production & Audiovisual Services and Production & Distribution segments), programming, content and production cost risks, credit risk, government regulation risks, government assistance risks, changes in economic conditions, fragmentation of the media landscape, risk related to the Corporation's ability to adapt to fast-paced technological change and to new delivery and storage methods, labour relation risks, and the risks related to public health emergencies, including COVID-19, as well as any urgent steps taken by government.

Investors and others are cautioned that the foregoing list of factors that may affect future results is not exhaustive and that undue reliance should not be placed on any forward-looking statements. For more information on the risks, uncertainties and assumptions that could cause the Corporation's actual results to differ from current expectations, please refer to the Corporation's public filings, available at www.sedar.com and www.groupetva.ca, including in particular the "Risks and Uncertainties" section of the Corporation's annual Management's Discussion and Analysis for the year ended December 31, 2019 and the "Risk Factors" section in the Corporation's 2019 annual information form, as well as the update on risks and uncertainties in the Interim Management's Discussion and Analysis for the three-month period ended March 31, 2020.

The forward-looking statements in this news release reflect the Corporation's expectations as of May 11, 2020 and are subject to change after this date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by the applicable securities laws.

TVA Group

TVA Group Inc., a subsidiary of Quebecor Media Inc., is a communications company engaged in the broadcasting, film production and audiovisual services, international production and distribution of television content, and magazine publishing industries. TVA Group Inc. is North America's largest broadcaster of French-language entertainment, information and public affairs programming and one of the largest private-sector producers of French-language content. It is also the largest publisher of French-language magazines and publishes some of the most popular English-language titles in Canada. The Corporation's Class B shares are listed on the Toronto Stock Exchange under the ticker symbol TVA.B.

The condensed consolidated financial statements, with notes, and the interim Management's Discussion and Analysis for the three-month period ended March 31, 2020, can be consulted on the Corporation's website at www.groupetva.ca.

Source:
Anick Dubois, CPA, CA
Vice-President Finance
(514) 598-3987

TVA GROUP INC.
Consolidated statements of loss and comprehensive loss

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

	Note		Three-month periods ended March 31 2020		2019
Revenues	2	**$**	**137,134**	$	134,141
Purchases of goods and services	3		**91,739**		93,925
Employee costs			**36,888**		36,249
Depreciation and amortization			**8,531**		9,065
Financial expenses	4		**670**		957
Operational restructuring costs and others	5		**302**		3,168
Loss before tax recovery and share of income of associates			**(996)**		(9,223)
Tax recovery			**(27)**		(2,392)
Share of income of associates			**(257)**		(151)
Net loss and comprehensive loss		**$**	**(712)**	$	(6,680)
Net (loss) income and comprehensive (loss) income attributable to:					
Shareholders		**$**	**(723)**	$	(6,715)
Non-controlling interest			**11**		35
Basic and diluted loss per share attributable to shareholders	7 c)	**$**	**(0.02)**	$	(0.16)

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated statements of changes in equity

(unaudited)
(in thousands of Canadian dollars)

	Equity attributable to shareholders				Equity attributable to non-controlling interest	Total equity
	Capital stock (note 7)	Contributed surplus	Retained earnings	Accumulated other comprehensive income – Defined benefit plans		
Balance as at December 31, 2018	$ 207,280	$ 581	$ 59,406	$ 3,497	$ 966	$ 271,730
Net (loss) income	–	–	(6,715)	–	35	(6,680)
Balance as at March 31, 2019	207,280	581	52,691	3,497	1,001	265,050
Net income	–	–	23,167	–	195	23,362
Other comprehensive income	–	–	–	1,777	–	1,777
Balance as at December 31, 2019	207,280	581	75,858	5,274	1,196	290,189
Net (loss) income	–	–	(723)	–	11	(712)
Balance as at March 31, 2020	**$ 207,280**	**$ 581**	**$ 75,135**	**$ 5,274**	**$ 1,207**	**$ 289,477**

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	March 31, 2020	December 31, 2019
Assets		
Current assets		
Cash	**$ 2,880**	$ 3,383
Accounts receivable	**136,895**	160,552
Income taxes	**3,957**	2,508
Audiovisual content	**92,164**	88,422
Prepaid expenses	**5,385**	3,105
	241,281	257,970
Non-current assets		
Audiovisual content	**62,415**	54,678
Investments	**10,855**	10,598
Property, plant and equipment	**171,209**	175,653
Right-of-use assets	**12,124**	8,530
Intangible assets	**27,693**	29,311
Goodwill	**23,703**	23,703
Deferred income taxes	**16,650**	14,703
	324,649	317,176
Total assets	**$ 565,930**	$ 575,146

