TVA GROUP

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
FIRST QUARTER 2023

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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 specialty services. 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 first quarter of 2023 and major changes from the previous fiscal year. The Corporation’s Condensed Consolidated Financial Statements for the three-month periods ended March 31, 2023 and 2022 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 financial year ended December 31, 2022 and in the Condensed Consolidated Financial Statements dated March 31, 2023. 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. ("**Qolab**") subsidiary;

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

HIGHLIGHTS SINCE END OF 2022

- On March 31, 2023, the Corporation announced the appointment of Marjorie Daoust as Vice-President, Finance after Anick Dubois informed management of her decision to leave the Corporation.

- On March 16, 2023, the Corporation announced that Martin Carrier, President of MELS, will be leaving on March 24, 2023 to take up new challenges.

- On February 16, 2023, TVA Group announced a restructuring plan that includes the elimination of approximately 140 positions at the Corporation, as part of a comprehensive plan that will also affect approximately 100 additional positions at other QMI entities that provide services to the Corporation. These measures will enable the Corporation to reduce its operating expenses in all of its business segments.

- On February 15, 2023, the Corporation renewed its $75,000,000 revolving credit facility, which matured on February 24, 2023, for one year, until February 24, 2024.

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 (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 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 the same as similarly titled measures reported by other companies.

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

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

	Three-month periods ended March 31	
	2023	2022
(Negative adjusted EBITDA) adjusted EBITDA:		
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
Income tax recovery	**(8,319)**	(4,597)
Share of income of associates	**(91)**	(249)
Net loss	**$ (23,533)**	$ (13,015)

ANALYSIS OF CONSOLIDATED RESULTS

2023/2022 first quarter comparison

Revenues: $136,103,000, an $8,394,000 (-5.8%) decrease.

- Decreases in Film Production & Audiovisual Services ($5,079,000 or -26.2% of segment revenues), Production & Distribution ($3,639,000 or -60.9%) and Magazines ($1,014,000 or -10.5%).
- Increase in Broadcasting ($1,871,000 or 1.6%).

Negative adjusted EBITDA: $23,977,000, a $14,256,000 (-146.7%) unfavourable variance.

- Unfavourable variances in all segments, i.e. Broadcasting ($7,338,000 or -47.4%), Film Production & Audiovisual Services ($4,399,000 or -114.4%), Production & Distribution ($1,908,000 or -122.9%) and Magazines ($807,000 or -183.4%).

Net loss attributable to shareholders: $23,533,000 (-$0.54 per basic share) for the first quarter of 2023, compared with $13,016,000 (-$0.30 per basic share) for the same period of 2022. The $10,517,000 (-$0.24 per basic share) unfavourable variance was essentially due to:

- $14,256,000 unfavourable variance in negative adjusted EBITDA; and
- $882,000 unfavourable variance in operational restructuring costs and other;

  partially offset by:

- $3,722,000 favourable variance in income tax recovery; and
- $618,000 favourable variance in financial income and expenses.

Depreciation and amortization: $7,182,000, a $438,000 decrease, mainly due to the decrease in the depreciation charge for rental equipment, right-of-use assets for buildings and leasehold improvements that have been fully amortized.

Financial income: $118,000, a $618,000 favourable variance caused mainly by a favourable variance in interest related to the defined benefit plans, recognition of interest income for the first quarter of 2023, compared with interest expense for the same quarter of 2022, and a decrease in the foreign exchange loss for 2023 compared with 2022.

Operational restructuring costs and other: $902,000 for the first quarter of 2023, compared with $20,000 for the same period of 2022, an $882,000 increase.

- In the first quarter of 2023, the Corporation recorded a $902,000 charge arising primarily from the elimination of positions and the implementation of cost-reduction measures, including $585,000 in the Broadcasting segment, $174,000 in the Film Production & Audiovisual Services segment, $111,000 in the Magazines segment and $32,000 in the Production & Distribution segment ($37,000 in the Broadcasting segment for the same period of 2022).

Income tax recovery: $8,319,000 (effective tax rate of 26.0%) for the first quarter of 2023, compared with $4,597,000 (effective tax rate of 25.7%) for the same period of 2022, a favourable variance of $3,722,000, due mainly to an increase in the deductible loss for tax purposes. Calculation of the effective tax rates is based only on taxable and deductible items.

