



October 31, 2024

For immediate release

TVA GROUP REPORTS CONSOLIDATED RESULTS FOR Q3 2024

Montreal, Quebec – TVA Group Inc. (TSX: TVA.B) (“TVA Group” or the “Corporation”) today reported its consolidated financial results for the third quarter of 2024.

Highlights

Third quarter 2024

- \$112,416,000 in revenues, a \$6,204,000 (-5.2%) decrease compared with the third quarter of 2023.
- \$2,608,000 (\$0.06 per share) net income attributable to shareholders, a \$3,247,000 (\$0.07 per basic share) favourable variance compared with the same quarter of 2023, when the Corporation reported a loss.
- \$12,221,000 in consolidated adjusted EBITDA¹, a \$4,264,000 decrease compared with the same quarter of 2023.
- \$9,520,000 in adjusted EBITDA¹ in the Broadcasting segment, a \$4,936,000 unfavourable variance resulting mainly from lower revenues and the recognition in the third quarter of a retroactive charge for the new digital services tax, partially offset by lower operating expenses in connection with the reorganization plan announced on November 2, 2023.
- \$3,285,000 in adjusted EBITDA¹ in the Film Production & Audiovisual Services segment (“MELS”), a \$2,616,000 favourable variance primarily due to higher volume of soundstage and equipment rental activities, with major productions filming at its studios.
- \$363,000 in adjusted EBITDA¹ in the Magazines segment, a \$925,000 unfavourable variance due mainly to lower revenues, combined with an exceptional charge related to a lawsuit.
- \$597,000 in negative adjusted EBITDA¹ in the Production & Distribution segment, a \$451,000 unfavourable variance due mainly to recognition of a \$713,000 impairment charge on certain rights and a decrease in gross margin for Incendo, partially offset by an increase in gross margin for TVA Films and some savings in administrative expenses at Incendo.

¹ See definition of adjusted EBITDA below.

Pierre Karl Péladeau, acting President and CEO of TVA Group, commented:

“TVA Group’s third-quarter results once again attest to the difficult environment in which we operate, particularly the continued decline in advertising revenues. Despite the excellent performance of our content, we continue to face significant challenges.

“We continue to make every effort to implement the measures in the reorganization plan announced on November 2, 2023 to reduce our operating expenses. Unfortunately, the savings generated by this plan in the last quarter were largely offset by the cost of applying the new federal digital services tax. While this 3% tax was originally intended to target large foreign digital companies to ensure that they contribute to our Canadian system, it is unacceptable and, above all, unfair that Canadian businesses have to bear the significant impact of this measure, which constitutes a double tax on domestic businesses. As a result, TVA Group had to record a provision in the third quarter estimated at \$1.5 million for the period from January 1, 2022 to September 30, 2024. Faced with this situation, which runs counter to its objectives, the government must review the application of the digital services tax to exclude Canadian businesses, which already pay their taxes in Canada and make a significant contribution to the broadcasting system.

“TVA Group is also continuing its efforts to obtain fair market value for all of its specialty channels, including “TVA Sports,” for which we await the CRTC’s arbitration decision to ensure that we receive our fair share from Bell TV. With respect to the Corporation’s news segment, it is imperative that the amounts promised by Google in connection with Bill C-18, now the *Online News Act*, be distributed quickly and fairly to eligible Canadian news organizations by the Canadian Journalism Collective. We also expect the other Web giants, such as Meta, to comply with the new law so that Canadian news media are fairly compensated for their news content, which remains available on the platforms of these foreign companies.

“In the third quarter, TVA Group continued to hold the highest market share in Quebec at 39.0%, a testament to the loyalty of our audiences and the quality of our content. The news and public affairs channel “LCN” recorded significant 0.8-point growth for the period, due in part to its exceptional coverage of the U.S. election campaign. It thus maintained its position as Quebec’s most-watched specialty channel, ahead of even the over-the-air channel “Noovo.” Since the start of fall programming, TVA Group has reached 5.4 million Quebecers every week, or 71% of the population. TVA Network carried 15 of the top 30 shows in Quebec in the third quarter of 2024, including *Chanteurs masqués*, the Quebec version of *The Masked Singer*, which topped the list with an average audience of nearly 1.6 million viewers. Thanks to the same-night broadcast of *Révolution*, TVA Group has an overall 34.2% market share on Sunday evenings this fall. Drama series *Les armes*, *Indéfendable* and *Alertes* each attracted over one million viewers, not to mention the new reality show *Ma mère, ton père*, which dominated its time slot with a nearly 24.0% market share.