TVA GROUP INC.
Consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note	**March 31, 2020**	December 31, 2019
Liabilities and equity			
Current liabilities			
Bank overdraft		**$ 5,416**	$ –
Accounts payable and accrued liabilities		**106,594**	103,945
Content rights payable		**82,522**	83,244
Deferred revenues		**11,331**	16,883
Current portion of lease liabilities		**3,508**	3,238
Income taxes		**837**	309
Short-term debt		**30,083**	44,846
		240,291	252,465
Non-current liabilities			
Lease liabilities		**11,145**	7,978
Other liabilities		**18,767**	18,076
Deferred income taxes		**6,250**	6,438
		36,162	32,492
Equity			
Capital stock	7	**207,280**	207,280
Contributed surplus		**581**	581
Retained earnings		**75,135**	75,858
Accumulated other comprehensive income		**5,274**	5,274
Equity attributable to shareholders		**288,270**	288,993
Non-controlling interest		**1,207**	1,196
		289,477	290,189
Contingencies	10		
Total liabilities and equity		**$ 565,930**	$ 575,146

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated statements of cash flows

(unaudited)
(in thousands of Canadian dollars)

	Note	Three-month periods ended March 31 2020	2019
Cash flows related to operating activities			
Net loss		**$ (712)**	$ (6,680)
Adjustments for:			
Depreciation and amortization		**8,531**	9,065
Share of income of associates		**(257)**	(151)
Deferred income taxes		**(2,135)**	(67)
Others		**22**	(40)
		5,449	2,127
Net change in non-cash operating assets and liabilities		**10,129**	(6,970)
Cash flows provided by (used in) operating activities		**15,578**	(4,843)
Cash flows related to investing activities			
Additions to property, plant and equipment		**(4,823)**	(3,882)
Additions to intangible assets		**(1,033)**	(1,323)
Business acquisitions	6	**–**	(23,469)
Cash flows used in investing activities		**(5,856)**	(28,674)
Cash flows related to financing activities			
Net change in bank overdraft		**5,416**	8,875
Net change in revolving credit facility		**(14,732)**	13,350
Repayment of term loan		**–**	(2,752)
Repayment of lease liabilities		**(856)**	(1,103)
Others		**(53)**	(105)
Cash flows (used in) provided by financing activities		**(10,225)**	18,265
Net change in cash		**(503)**	(15,252)
Cash, beginning of period		**3,383**	18,112
Cash, end of period		**$ 2,880**	$ 2,860
Interest and taxes reflected as operating activities			
Net interest paid		**$ 707**	$ 761
Net income taxes paid		**3,029**	1,656

See accompanying notes to condensed consolidated financial statements.

TVA Group Inc. ("TVA Group" or the "Corporation") is governed by the Quebec *Business Corporations Act.* TVA Group is a communications company engaged in the broadcasting, film production & audiovisual services, international production & distribution of television content, and magazines businesses (note 9). The Corporation is a subsidiary of Quebecor Media Inc. ("Quebecor Media" or the "parent corporation") and the ultimate parent corporation is Quebecor Inc. ("Quebecor"). The Corporation's head office is located at 1600 de Maisonneuve Boulevard East, Montreal, Quebec, Canada.

The Corporation's businesses experience significant seasonality due to, among other factors, seasonal advertising patterns, consumers' viewing, reading and listening habits, demand for production services from international and local producers, and demand for content from global broadcasters. Because the Corporation depends on the sale of advertising for a significant portion of its revenues, operating results are also sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions, particularly as they may affect advertising expenditures.