Share of income of associates: $91,000 for the first quarter of 2023, compared with $249,000 for the same period of 2022, an unfavourable variance of $158,000 caused by the weaker financial results of an associate in the television industry.

SEGMENTED ANALYSIS

Broadcasting

2023/2022 first quarter comparison

Revenues: $116,010,000, a $1,871,000 (1.6%) increase due primarily to:

- 4.7% increase in TVA Network's advertising revenues, including a 17.8% increase in digital revenues; and
- 8.4% increase in advertising revenues for "TVA Sports";

partially offset by:

- 2.8% decrease in the subscription revenues of the specialty services, including a 2.5% decrease for "TVA Sports"; and
- 3.4% decrease in the advertising revenues of the specialty services other than "TVA Sports".

French-language audience share

Table 2
French-language audience share
(Market share in %)

First quarter 2023 vs First quarter 2022	2023	2022	Difference
French-language conventional broadcasters:			
TVA	**25.7**	25.6	0.1
SRC	**15.3**	16.4	- 1.1
noovo	**6.6**	7.2	- 0.6
	47.6	49.2	- 1.6
French-language specialty and pay services:			
TVA	**15.2**	15.0	0.2
Bell Media	**13.6**	12.2	1.4
Corus	**5.1**	4.8	0.3
SRC	**5.9**	5.5	0.4
Other	**3.9**	4.0	-0.1
	43.7	41.5	2.2
Total English-language and other:	**8.7**	9.3	- 0.6
TVA Group	**40.9**	40.6	0.3

Source: Numeris, Quebec Franco, January 1 to March 31, Mon-Sun, 2:00 – 2:00, All 2+.

TVA Group's market share for the period of January 1 to March 31, 2023 increased by 0.3 points to 40.9%, compared with 40.6% for the same period of 2022.

TVA Group's specialty channels had a combined market share of 15.2% for the first quarter of 2023, compared with 15.0% for the same period of 2022, a 0.2-point increase. The "ADDIK" and "TVA Sports" specialty services posted significant increases of 0.6 and 0.4 points respectively. "Prise 2," "Zeste" and "Évasion" grew their market share by 0.2, 0.1 and 0.1 points respectively, while "Casa" lost 0.2 points. The news and public affairs channel "LCN" recorded a 1.0-point decrease for the period, compared with the same quarter of 2022, when it benefited from the coverage of the current geopolitical situation, among other things. It nevertheless remains Quebec's most-watched specialty channel with a 6.2% market share.

TVA Network maintained its lead among over-the-air channels with a 25.7% market share, a 0.1-point increase over the same period of 2022 and more than its two main over-the-air rivals combined. TVA Network had 4 of the top 5 shows in Quebec in the first quarter of 2023, 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.

Negative adjusted EBITDA: $22,806,000, a $7,338,000 unfavourable variance primarily due to:

- o TVA Network's decreased profitability resulting from a 14.2% increase in operating expenses due essentially to increased spending on content, which was reflected in all its programming, particularly major variety shows, reality TV shows and drama series, despite the increase in its revenues noted above; and
- o 22.2% decrease in adjusted EBITDA of the specialty services other than "TVA Sports," due mainly to a 3.1% decrease in their revenues, combined with a 1.3% increase in their operating expenses;

partially offset by:

- o improved negative adjusted EBITDA of "TVA Sports," due to a 2.0% decrease in operating expenses, mainly related to the expense reduction plan implemented since the start of the fiscal year, combined with a 0.9% increase in revenues.

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) increased from 113.6% for the first quarter of 2022 to 119.7% for the same period of 2023. The increase was caused mainly by higher operating expenses for the segment, particularly TVA Network's expenses.

Film Production & Audiovisual Services

<u>**2023/2022 first quarter comparison**</u>

Revenues: $14,272,000, a $5,079,000 (-26.2%) decrease due mainly to:

- o 58.8% decrease in revenues from soundstage, mobile and equipment rental due to lower volume of activities; and
- o 77.0% decrease in visual effects revenues due to the phasing out of this service offering;

partially offset by:

- o 17.2% increase in postproduction revenues, due to higher volume of activities; and
- o 10.4% increase in revenues from media accessibility services, also due to higher volume of activities.

