May 8, 2023

For immediate release

TVA GROUP REPORTS Q1 2023 RESULTS

Montreal, Canada – TVA Group Inc. ("TVA Group" or the "Corporation") announced today that it recorded revenues in the amount of $136.1 million for the first quarter of 2023, a year-over-year decrease of $8.4 million. Net loss attributable to shareholders was $23.5 million or $0.54 per share, compared with net loss attributable to shareholders of $13.0 million or $0.30 per share for the same quarter of 2022.

First quarter operating highlights:

- $23,977,000 in consolidated negative adjusted EBITDA[1], a $14,256,000 unfavourable variance from the same quarter of 2022.

- $22,806,000 in negative adjusted EBITDA[1] in the Broadcasting segment, a $7,338,000 unfavourable variance mainly due to a decrease in profitability at TVA Network, which increased its investments in content, and to a decrease in adjusted EBITDA at the news and entertainment specialty channels due to lower revenues. The variances were partially offset by a decrease in the loss for "TVA Sports" due to a combination of lower expenses and higher revenues.

- $555,000 in negative adjusted EBITDA[1] in the Film Production & Audiovisual Services segment ("MELS"), a $4,399,000 unfavourable variance caused primarily by the decreased profitability of soundstage, mobile and equipment rental, whereas all other segment activities posted an increase in profitability.

- $367,000 in negative adjusted EBITDA[1] in the Magazines segment, an $807,000 unfavourable variance due mainly to lower revenues, particularly reduced government assistance, as well as lower advertising and subscription revenues.

- $355,000 in negative adjusted EBITDA[1] in the Production & Distribution segment, an unfavourable variance of $1,908,000 reflecting fewer deliveries of films produced by companies in the Incendo Group ("Incendo") during the period compared with the same period of 2022, when a number of new film sales were recognized.

"First quarter results continued to be impacted by declining profitability across all our segments. Even with the implementation of our restructuring plan, announced on February 16, 2023, our cost-reduction measures, while not yet at their full potential during the period, were not sufficient to offset the impact of the challenges faced by the various industries in which we operate," said Pierre Karl Péladeau, acting President and CEO of TVA Group.

"Results in the Broadcasting segment reflect the impact of our continued investments in content, which inevitably affected the profitability of our over-the-air network. Although advertising revenues grew, driven by our TVA+ platform, where views and digital revenues for video-on-demand services increased 30% and 33% respectively, they remain uncertain due to current market conditions and were insufficient to support the level of investment required to compete with the Web giants and Radio-Canada, which is heavily government subsidized. We are forced to

[1] See definition of adjusted EBITDA below.

fight on an uneven playing field against players that capture a large share of the advertising revenues, further undermining Quebec's already fragile media and current television ecosystem.

"Our strategy of increasing our content investment continues to protect our market share, both for TVA Network and for our specialty services. TVA Network had 4 of the top 5 shows in Quebec in the first quarter, including the new reality TV show *Sortez-moi d'ici!*, which took the top spot with an average audience of nearly 1.7 million viewers, and *La Voix*, which stood out with nearly 1.6 million viewers.

"While the recent passage of Bill C-11 is a step in the right direction, we continue to urge governmental authorities to act quickly on the other outstanding issues before it is too late. For example, the CRTC must take urgent action to address Radio-Canada's unfair behaviour in scooping up advertising dollars, which are our over-the-air network's only source of revenues, as well as distributor Bell TV's highly prejudicial treatment of our specialty channels by continuing to pay below-market fees. Parliament must also act quickly to pass Bill C-18 and ensure that the use of our news content is recognized and paid for at fair value by the digital giants that are currently siphoning advertising dollars away from Canadian businesses.

"In the Film Production & Audiovisual Services segment, the Corporation was particularly affected by a decrease in soundstage, mobile and equipment rental services, which continue to suffer from the lack of a foreign blockbuster. This is a very different situation from the same period of 2022, when *Disney* rented part of our studios. While MELS continued to make every effort to attract major foreign shoots to its studios, it is important to reiterate that the competition on tax incentives continues, both in Canada and abroad, and the Quebec government must act to allow our cultural industry and our economy to benefit from the positive spin-offs associated with the presence of foreign productions.

"In the Magazines segment, results for all our titles were heavily affected by lower revenues. The significant reduction in government assistance is of particular concern for this segment, which has been coping with a significant market decline for a number of years and for which the Canada Periodical Fund has been a critical source of support. As a leading publisher in the French-language market, we produce titles that showcase our talent and local culture and we will continue to make our case to the government to put an end to the reduction in assistance to ensure the survival of this medium.