“In the Film Production & Audiovisual Services segment, our services continued to be in high demand during the third quarter, particularly soundstage and equipment rental activities. The *Apple* production was completed, and MELS intends to continue its efforts to attract more foreign productions, aided by the increase in the film production services tax credit from 20% to 25%.

“The Magazines segment reported a decrease in profitability and was affected by reduced government support due to the change in the regular Canada Periodical Fund program. We are of course continuing our efforts to persuade Canadian Heritage to take action in this precarious situation.

“The Production & Distribution segment had a similar third quarter to last year and continues to be affected by a slowdown in orders in the U.S. market. This summer, TVA Films announced the acquisition of nine French feature films. Since its theatrical release in July, *Nos Belles-Soeurs* has grossed over \$3.5 million at the Quebec box office, making it the #1 Canadian film of 2024. It is also the best performance by a Quebec film in five years. Still in theatres, *La petite et le vieux* has become the 3rd biggest Quebec success of 2024, with box office receipts of over \$1.0 million. On the strength of these successes, TVA Films is truly positioning itself as a leader in the Quebec film landscape.

“In closing, TVA Group is maintaining rigorous financial discipline by continuing to reduce its operating costs and is continuing its efforts to identify additional revenue streams. Our goal remains to continue to deliver the best content to our audiences while improving the profitability of our activities.”

Definition

Adjusted EBITDA

In its analysis of operating results, the Corporation defines adjusted EBITDA, as reconciled to net income (loss) under IFRS, as net income (loss) before depreciation and amortization, financial expenses, restructuring costs and other, income tax expense (recovery) and share of loss (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 depreciation and amortization of tangible and intangible assets, including any asset impairment charges, as well as the cost associated with one-time restructuring measures, and is unaffected by the capital structure or investment activities of the Corporation and its segments. Adjusted EBITDA is also relevant because it is a significant component of the Corporation’s annual incentive compensation programs. The Corporation’s definition of EBITDA may not be the same as 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 the possibility that the reorganization plan announced on November 2, 2023 will not be carried out on schedule or at all, the possibility that the Corporation will be unable to realize the anticipated benefits of the reorganization plan on schedule or at all, the possibility that unknown potential liabilities or costs will be associated with the reorganization plan, the possibility that the Corporation will be unable to successfully implement its business strategies, 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, as well as any urgent steps taken by government.

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

For more information on the risks, uncertainties and assumptions that could cause the Corporation’s actual results to differ from current expectations, please refer to the Corporation’s public filings, available at www.sedarplus.ca and www.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, 2023.

The forward-looking statements in this news release reflect the Corporation’s expectations as of October 31, 2024, 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 as at September 30, 2024, with notes, and the interim Management's Discussion and Analysis can be consulted on the Corporation's website at www.groupe TVA.ca.

Source:

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TVA GROUP INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

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

		Three-month periods ended September 30		Nine-month periods ended September 30	
	Note	2024	2023	2024	2023
Revenues	2	\$ 112,416	\$ 118,620	\$ 385,528	\$ 393,483
Purchases of goods and services	3	75,014	72,958	296,975	305,244
Employee costs		25,181	29,177	82,463	99,574
Depreciation and amortization		5,149	6,805	16,951	20,960
Financial expenses	4	933	947	3,684	786
Restructuring costs and other	5	1,401	7,684	7,359	8,706
Income (loss) before income taxes (income tax recovery) and share of loss (income) of associates		4,738	1,049	(21,904)	(41,787)
Income taxes (income tax recovery)		1,963	1,691	(3,252)	(9,634)
Share of loss (income) of associates		167	(3)	(452)	(134)
Net income (loss) attributable to shareholders		\$ 2,608	\$ (639)	\$ (18,200)	\$ (32,019)
Basic and diluted earnings (loss) per share attributable to shareholders		\$ 0.06	\$ (0.01)	\$ (0.42)	\$ (0.74)
Weighted average number of outstanding and diluted shares		43,205,535	43,205,535	43,205,535	43,205,535