The COVID-19 pandemic has had a significant impact on the economic environment in Canada and around the world. Since March 13, 2020, in order to limit the spread of the virus in the community, the Québec government has imposed a number of restrictions, including the suspension of business activities deemed non-essential. As a result, some of the operations of the Corporation's business segments have been scaled down considerably. Among other impacts, the COVID-19 virus and the measures to prevent its spread have led to a significant reduction in advertising revenues, an important decrease of sporting events broadcast on the "TVA Sports" specialty channel, a reduction in the publication frequency of some periodicals and the suspension of most of our content production activities. The Corporation has however continued to provide essential services in order to inform in addition to entertain the population, while putting in place internal measures to safeguard the health and safety of its employees and the public. The Corporation is providing television viewers with continuous coverage of the crisis on TVA Network and the "LCN" specialty channel. The Corporation has reduced the employment of its workforce by approximately 25% and is providing supplemental benefits to top up the government emergency relief programs and minimize the impact of this situation on its employees as far as possible. Given the uncertainty about the ultimate extent and duration of the pandemic, the full impact of the crisis cannot be determined with certainty at the stage.

Accordingly, the results of operations for interim periods should not necessarily be considered indicative of full-year results.

1. Basis of presentation

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), except that they do not include all disclosures required under IFRS for annual consolidated financial statements. In particular, these consolidated financial statements were prepared in accordance with IAS 34, *Interim Financial Reporting*, and accordingly, they are condensed consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the Corporation's 2019 annual consolidated financial statements, which describe the accounting policies used to prepare these condensed consolidated financial statements.

These condensed consolidated financial statements were approved by the Corporation's Board of Directors on May 11, 2020.

Comparative figures for the three-month period ended March 31, 2019 have been restated to conform to the presentation adopted for the three-month period ended March 31, 2020.

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

2. Revenues

	Three-month periods ended March 31	
	2020	2019
Advertising services	**$ 62,116**	$ 66,956
Royalties	**36,393**	33,769
Rental, postproduction and distribution services and other services rendered[1]	**24,852**	15,314
Product sales[2]	**13,773**	18,102
	$ 137,134	$ 134,141

(1) Revenues from rental of soundstages, mobiles, equipment and rental space amounted to $9,521,000 during the three-month period ended March 31, 2020 ($5,024,000 during the same period of 2019). Service revenues also include the activities of the new Production & Distribution segment.

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

3. Purchases of goods and services

	Three-month periods ended March 31	
	2020	2019
Rights and audiovisual content costs	**$ 64,999**	$ 64,452
Printing and distribution	**3,675**	5,383
Services rendered by the parent corporation:		
- Commissions on advertising sales	**6,429**	7,100
- Others	**2,242**	2,238
Building costs	**4,098**	4,579
Marketing, advertising and promotion	**3,770**	4,494
Others	**6,526**	5,679
	$ 91,739	$ 93,925

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

4. Financial expenses

	Three-month periods ended March 31	
	2020	2019
Interest on short-term debt	**$ 434**	$ 690
Amortization of financing costs	**22**	49
Interest on lease liabilities	**143**	169
Interest expense on net defined benefit liability	**95**	113
Foreign exchange (gain) loss	**(126)**	6
Others	**102**	(70)
	$ 670	$ 957

5. Operational restructuring costs and others

	Three-month periods ended March 31	
	2020	2019
Operational restructuring costs	**$ 153**	$ 1,400
Others	**149**	1,768
	$ 302	$ 3,168

Operational restructuring costs

The segment breakdown of the Corporation’s operational restructuring costs in connection with the elimination of positions and the implementation of rationalization plans in the three-month periods ended March 31, 2020 and 2019 is as follows:

	Three-month periods ended March 31	
	2020	2019
Broadcasting	**$ 24**	$ 313
Magazines	**129**	1,084
Film Production & Audiovisual Services	**–**	3
	$ 153	$ 1,400

5. Operational restructuring costs and others (continued)

Others

In the first quarter of 2020, the Corporation recorded a $176,000 charge in connection with business acquisitions.

During the same period of 2019, the Corporation recorded a $1,857,000 charge in respect of business acquisitions, including a $1,794,000 obligation to invest in the broadcasting system, in connection with the acquisition of the companies in the Serdy Média inc. and Serdy Vidéo inc groups (note 6).

6. Business acquisitions

On February 13, 2019, the Corporation acquired the shares of the companies in the Serdy Média inc. and Serdy Vidéo inc. groups, including the “Évasion” and “Zeste” channels, for a total purchase price of $25,604,000, including a $1,604,000 adjustment based on a predetermined working capital target agreed to by the parties, less $519,000 in acquired cash. On the acquisition date, the Corporation paid $24,000,000, which was the agreed purchase price before an adjustment based on a predetermined working capital target agreed to by the parties, less preliminary acquired cash in the amount of $531,000.