"Our Production & Distribution segment reported a lower volume of activities for the first three months of the year, as it focused on finalizing films that began production in 2022. Incendo delivered its first series co-produced with Ireland in the first quarter and completed production on two films for Tubi, which will be delivered in the coming months. Tubi reaffirmed its confidence in Incendo by placing an initial film order for 2023 and continuing to contribute to revenue growth by making our films available on its streaming platform," concluded Mr. Péladeau.

Definition

Adjusted EBITDA

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

Forward-looking information disclaimer

The statements in this news release that are not historical facts may be forward-looking statements and are subject to important known and unknown risks, uncertainties and assumptions which could cause the Corporation's actual results for future periods to differ materially from those set forth in the forward-looking statements. Forward-looking statements generally can be identified by the use of the conditional, the use of forward-looking terminology such as "propose," "will," "expect," "may," "anticipate," "intend," "estimate," "plan," "foresee," "believe" or the negative of these terms or variations of them or similar terminology. Certain factors that may cause actual results to differ from current expectations include 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 emergency measures implemented 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, 2022.

The forward-looking statements in this news release reflect the Corporation's expectations as of May 8, 2023, and are subject to change after this date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by the applicable securities laws.

TVA Group

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

The condensed consolidated Financial Statements, with notes, and the interim Management's Discussion and Analysis for the three-month period ended March 31, 2023, can be consulted on the Corporation's website at www.groupetva.ca.

Source:
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TVA GROUP INC.
Consolidated statements of loss

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

	Note		Three-month periods ended March 31 2023		2022
Revenues	2	**$**	**136,103**	$	144,497
Purchases of goods and services	3		**123,742**		115,624
Employee costs			**36,338**		38,594
Depreciation and amortization			**7,182**		7,620
Financial (income) expenses	4		**(118)**		500
Operational restructuring costs and other	5		**902**		20
Loss before income tax recovery and share of income of associates			**(31,943)**		(17,861)
Income tax recovery			**(8,319)**		(4,597)
Share of income of associates			**(91)**		(249)
Net loss		**$**	**(23,533)**	$	(13,015)
Net (loss) income attributable to:					
Shareholders		**$**	**(23,533)**	$	(13,016)
Non-controlling interest			**–**		1
Basic and diluted loss per share attributable to shareholders		**$**	**(0.54)**	$	(0.30)
Weighted average number of shares outstanding and diluted shares			**43,205,535**		43,205,535

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated statements of comprehensive loss

(unaudited)
(in thousands of Canadian dollars)

	Note	2023	2022
		Three-month periods ended March 31	
Net loss		**$ (23,533)**	$ (13,015)
Other comprehensive items that will not be reclassified to loss:			
Defined benefit plans:			
Re-measurement gain	8	**–**	14,500
Deferred income taxes		**–**	(3,800)
		–	10,700
Comprehensive loss		**$ (23,533)**	$ (2,315)
Comprehensive (loss) income attributable to:			
Shareholders		**$ (23,533)**	$ (2,316)
Non-controlling interest		**–**	1

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.

Consolidated statements of equity

(unaudited)
(in thousands of Canadian dollars)

	Equity attributable to shareholders					
	Capital stock (note 6)	**Contributed surplus**	**Retained earnings**	**Accumulated other comprehensive income – Defined benefit plans**	**Equity attributable to non-controlling interest**	**Total equity**
Balance as at December 31, 2021	$ 207,280	$ 581	$ 138,679	$ 32,714	$ 1,210	$ 380,464
Net (loss) income	–	–	(13,016)	–	1	(13,015)
Other comprehensive income	–	–	–	10,700	–	10,700
Balance as at March 31, 2022	207,280	581	125,663	43,414	1,211	378,149
Net income (loss)	–	–	4,147	–	(21)	4,126
Dividends	–	–	–	–	(1,190)	(1,190)
Other comprehensive income	–	–	–	12,291	–	12,291
Balance as at December 31, 2022	207,280	581	129,810	55,705	–	393,376
Net loss	–	–	(23,533)	–	–	(23,533)
Balance as at March 31, 2023	**$ 207,280**	**$ 581**	**$ 106,277**	**$ 55,705**	**$ –**	**$ 369,843**