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited)
(in thousands of Canadian dollars)

	Note	Three-month periods ended September 30		Nine-month periods ended September 30	
		2024	2023	2024	2023
Net income (loss) attributable to shareholders		\$ 2,608	\$ (639)	\$ (18,200)	\$ (32,019)
Other comprehensive items that will not be reclassified to income (loss):					
Defined benefit plans:					
Remeasurement gain	9	1,500	-	18,100	-
Deferred income taxes		(400)	-	(4,800)	-
		<u>1,100</u>	<u>-</u>	<u>13,300</u>	<u>-</u>
Comprehensive income (loss) attributable to shareholders		<u>\$ 3,708</u>	<u>\$ (639)</u>	<u>\$ (4,900)</u>	<u>\$ (32,019)</u>

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				Total equity
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income - Defined benefit plans	
	(note 7)				
Balance as of December 31, 2022	\$ 207,280	\$ 581	\$ 129,810	\$ 55,705	\$ 393,376
Net loss	-	-	(32,019)	-	(32,019)
Balance as of September 30, 2023	207,280	581	97,791	55,705	361,357
Net loss	-	-	(15,872)	-	(15,872)
Other comprehensive income	-	-	-	1,863	1,863
Balance as of December 31, 2023	207,280	581	81,919	57,568	347,348
Net loss	-	-	(18,200)	-	(18,200)
Other comprehensive income	-	-	-	13,300	13,300
Balance as of September 30, 2024	\$ 207,280	\$ 581	\$ 63,719	\$ 70,868	\$ 342,448

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 September 30		Nine-month periods ended September 30	
	Note	2024	2023	2024	2023
Cash flows related to operating activities					
Net income (loss)		\$ 2,608	\$ (639)	\$ (18,200)	\$ (32,019)
Adjustments for:					
Depreciation and amortization		5,149	6,805	16,951	20,960
Impairment of assets	5	-	7,663	7,781	7,663
Gain on disposal and write-off of assets	5	(157)	-	(2,396)	-
Share of loss (income) of associates		167	(3)	(452)	(134)
Deferred income taxes		4,832	(819)	2,799	(2,969)
Other		18	33	70	89
		<u>12,617</u>	<u>13,040</u>	<u>6,553</u>	<u>(6,410)</u>
Net change in non-cash balances related to operating items		(4,383)	6,372	16,568	(61,731)
Cash flows provided by (used in) operating activities		<u>8,234</u>	<u>19,412</u>	<u>23,121</u>	<u>(68,141)</u>
Cash flows related to investing activities					
Additions to property, plant and equipment		(6,736)	(996)	(14,872)	(2,873)
Additions to intangible assets		(687)	(46)	(3,813)	(225)
Disposal of property, plant and equipment	5	157	-	2,920	-
Other		271	271	271	271
Cash flows used in investing activities		<u>(6,995)</u>	<u>(771)</u>	<u>(15,494)</u>	<u>(2,827)</u>
Cash flows related to financing activities					
Net change in bank indebtedness		9,287	3,873	10,063	12,897
Net change in syndicated renewable credit facility	6	-	-	-	(8,970)
Net change of debt due to the parent corporation	6	(10,000)	(22,000)	(16,000)	69,000
Repayment of lease liabilities		(526)	(514)	(1,540)	(1,892)
Other		-	-	(150)	(67)
Cash flows (used in) provided by financing activities		<u>(1,239)</u>	<u>(18,641)</u>	<u>(7,627)</u>	<u>70,968</u>
Net change in cash		-	-	-	-
Cash at beginning of period		-	-	-	-
Cash at end of period		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interest and income taxes reflected as operating activities					
Net interest paid		\$ 1,284	\$ 1,442	\$ 5,152	\$ 1,998
Income taxes (received) paid		(5,192)	585	(4,749)	3,132

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.