Negative adjusted EBITDA: $555,000, a $4,399,000 unfavourable variance due mainly to decreased profitability of soundstage, mobile and equipment rental, as a result of lower volume of activities stemming primarily from the absence of any major productions, partially offset by the increase in adjusted EBITDA from postproduction as a result of higher volume of activities.

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 80.1% for the first quarter of 2022 to 103.9% for the first quarter of 2023. The increase was essentially due to the decrease in segment revenues.

Magazines

2023/2022 first quarter comparison

Revenues: $8,647,000, a $1,014,000 (-10.5%) decrease due mainly to:

- 20.1% decrease in financial assistance from the Canada Periodical Fund ("CPF"), due to the negative impact of the change in the regular program and the end of the enhanced one-time assistance provided in the context of the public health crisis as of April 1, 2022 (see "Canada Periodical Fund" below);
- 11.5% decrease in subscription revenues; and
- 10.7% decrease in advertising revenues.

Canada Periodical Fund

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 to ensure they can continue to produce and distribute Canadian content. In 2020, the program was enhanced for the 12-month reference period starting April 1, with additional one-time government assistance offered to help industry organizations cope with the public health crisis, resulting in a 25% increase in the grant received for that reference period. In 2021, the program was renewed for 12 months, resulting in a 14% increase in the grant received for that reference period. The Minister of Canadian Heritage also announced in 2020 that the CPF would be modernized with the goal of placing greater emphasis on Canadian content creation, a change that would take effect with the grant period starting April 1, 2021, with a five-year transition period, at the end of 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 21.8% of the segment's revenues for the three-month period ended March 31, 2023 (24.4% for the same period of 2022).

Negative adjusted EBITDA: $367,000, an $807,000 unfavourable variance, due mainly to decreased revenues, as noted above, partially offset by cost savings, particularly on printing costs as a result of renegotiation of our printing agreement in the second quarter of 2022, as well as a favourable variance in recycling fees charged by Éco Entreprises Québec.

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) increased from 95.4% for the first quarter of 2022 to 104.2% for the same period of 2023. The increase was mainly due to the decrease in revenues for the segment.

Production & Distribution

2023/2022 first quarter comparison

Revenues: $2,341,000, a $3,639,000 (-60.9%) decrease due mainly to:

- 89.2% decrease in international distribution revenues, mainly for films produced by Incendo; and
- 70.3% decrease in Canadian distribution revenues, also mainly for films produced by Incendo.

Activities related to the distribution of films produced by Incendo accounted for 18.9% of the segment's revenues for the three-month period ended March 31, 2023, compared with 69.9% for the same period of 2022.

Negative adjusted EBITDA: $355,000, a $1,908,000 unfavourable variance, primarily due to the lower total gross margin for the three-month period ended March 31, 2023 compared with the same period of 2022, in connection with the decrease in revenues, as noted above.

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 74.0% for the first quarter of 2022 to 115.2% for the same period of 2023, mainly due to the fact that the decrease in revenues exceeded the decrease in operating expenses.

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-month periods ended March 31	
	2023	2022
Cash flows related to operating activities	**$ 9,562**	$ (10,602)
Additions to property, plant and equipment and intangible assets	**(1,792)**	(5,619)
Other	**(915)**	(809)
Repayment (increase) of net debt	**$ 6,855**	$ (17,030)

	March 31, 2023	December 31, 2022
At period end:		
Bank overdraft	**$ 3,213**	$ 1,107
Short-term debt	**–**	8,961
Net debt	**$ 3,213**	$ 10,068

<u>**Operating activities**</u>

Cash flows related to operating activities: $20,164,000 increase for the three-month period ended March 31, 2023 compared with the same period of 2022, due mainly to:

- $28,928,000 favourable net change in operating assets and liabilities, including a favourable variance in audiovisual content, as well as accounts payable, accrued liabilities and provisions; and

- $5,756,000 favourable variance in current income tax recovery;

partially offset by:

- $14,256,000 increase in negative adjusted EBITDA.