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	March 31, 2023	December 31, 2022
Assets		
Current assets		
Accounts receivable	**$ 160,532**	$ 175,174
Income taxes	**19,103**	8,522
Audiovisual content	**125,026**	135,038
Prepaid expenses	**10,426**	4,400
	315,087	323,134
Non-current assets		
Audiovisual content	**90,244**	88,225
Investments	**12,108**	12,017
Property, plant and equipment	**153,210**	157,784
Right-of-use assets	**7,031**	7,599
Intangible assets	**13,086**	14,671
Goodwill	**21,696**	21,696
Defined benefit plan asset	**44,716**	45,111
Deferred income taxes	**5,169**	5,833
	347,260	352,936
Total assets	**$ 662,347**	$ 676,070

TVA GROUP INC.
Consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note	**March 31, 2023**	December 31, 2022
Liabilities and equity			
Current liabilities			
Bank overdraft		**$ 3,213**	$ 1,107
Accounts payable, accrued liabilities and provisions		**113,319**	114,174
Content rights payable		**143,996**	124,394
Deferred revenues		**9,060**	11,031
Income taxes		**561**	562
Current portion of lease liabilities		**1,898**	2,318
Short-term debt		**–**	8,961
		272,047	262,547
Non-current liabilities			
Lease liabilities		**6,025**	6,453
Other liabilities		**5,743**	5,395
Deferred income taxes		**8,689**	8,299
		20,457	20,147
Equity			
Capital stock	6	**207,280**	207,280
Contributed surplus		**581**	581
Retained earnings		**106,277**	129,810
Accumulated other comprehensive income		**55,705**	55,705
Equity		**369,843**	393,376
Total liabilities and equity		**$ 662,347**	$ 676,070

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated statements of cash flows

(unaudited)
(in thousands of Canadian dollars)

	Three-month periods ended March 31	
	2023	2022
Cash flows related to operating activities		
Net loss	**$ (23,533)**	$ (13,015)
Adjustments for:		
Depreciation and amortization	**7,182**	7,620
Share of income of associates	**(91)**	(249)
Deferred income taxes	**1,054**	(980)
Other	**13**	13
	(15,375)	(6,611)
Net change in non-cash balances related to operating items	**24,937**	(3,991)
Cash flows provided by (used in) operating activities	**9,562**	(10,602)
Cash flows related to investing activities		
Additions to property, plant and equipment	**(1,667)**	(5,196)
Additions to intangible assets	**(125)**	(423)
Cash flows used in investing activities	**(1,792)**	(5,619)
Cash flows related to financing activities		
Net change in bank overdraft	**2,106**	1,574
Net change in revolving credit facility	**(8,970)**	12,990
Repayment of lease liabilities	**(853)**	(796)
Other	**(53)**	(53)
Cash flows (used in) provided by financing activities	**(7,770)**	13,715
Net change in cash	**–**	(2,506)
Cash at beginning of period	**–**	5,181
Cash at end of period	**$ –**	$ 2,675
Interest and income taxes reflected as operating activities		
Net interest paid	**$ 298**	$ 294
Income taxes paid	**1,209**	3,817

See accompanying notes to condensed consolidated financial statements.

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

The Corporation’s businesses experience significant seasonality due to, among other factors, seasonal advertising patterns, consumers’ viewing, reading and listening habits, demand for production services from international and local producers, and demand for content from global broadcasters. Because the Corporation depends on the sale of advertising for a significant portion of its revenues, operating results are also sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions, particularly as they may affect advertising spending. In view of the seasonal nature of some of the Corporation’s activities, the results of operations for interim periods should not necessarily be considered indicative of full-year results.

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

1. Basis of presentation

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), except that they do not include all disclosures required under IFRS for annual consolidated financial statements. In particular, these consolidated financial statements were prepared in accordance with IAS 34, *Interim Financial Reporting*, and accordingly are condensed consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the Corporation's 2022 annual consolidated financial statements, which describe the accounting policies used to prepare these condensed consolidated financial statements.

These condensed consolidated financial statements were approved by the Corporation's Board of Directors on May 8, 2023.

Certain comparative figures for the three-month period ended March 31, 2022 have been restated to conform to the presentation adopted for the three-month period ended March 31, 2023.

2. Revenues

	Three-month periods ended March 31	
	2023	2022
Advertising services	**$ 68,780**	$ 66,468
Royalties	**33,309**	34,253
Rental, postproduction and distribution services and other services rendered (1)	**20,709**	29,801
Product sales (2)	**13,305**	13,975
	$ 136,103	$ 144,497

(1) Revenues from rental of soundstages, mobiles, equipment and rental space amounted to $4,226,000 for the three-month period ended March 31, 2023 ($9,573,000 for the same period of 2022). Service revenues also include the activities of the Production & Distribution segment.