CONSOLIDATED BALANCE SHEETS

(unaudited)
(in thousands of Canadian dollars)

	Note	September 30 2024	December 31 2023
Assets			
Current assets			
Accounts receivable		\$ 163,728	\$ 154,065
Income taxes		12,847	12,738
Audiovisual content		96,207	140,696
Prepaid expenses		5,059	3,408
		<u>277,841</u>	<u>310,907</u>
Non-current assets			
Audiovisual content		83,046	80,373
Investments		12,423	12,242
Property, plant and equipment		149,262	141,899
Intangible assets		8,420	9,060
Right-of-use assets		8,057	6,784
Goodwill	5	9,102	16,883
Defined benefit plan asset	9	55,768	39,867
Deferred income taxes		6,121	8,495
		<u>332,199</u>	<u>315,603</u>
Total assets		<u>\$ 610,040</u>	<u>\$ 626,510</u>
Liabilities and equity			
Current liabilities			
Bank indebtedness		\$ 10,239	\$ 176
Accounts payable, accrued liabilities and provisions		122,128	130,054
Content rights payable		36,366	42,417
Deferred revenues		8,977	8,444
Income taxes		426	1,619
Current portion of lease liabilities		2,175	1,876
Current portion of debt due to the parent corporation	6	67,958	-
		<u>248,269</u>	<u>184,586</u>
Non-current liabilities			
Debt due to the parent corporation	6	-	83,883
Lease liabilities		6,704	5,777
Other liabilities		7,378	4,900
Deferred income taxes		5,241	16
		<u>19,323</u>	<u>94,576</u>
Equity			
Capital stock	7	207,280	207,280
Contributed surplus		581	581
Retained earnings		63,719	81,919
Accumulated other comprehensive income		70,868	57,568
Equity		<u>342,448</u>	<u>347,348</u>
Total liabilities and equity		<u>\$ 610,040</u>	<u>\$ 626,510</u>

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.

Notes to condensed consolidated financial statements

Three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)
(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

TVA Group Inc. (“TVA Group” or the “Corporation”) is governed by the Quebec *Business Corporations Act*. TVA Group is a communications company engaged in broadcasting, film production & audiovisual services, international production & distribution of television content, and magazine publishing (note 10). The Corporation is a subsidiary of Quebecor Media Inc. (“Quebecor Media” or the “parent corporation”) and its ultimate parent corporation is Quebecor Inc. (“Quebecor”). The Corporation’s head office is located at 612 Saint-Jacques St., Montreal, Quebec, Canada.

The Corporation’s 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, particularly as they may affect corporate 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.

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 2023 annual consolidated financial statements, which describe the significant accounting policies used to prepare these consolidated financial statements.

These condensed consolidated financial statements were approved by the Corporation’s Board of Directors on October 31, 2024.

Certain comparative figures for the three-month and nine-month periods ended September 30, 2023 have been restated to conform to the presentation adopted for the three-month and nine-month periods ended September 30, 2024.

TVA GROUP INC.

Notes to condensed consolidated financial statements (continued)

Three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)
 (Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

2. Revenues

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2024	2023	2024	2023
Advertising services	\$ 45,904	\$ 50,098	\$ 169,725	\$ 185,891
Royalties ⁽¹⁾	32,768	32,705	108,865	99,319
Rental, postproduction and distribution services and other services rendered ⁽²⁾	22,366	20,003	70,420	63,215
Product sales ⁽³⁾	11,378	15,814	36,518	45,058
	\$ 112,416	\$ 118,620	\$ 385,528	\$ 393,483

(1) During the second quarter of 2024, a favourable retroactive adjustment of \$10,184,000 was recorded for the period from September 1, 2017 to December 31, 2023 in connection with the royalty rates for the "LCN" channel.

(2) Revenues from rental of soundstages, mobiles, equipment and rental space amounted to \$8,373,000 and \$31,142,000 for the three-month and nine-month periods ended September 30, 2024 respectively (\$5,004,000 and \$14,657,000 for the same periods of 2023). Service revenues also include the activities of the Production & Distribution segment.