Working capital: $43,040,000 as at March 31, 2023, compared with $60,587,000 at December 31, 2022. The $17,547,000 unfavourable variance was due primarily to the increase in content rights payable and the decrease in accounts receivable and audiovisual content, partially offset by favourable variances in current tax assets, short-term debt and prepaid expenses.

Investing activities

Additions to property, plant and equipment and to intangible assets: $1,792,000 for the first quarter of 2023, compared with $5,619,000 for the same period of 2022. The $3,827,000 (-68.1%) decrease was essentially due to the start of construction on MELS 4 in the first quarter of 2022, partially offset by a change in the net variance in additions to property, plant and equipment and to intangible assets financed from accounts payable and accrued liabilities.

During the three-month period ended March 31, 2023, expenditures related to property, plant and equipment and intangible assets mainly consisted of disbursements related to 2022 projects, financed by accounts payable and accrued liabilities as at December 31, 2022.

Financing activities

Short-term debt (excluding deferred financing costs): Nil at March 31, 2023, compared with $8,970,000 at December 31, 2022. The $8,970,000 decrease was essentially due to use of cash flows provided by operating activities to repay the revolving credit.

Financial position as at March 31, 2023

Net available liquid assets: $67,872,000, consisting of a $71,085,000 unused and available revolving credit facility, less a $3,213,000 bank overdraft.

The weighted average term of TVA Group's debt was approximately 0.1 years as at December 31, 2022 and was made up entirely of variable-rate debt.

The Corporation has a $75,000,000 revolving credit facility, which matures on February 24, 2024. As at March 31, 2023, drawings on the revolving credit facility consisted of $3,915,000 in outstanding letters of credit. As at December 31, 2022, drawings on the revolving credit facility consisted of an $8,970,000 banker's acceptance bearing interest at an effective rate of 6.06% and an outstanding letter of credit in the amount of $89,000.

On February 15, 2023, the Corporation amended its $75,000,000 secured revolving credit facility to extend its term from February 24, 2023 to February 24, 2024.

In December 2021, Investissement Québec extended an unsecured, interest-free loan for a maximum amount of $25,000,000 to Mels Studios and Postproduction G.P. in order 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 over 10 years and includes a moratorium for the first three years. As at March 31, 2023 and December 31, 2022, no disbursement 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 financing should be sufficient to fulfill its commitments with respect to investment in property, plant and equipment, 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.

Under its credit agreement, the Corporation is subject to certain covenants, including the maintenance of certain financial ratios. As at March 31, 2023, the Corporation was in compliance with all the terms of its credit agreement.

Analysis of consolidated balance sheet as at March 31, 2023

Table 4
Consolidated balance sheets of TVA Group
Analysis of main variances between March 31, 2023 and December 31, 2022
(in thousands of dollars)

	March 31, 2023	December 31, 2022	Difference	Main reasons for difference
Assets				
Accounts receivable	**$ 160,532**	$ 175,174	$ (14,642)	Impact of the collection of certain receivables from entities under common control and the decrease in volume of activities in some segments.
Income taxes	**19,103**	8,522	10,581	Impact of recognition of current tax assets resulting from realization of deductible losses for the first quarter of 2023.
Current audiovisual content	**125,026**	135,038	(10,012)	Impact of current and seasonal variations in activities.
Liabilities				
Content rights payable	**$ 143,996**	$ 124,394	$ 19,602	Impact of increase in amounts due in connection with certain sports content rights.
Short-term debt	**–**	8,961	(8,961)	Impact of use of cash flows provided by operating activities to repay the revolving credit facility.

ADDITIONAL INFORMATION

Contractual obligations

As of March 31, 2023, material contractual commitments of operating activities included principal repayments and interest on debt and lease liabilities, payments under audiovisual content acquisition contracts, and payments under other contractual commitments. These contractual obligations are summarized in Table 5.