The acquisition is consistent with the Corporation’s strategic objective of enhancing its array of television content for its viewers and advertisers. The goodwill associated with the acquisition arises mainly from the quality of the content and the expected synergies.

As a condition of approval of the transaction, the Canadian Radio-television and Telecommunications Commission required the Corporation to make investments with tangible benefits in the order of $1,794,000, specifically investments in the Canadian broadcasting system to support French-language productions. This obligation was recognized in operational restructuring costs and others as an acquisition cost.

Allocation of the purchase price was finalized during the fourth quarter of 2019.

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

6. Business acquisitions (continued)

The final breakdown of the fair value of assets and liabilities related to the acquisition is as follows:

Non-cash assets acquired		
Current assets	$	11,997
Long-term audiovisual content		3,893
Property, plant and equipment		1,720
Intangible assets		8,661
Right-of-use assets		1,469
Deferred income taxes		241
Goodwill[1]		4,813
		32,794
Liabilities assumed		
Current liabilities		5,404
Lease liabilities		1,469
Deferred income taxes		–
		6,873
Net assets acquired at fair value	$	25,921
Consideration		
Cash	$	25,085
Investment in Canal Évasion inc., 8.3% owned by the Corporation		836
	$	25,921

(1) Goodwill is not tax deductible

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

7. Capital stock

(a) Authorized capital stock

An unlimited number of Class A common shares, participating, voting, without par value.

An unlimited number of Class B shares, participating, non-voting, without par value.

An unlimited number of preferred shares, non-participating, non-voting, with a par value of $10 each, issuable in series.

(b) Issued and outstanding capital stock

		March 31, 2020		December 31, 2019
4,320,000 Class A common shares	**$**	**72**	$	72
38,885,535 Class B shares		**207,208**		207,208
	$	**207,280**	$	207,280

(c) Loss per share attributable to shareholders

The following table shows the computation of loss per basic and diluted share attributable to shareholders:

		Three-month periods ended March 31		
		2020		2019
Net loss attributable to shareholders	**$**	**(723)**	$	(6,715)
Weighted average number of basic and diluted shares outstanding		**43,205,535**		43,205,535
Basic and diluted loss per share attributable to shareholders	**$**	**(0.02)**	$	(0.16)

The loss per diluted share calculation does not take into consideration the potential dilutive effect of stock options of the Corporation because their impact is non-dilutive.

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

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

(a) Class B stock option plan for officers

As at March 31, 2020 and December 31, 2019, 515,000 Corporation Class B stock options were outstanding at a weighted average exercise price of $2.43. Of the options outstanding as at March 31, 2020, 35,000 Corporation Class B stock options could be exercised at an average price of $6.85.

(b) Quebecor Media stock option plan

	Three-month period ended March 31, 2020	
	Number	Weighted average exercise price
Balance as at December 31, 2019	31,600	$ 69.19
Exercised	(2,800)	66.02
Balance as at March 31, 2020	**28,800**	**$ 69.50**

All of the Quebecor Media stock options outstanding as at March 31, 2020 were exercisable.

During the three-month period ended March 31, 2020, 2,800 Quebecor Media stock options were exercised for a cash consideration of $126,000 (during the three-month period ended March 31, 2019, 1,000 stock options were exercised for a cash consideration of $43,000).

(c) Quebecor stock option plan

As at March 31, 2020 and December 31, 2019, 420,500 Quebecor stock options were outstanding at a weighted average exercise price of $28.82. Of the options outstanding as at March 31, 2020, no Quebecor stock options were exercisable.

(d) Deferred stock unit (“DSU”) and performance stock unit (“PSU”) plans

TVA Group has a DSU plan and a PSU plan for some management employees based on TVA Group Class B Non-Voting Shares (“TVA Group Class B Shares”). Quebecor also has DSU and PSU plans for its employees and those of its subsidiaries, based on, among other things, Quebecor Class B Shares. Under these plans, the DSUs vest over six years and will be redeemed for cash only upon the participant’s retirement or cessation of employment, as the case may be. The PSUs vest over three years and will be redeemed for cash at the end of that period, subject to achievement of financial targets. Under the TVA Group plan, holders of DSUs and PSUs are entitled to receive dividends on TVA Group Class B Shares in the form of additional units. Under the Quebecor plan, holders of DSUs and PSUs are entitled to receive dividends on Quebecor Class B Shares in the form of additional units.