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

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

3. Purchases of goods and services

	Three-month periods ended March 31	
	2023	2022
Rights and audiovisual content costs	**$ 96,251**	$ 88,403
Printing and distribution	**3,303**	3,678
Services rendered by the parent corporation:		
- Commissions on advertising sales	**6,129**	6,632
- Other	**2,457**	2,384
Building costs	**4,390**	4,462
Marketing, advertising and promotion	**4,309**	4,128
Other	**6,903**	5,937
	$ 123,742	$ 115,624

4. Financial (income) expenses

	Three-month periods ended March 31	
	2023	2022
Interest on debt	**$ 249**	$ 191
Amortization of financing costs	**13**	13
Interest on lease liabilities	**102**	119
Interest income related to defined benefit plans	**(504)**	(111)
Foreign exchange loss	**92**	196
Other	**(70)**	92
	$ (118)	$ 500

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

5. Operational restructuring costs and other

	Three-month periods ended March 31	
	2023	2022
Operational restructuring costs	**$ 902**	$ 37
Other	**–**	(17)
	$ 902	$ 20

Operational restructuring costs

For the three-month periods ended March 31, 2023 and 2022, the segment breakdown of the Corporation's operational restructuring costs in connection with the elimination of positions and the implementation of cost reduction initiatives is as follows:

	Three-month periods ended March 31	
	2023	2022
Broadcasting	**$ 585**	$ 37
Film Production & Audiovisual Services	**174**	–
Magazines	**111**	–
Production & Distribution	**32**	–
	$ 902	$ 37

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

6. 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, 2023		December 31, 2022
4,320,000 Class A common shares	**$**	**72**	$	72
38,885,535 Class B shares		**207,208**		207,208
	$	**207,280**	$	207,280

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

(a) Stock option plans

	Outstanding options		
	Number		Weighted average exercise price
Groupe TVA			
Balance as at December 31, 2022	519,503	$	2.29
Cancelled	(30,000)		1.40
Balance as at March 31, 2023	**489,503**	**$**	**2.34**
Vested options as at March 31, 2023	**106,498**	**$**	**3.23**
Quebecor			
Balance as at December 31, 2022	244,216	$	30.36
Cancelled	(25,000)		33.19
Balance as at March 31, 2023	**219,216**	**$**	**30.04**
Vested options as at March 31, 2023	**47,330**	**$**	**28.63**

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

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

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

	Outstanding units
	Corporation stock units
Balance as at December 31, 2022	446,934
Granted	16,499
Balance as at March 31, 2023	**463,433**

(c) Stock-based compensation expense

For the three-month period ended March 31, 2023, a $566,000 compensation expense was recorded in respect of all stock-based compensation plans ($469,000 for the same period of 2022).

8. Pension plans and postretirement benefits

The gain on remeasurement of defined benefit plans recognized in the consolidated statement of comprehensive loss for the three-month period ended March 31, 2022 mainly reflects the increase in the discount rate.

9. Segmented information

The Corporation's operations consist of the following segments:

– The **Broadcasting segment**, which includes the operations of TVA Network, specialty services, the marketing of digital products associated with the various televisual brands, and commercial production and custom publishing services, including those of its Communications Qolab inc. subsidiary;

– The **Film Production & Audiovisual Services segment**, which through its subsidiaries Mels Studios and Postproduction G.P. and Mels Dubbing Inc. provides soundstage, mobile and production equipment rental services, as well as dubbing and described video ("media accessibility services"), postproduction and virtual production;

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

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

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

9. Segmented information (continued)

	Three-month periods ended March 31	
	2023	2022
Revenues		
Broadcasting	**$ 116,010**	$ 114,139
Film Production & Audiovisual Services	**14,272**	19,351
Magazines	**8,647**	9,661
Production & Distribution	**2,341**	5,980
Intersegment items	**(5,167)**	(4,634)
	136,103	144,497
(Negative adjusted EBITDA) adjusted EBITDA [(1)]		
Broadcasting	**(22,806)**	(15,468)
Film Production & Audiovisual Services	**(555)**	3,844
Magazines	**(367)**	440
Production & Distribution	**(355)**	1,553
Intersegment items	**106**	(90)
	(23,977)	(9,721)
Depreciation and amortization	**7,182**	7,620
Financial (income) expenses	**(118)**	500
Operational restructuring costs and other	**902**	20
Loss before income tax recovery and share of income of associates	**$ (31,943)**	$ (17,861)

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 (income) expenses, operational restructuring costs 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.