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

3. Purchases of goods and services

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2024	2023	2024	2023
Rights, audiovisual content costs and costs of services rendered	\$ 49,489	\$ 50,436	\$ 215,156	\$ 228,739
Printing and distribution	2,978	3,315	9,125	10,281
Services rendered by the parent corporation:				
- Commissions on advertising sales	3,795	4,054	14,111	16,159
- Other	3,155	2,273	9,808	6,999
Building costs	3,057	4,002	11,639	12,632
Marketing	3,726	3,484	12,378	11,512
Other	8,814	5,394	24,758	18,922
	\$ 75,014	\$ 72,958	\$ 296,975	\$ 305,244

TVA GROUP INC.

Notes to condensed consolidated financial statements (continued)

Three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)
 (Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

4. Financial expenses

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2024	2023	2024	2023
Interest on debt ⁽¹⁾	\$ 1,263	\$ 1,612	\$ 4,708	\$ 2,121
Amortization of financing costs	18	33	70	95
Interest on lease liabilities	105	96	298	295
Interest income related to defined benefit plans	(394)	(516)	(1,185)	(1,535)
Foreign exchange loss (gain)	3	(142)	(53)	132
Other	(62)	(136)	(154)	(322)
	\$ 933	\$ 947	\$ 3,684	\$ 786

⁽¹⁾ For the three-month and nine-month periods ended September 30, 2024, interest totalling \$1,136,000 and \$4,392,000, respectively, were recorded on the renewable credit facility with Quebecor Media (\$1,445,000 and \$1,505,000 for the same periods of 2023).

5. Restructuring costs and other

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2024	2023	2024	2023
Restructuring costs	\$ 1,558	\$ 21	\$ 2,207	\$ 1,086
Impairment of assets	–	7,663	7,781	7,663
Gain on disposal of property, plant and equipment	(157)	–	(2,629)	–
Other	–	–	–	(43)
	\$ 1,401	\$ 7,684	\$ 7,359	\$ 8,706

TVA GROUP INC.

Notes to condensed consolidated financial statements (continued)

Three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)
(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

5. Restructuring costs and other (continued)

Restructuring costs

For the three-month and nine-month periods ended September 30, 2024 and 2023, the Corporation recorded an operational restructuring charge in connection with the elimination of positions and the implementation of rationalization plans, mainly in the Broadcasting segment.

Impairment of assets

During the second quarter of 2024, the Corporation performed an impairment test on the Production and Distribution cash-generating unit ("CGU") due to the competitive industry environment and the slowdown in its volume of activities. The Corporation concluded that this CGU's recoverable amount, based on value in use, was less than its carrying amount. Accordingly, a goodwill impairment charge of \$7,781,000, without any tax consequences, was recorded.

In the third quarter of 2023, unfavourable market conditions and the changing ecosystem of the television industry led the Corporation to perform an impairment test on its Broadcasting CGU. The Corporation concluded that the recoverable amount, based on fair value less costs of disposal, was less than its carrying amount. Accordingly, a \$4,813,000 goodwill impairment charge and a \$2,850,000 charge for impairment of certain trademarks were recognized.

Gain on disposal of property, plant and equipment

During the first quarter of 2024, the Corporation closed the sale of a building in Saguenay to the parent corporation for proceeds on disposal of \$2,600,000. The transaction gave rise to the recognition of a \$2,309,000 gain on disposal.

For the three-month and nine-month periods ended September 30, 2024, the Corporation also recorded gains on disposal of assets of \$157,000 and \$320,000, respectively.

6. Long-term debt

The components of long-term debt are as follows:

	September 30, 2024	December 31, 2023
Renewable credit facility – Quebecor Media	\$ 68,000	\$ 84,000
Financing costs, net of accumulated amortization	(42)	(117)
	67,958	83,883
Less the current portion	(67,958)	–
	\$ –	\$ 83,883

TVA GROUP INC.

Notes to condensed consolidated financial statements (continued)

Three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)
(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

6. Long-term debt (continued)

On June 28, 2023, the Corporation entered into a new \$120,000,000 secured renewable credit facility maturing on June 15, 2025, with Quebecor Media as lender. This renewable credit facility bears interest at the Canadian Overnight Repo Rate Average ("CORRA") or the Canadian prime rate, plus a premium based on the Corporation's debt ratio.