Table 5
Material contractual obligations of TVA Group as at March 31, 2023
(in thousands of dollars)

		Less than 1 year		1-3 years		3-5 years		More than 5 years		Total
Lease liabilities	$	1,898	$	2,923	$	1,515	$	1,587	$	7,923
Payment of interest[1]		565		457		197		128		1,347
Content rights		306,821		172,164		15,537		4,338		498,860
Other commitments		9,958		6,359		569		4		16,890
Total	**$**	**319,242**	**$**	**181,903**	**$**	**17,818**	**$**	**6,057**	**$**	**525,020**

[1] *Interest is calculated on a constant debt level equal to that at March 31, 2023 and includes standby fees on the revolving credit facility and interest on lease liabilities.*

In 2013, QMI and TVA Group reached a 12-year agreement with Rogers Communications Inc. for Canadian French-language broadcast rights to National Hockey League ("NHL") games. Operating expenses related to that contract are recognized in the Corporation’s operating expenses and total commitments related to the contract have been included in the Corporation’s commitments.

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 first quarter of 2023, the Corporation sold advertising space and content to, recognized subscription revenues from, and provided production, postproduction and other services to corporations under common control and associates in the aggregate amount of $29,651,000 ($28,317,000 for the first quarter of 2022).

In the first quarter of 2023, the Corporation recorded content acquisition costs, telecommunications service costs, advertising space acquisition costs, professional service fees and commissions on sales and newsgathering services arising from transactions with corporations under common control and associates totalling $33,012,000 ($17,614,000 for the first quarter of 2022).

In the first quarter of 2023, the Corporation also billed management fees to corporations under common control in the amount of $1,467,000 ($1,426,000 for the first quarter of 2022). These fees are recorded as a reduction of operating expenses.

The Corporation also assumed management fees of the parent corporation in the amount of $1,220,000 for the first quarter of 2023 ($945,000 for the same period of 2022).

Capital stock

Table 6 below presents information on the Corporation's capital stock. In addition, 614,503 Class B stock options of the Corporation were outstanding as at April 14, 2023.

Table 6
Capital stock outstanding as at April 14, 2023
(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 controls 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. There have not been any changes in internal controls over financial reporting during the three-month period ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls 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.sedar.com and www.groupetva.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 relation risks, and risks related to public health emergencies, including COVID-19, and emergency measures implemented by government.

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

For more information on the risks, uncertainties and assumptions that could cause the Corporation's actual results to differ from current expectations, please refer to the 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 Management's Discussion and Analysis reflect the Corporation's expectations as of May 8, 2023, 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

May 8, 2023

Table 7
SELECTED QUARTERLY FINANCIAL DATA
(in thousands of dollars, except for per-share data)

	2023	2022		
	March 31	December 31	September 30	June 30
Operations				
Revenues	**$ 136,103**	$ 171,924	$ 130,519	$ 147,469
(Negative adjusted EBITDA) adjusted EBITDA	**$ (23,977)**	$ 7,676	$ 18,195	$ 3,235
Net (loss) income attributable to shareholders	**$ (23,533)**	$ (264)	$ 7,623	$ (3,212)
Basic and diluted per-share data				
Basic and diluted (loss) earnings per share	**$ (0.54)**	$ (0.01)	$ 0.18	$ (0.07)
Weighted average number of outstanding shares (in thousands)	**43,206**	43,206	43,206	43,206
Weighted average number of diluted shares (in thousands)	**43,206**	43,206	43,308	43,206

	2022	2021		
	March 31	December 31	September 30	June 30
Operations				
Revenues	$ 144,497	$ 171,901	$ 150,703	$ 159,422
(Negative adjusted EBITDA) adjusted EBITDA	$ (9,721)	$ 28,678	$ 35,504	$ 13,965
Net (loss) income attributable to shareholders	$ (13,016)	$ 12,095	$ 19,010	$ 3,850
Basic and diluted per-share data				
Basic and diluted (loss) earnings per share	$ (0.30)	$ 0.28	$ 0.44	$ 0.09
Weighted average number of outstanding shares (in thousands)	43,206	43,206	43,206	43,206
Weighted average number of diluted shares (in thousands)	43,206	43,339	43,466	43,430

- The Corporation’s businesses experience significant seasonality caused, among other factors, by seasonal advertising patterns, consumers’ viewing, reading and listening habits, demand for production services from international and local producers, demand for content from global broadcasters, 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.