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

8. Stock-based compensation and other stock-based payments (continued)

(d) Deferred stock unit ("DSU") and performance stock unit ("PSU") plans (continued)

The following table shows changes in outstanding DSUs and PSUs during the three-month period ended March 31, 2020:

	Outstanding units			
	Corporation stock units		Quebecor stock units	
	DSU	PSU	DSU	PSU
Balance as at December 31, 2019	177,256	131,129	29,150	16,148
Redeemed	–	(131,129)	–	(16,148)
Balance as at March 31, 2020	**177,256**	**–**	**29,150**	**–**

During the three-month period ended March 31, 2020, 131,129 PSUs were redeemed under the Corporation's plan and 16,148 PSUs were redeemed under the Quebecor plan for cash considerations of $209,000 and $656,000 respectively.

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

As of March 31, 2020, the total number of DSUs outstanding under this plan was 315,544 (300,088 as of December 31, 2019).

(f) Stock-based compensation expense

During the three-month period ended March 31, 2020, a $17,000 compensation charge reversal was recorded in respect of all stock-based compensation plans ($515,000 charge in the same period of 2019).

9. Segmented information

Management made changes to the Corporation's management structure at the beginning of the year. As a result of those changes, the custom publishing, commercial print production and premedia services previously provided by the Magazines segment were combined with the Broadcasting segment's existing commercial production activities. Financial information for the comparative period has been restated to conform to the new presentation.

At the beginning of the second quarter of 2019, the Corporation reorganized its business segments to better reflect changes in its operations and management structure following the acquisition of the companies in the Incendo group on April 1, 2019. Accordingly, the new Production & Distribution segment was created.

As well, since February 13, 2019, following the acquisition of the companies in the Serdy Média inc. and Serdy Vidéo inc. groups (note 6), the activities of the "Évasion" and "Zeste" specialty channels have been included in the Broadcasting segment's results, while postproduction activities have been included in the Film Production & Audiovisual Services segment's results.

The Corporation's operations now 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, commercial production and custom publishing services;

– The **Magazines segment**, which through its subsidiaries, notably TVA Publications inc. and Les Publications Charron & Cie inc., publishes magazines in various fields including the arts, entertainment, television, fashion and decorating, and markets digital products associated with the various magazine brands;

– The **Film Production & Audiovisual Services segment**, which through its subsidiaries Mels Studios and Postproduction G.P. and Mels Dubbing Inc. provides soundstage, mobile and production equipment rental services, as well as dubbing, postproduction and visual effects;

– The **Production & Distribution segment**, which through the companies in the Incendo group produces and distributes television shows, movies and television series for the world market.

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

9. Segmented information (continued)

	Three-month periods ended March 31	
	2020	2019
Revenues		
Broadcasting	**$ 108,061**	$ 109,740
Magazines	**10,293**	14,658
Film Production & Audiovisual Services	**17,982**	12,953
Production & Distribution	**4,753**	–
Intersegment items	**(3,955)**	(3,210)
	137,134	134,141
Adjusted EBITDA(1)		
Broadcasting	**3,829**	2,480
Magazines	**664**	1,381
Film Production & Audiovisual Services	**3,172**	106
Production & Distribution	**667**	–
Intersegment items	**175**	–
	8,507	3,967
Depreciation and amortization	**8,531**	9,065
Financial expenses	**670**	957
Operational restructuring costs and others	**302**	3,168
Loss before tax recovery and share of income of associates	**$ (996)**	$ (9,223)

The above-noted intersegment items represent the elimination of normal course business transactions between the Corporation's business segments.

(1) The Chief Executive Officer uses adjusted EBITDA as a measure of financial performance for assessing the performance of each of the Corporation's segments. Adjusted EBITDA is defined as net income (loss) before depreciation and amortization, financial expenses, operational restructuring costs and others, income taxes and share of income of associates. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS.

10. Contingencies

Lawsuits were brought by and against the Corporation, and against Quebecor and some of its subsidiaries, in connection with business disputes with a cable operator. At this stage in the proceedings, the management of the Corporation does not expect their outcome to have a material adverse effect on the Corporation's results or on its financial position.