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

Concurrently, on June 28, 2023, the Corporation terminated its \$75,000,000 syndicated renewable credit facility.

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

	September 30, 2024	December 31, 2023
4,320,000 Class A common shares	\$ 72	\$ 72
38,885,535 Class B shares	207,208	207,208
	\$ 207,280	\$ 207,280

TVA GROUP INC.

Notes to condensed consolidated financial statements (continued)

Three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)
 (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) Stock option plans

	Outstanding options	
	Number	Weighted average exercise price
TVA Group		
Balance as at December 31, 2023	393,774	\$ 2.42
Granted	312,000	1.35
Balance as at September 30, 2024	705,774	\$ 1.95
Vested options as at September 30, 2024	175,390	\$ 2.59
Quebecor		
Balance as at December 31, 2023	85,656	\$ 31.96
Granted	182,000	29.82
Balance as at September 30, 2024	267,656	\$ 30.50
Vested options as at September 30, 2024	29,683	\$ 32.23

b) Deferred stock unit (“DSU”) plan for directors

	Outstanding units
	Corporation stock units
Balance as at December 31, 2023	533,955
Granted	64,566
Redeemed	(79,480)
Balance as at September 30, 2024	519,041

For the three-month and nine-month periods ended September 30, 2024, the Corporation redeemed DSUs in the amounts of \$1,000 and \$108,000, respectively.

c) Stock-based compensation expense

For the three-month and nine-month periods ended September 30, 2024, compensation expenses of \$301,000 and \$252,000, respectively, were recorded in respect of all stock-based compensation plans (compensation expense reversals of \$387,000 and \$193,000, respectively, for the same periods of 2023).

TVA GROUP INC.

Notes to condensed consolidated financial statements (continued)

Three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)
(Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

9. Pension plans and post-retirement benefits

The gain on remeasurement for defined benefit plans recognized on the consolidated statement of comprehensive income (loss) is primarily related to the increase in the fair value of pension plan assets for the three-month and nine-month periods ended September 30, 2024.

10. 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;
- The **Film Production & Audiovisual Services segment**, which provides soundstage, mobile and production equipment rental services, as well as dubbing and described video ("media accessibility services"), postproduction and virtual production services;
- The **Magazines segment**, which publishes magazines and markets digital products associated with the various magazine brands;
- The **Production & Distribution segment**, which produces and distributes television shows, movies and television series for the world market.

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Notes to condensed consolidated financial statements (continued)

Three-month and nine-month periods ended September 30, 2024 and 2023 (unaudited)
 (Tabular amounts are expressed in thousands of Canadian dollars, except per share and per option amounts)

10. Segmented information (continued)

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2024	2023	2024	2023
Revenues				
Broadcasting	\$ 88,396	\$ 98,317	\$ 313,964	\$ 330,167
Film Production & Audiovisual Services	16,256	12,519	52,529	39,030
Magazines	8,643	9,342	24,677	27,351
Production & Distribution	3,014	2,550	6,345	10,773
Intersegment items	(3,893)	(4,108)	(11,987)	(13,838)
	112,416	118,620	385,528	393,483
Adjusted EBITDA (negative adjusted EBITDA) ⁽¹⁾				
Broadcasting	9,520	14,456	(4,115)	(12,889)
Film Production & Audiovisual Services	3,285	669	11,315	(299)
Magazines	363	1,288	316	1,230
Production & Distribution	(597)	(146)	(1,227)	81
Intersegment items	(350)	218	(199)	542
	12,221	16,485	6,090	(11,335)
Depreciation and amortization	5,149	6,805	16,951	20,960
Financial expenses	933	947	3,684	786
Restructuring costs and other	1,401	7,684	7,359	8,706
Income (loss) before income taxes (income tax recovery) and share of loss (income) of associates	\$ 4,738	\$ 1,049	\$ (21,904)	\$ (41,787)

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, restructuring costs and other, income taxes (income tax recovery) and share of loss (income) of associates. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS.