**February 16, 2023**

**For immediate release**

**TVA GROUP REPORTS Q4 2022 RESULTS AND ANNOUNCES RESTRUCTURING PLAN**

**Montreal, Canada** – TVA Group Inc. (“TVA Group” or the “Corporation”) announced today that it recorded revenues in the amount of $171.9 million for the fourth quarter of 2022, a slight year-over-year increase of $23,000. Net loss attributable to shareholders was $0.3 million for a loss per share of $0.01, compared with net income attributable to shareholders of $12.1 million or earnings per share of $0.28 for the same quarter of 2021.

**Fourth quarter operating highlights:**

- $7,676,000 in consolidated adjusted EBITDA,[1] a $21,002,000 unfavourable variance from the same quarter of 2021.

- $965,000 in adjusted EBITDA[1] in the Broadcasting segment, a $19,399,000 unfavourable variance due to lower profitability at the “TVA Sports” channel, which had benefited from a favourable retroactive adjustment for the NHL 2020-2021 season in the fourth quarter of 2021, as well as decreased profitability of TVA Network, whose advertising revenues decreased 2.3%, combined with greater spending on content.

- $4,283,000 in adjusted EBITDA[1] in the Film Production & Audiovisual Services segment (“MELS”), a $529,000 unfavourable variance caused by decreased profitability of media accessibility, visual effects and soundstage, mobile and equipment rental services, whereas postproduction posted an increase in profitability.

- $495,000 in adjusted EBITDA[1] in the Magazines segment, a $1,424,000 unfavourable variance due mainly to lower revenues, particularly reduced government assistance, as well as lower advertising and subscription revenues.

- $1,752,000 in adjusted EBITDA[1] in the Production & Distribution segment, a $205,000 favourable variance due to improved margins on distribution activities on streaming platforms and in Canada, combined with lower administrative expenses, while international distribution generated lower margins.

“Fourth quarter results continued to be impacted by declining profitability across all our segments and in the various industries in which we operate,” said Pierre Karl Péladeau, acting President and CEO of TVA Group. “The well-established downward trend in television audiences, due in part to multinational subscription video-on-demand services such as Netflix, Amazon Prime, Disney+ and others, combined with unfair and disloyal competition from Société Radio-Canada, which is engaging in a ratings race that is not within its mandate and is taking a large share of advertising revenues, over and above the fees it charges for subscriptions to Tou.TV Extra, are further undermining Quebec's media outlets, their sustainability and our television industry's existing ecosystem.

[1] See definition of adjusted EBITDA below.

“Nevertheless, we have continued to make massive investments in content, which have also affected the profitability of our conventional network. This strategy strengthened our fall schedule and protected the market share of both TVA Network and our specialty channels, which grew their combined market share by 1.5 percentage points to 40.3%. Our major variety shows and original series continue to lead the ratings. Shows such as *Chanteurs masqués*, *Révolution* and our new daily program *Indéfendable* drew more than a million viewers.

"The current economic downturn is creating considerable uncertainty in the marketplace, as are the systemic factors I have already mentioned. As regards the latter, all levels of government must act before it is too late. We are saying this for the umpteenth time. No other industry faces competitors that have no accountability. The CRTC needs to address certain issues, particularly Radio-Canada’s unfair behaviour in scooping up advertising dollars, which are our conventional network's only source of revenue, whereas the public broadcaster is heavily government subsidized. This creates a blatantly uneven playing field for private broadcasters. In addition, there is the highly prejudicial treatment of all our specialty channels by the distributor Bell TV. Unlike all other broadcasting distribution undertakings in Quebec, Bell TV continues to pay fees below the market value of our channels, while continuing to favour its own channels, creating a permanent conflict of interest between its role as a broadcaster and as a distributor of competing channels. 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.

“Faced with these circumstances and the lack of regulatory and government intervention, which has long been evident and which we have repeatedly raised with public authorities, we are forced to take appropriate measures in order to restore our financial position and ensure TVA Group's sustainability. Today we are announcing significant reductions in operating expenses in all of our segments, resulting among others in 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 Quebecor entities that provide services to the Corporation, for a total of 240 positions. It was a difficult but necessary decision in the current environment.”

“In the Film Production & Audiovisual Services segment, the Corporation was affected by lower volume in a number of our businesses, with the exception of postproduction services, which continued to grow for a fourth consecutive quarter since the start of the year. Our soundstage, mobile and equipment rental services continued to suffer from the lack of foreign blockbuster productions, a situation that impacts the entire Quebec industry. Most notably, the competition both in Canada and abroad on tax incentives to attract foreign productions puts us at a disadvantage. It is essential that the Quebec government commit to putting in place the necessary financial measures to attract more international producers, which undeniably support Quebec’s cultural industry and economy.

“In the Magazines segment, results for all our titles were heavily affected by lower revenues, due particularly to a 20.5% decrease in government assistance, as well as 16.0% and 7.3% decreases in advertising and subscription revenues respectively. The government support from the Canada Periodical Fund helps ensure the survival of this segment, which is part of an ecosystem that showcases Quebec artists and artisans. In the context of a traditional media market that has been shrinking for a number of years, this program’s continuation remains critical. We will continue making our case to the government to raise awareness of the importance of this issue.

“Our Production & Distribution segment was able to finalize a number of sales of films produced by Incendo in Canada and internationally during the quarter, in addition to completing production of a series that will be distributed in the coming months. Incendo’s films are also growing in popularity on the various streaming platforms, owing particularly to their presence on the Amazon and Tubi platforms. This business segment continues to support the diversification of our revenue streams and the expansion of our presence in English-language markets,” concluded Mr. Péladeau.

**Fiscal 2022 results**

For the fiscal year ended December 31, 2022, all business segments recorded a decrease in revenues and adjusted EBITDA.[1] The Corporation's consolidated adjusted EBITDA[1] was $19,385,000, compared with $80,283,000 for the previous year.

The Broadcasting segment's decreased profitability was mainly due to TVA Network's 19.9% increase in operating expenses as a result of increased spending on content, which was reflected in all its programming. The specialty channels were affected, among other things, by a decrease in advertising revenues, which resulted in lower profitability, with the exception of "TVA Sports," whose negative adjusted EBITDA[1] improved, whereas in 2021 it had to absorb the significant costs of the change to the NHL's 2020-2021 season broadcast schedule amid the pandemic.

MELS' adjusted EBITDA[1] decreased, stemming mainly from lower profitability of soundstage, mobile and equipment rental activities, which had benefited in 2021 from the presence of Paramount Pictures' mega-production *Transformers: Rise of the Beast* in MELS' facilities. Visual effects services also declined as a result of lower volume of activities, whereas postproduction services continued to grow with a 146.8% increase in adjusted EBITDA.[1]

In the Magazines segment, adjusted EBITDA[1] decreased, mainly due to a 23.6% decrease in government assistance received, combined with lower newsstand and subscription revenues, which has been affecting the segment for a number of years. Cost savings generated by this segment were not enough to offset revenue decreases.

Adjusted EBITDA[1] in the Production & Distribution segment decreased, mainly due to lower gross margin related to international sales of films produced by Incendo. Over the past two years, the pandemic has had the effect of shifting the film production and delivery cycle. Therefore, most of the films produced in 2022 will be delivered in the next few months.

Consolidated revenues amounted to $594,409,000 for fiscal 2022 compared with $622,834,000 for the previous year, a 4.6% decrease. In 2022, the Corporation recorded a net loss attributable to shareholders in the amount of $8,869,000, for a loss per share of $0.21, compared with net income attributable to shareholders of $30,504,000 and earnings per share of $0.71 for 2021.

**COVID-19 pandemic**

Since March 2020, the COVID-19 pandemic has at times affected the quarterly results of the Corporation's various segments. Given the uncertainty about the future evolution of the pandemic, including any major new waves, the full future impact of the public health crisis on operating results cannot be determined with confidence.

[1] See definition of adjusted EBITDA below.

## Definition

*Adjusted EBITDA*

In its analysis of operating results, the Corporation defines adjusted EBITDA as net income (loss) before depreciation and amortization, financial expenses, operational restructuring costs and other, income taxes (income tax 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 February 16, 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 audited consolidated financial statements and accompanying notes, and the annual Management's Discussion and Analysis, are available on the Corporation's website at www.groupetva.ca.

**Source:**
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# TVA GROUP INC.

## Consolidated statements of (loss) income

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

| | Three-month periods ended December 31 | | Years ended December 31 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| **Revenues** | **$ 171,924** | $ 171,901 | **$ 594,409** | $ 622,834 |
| Purchases of goods and services | **126,455** | 108,282 | **427,274** | 403,156 |
| Employee costs | **37,793** | 34,941 | **147,750** | 139,395 |
| Depreciation and amortization | **7,419** | 7,769 | **29,947** | 32,107 |
| Financial expenses | **647** | 619 | **1,305** | 2,674 |
| Operational restructuring costs and other | **748** | 4,488 | **930** | 4,670 |
| **(Loss) income before (income tax recovery) income taxes and share of income of associates** | **(1,138)** | 15,802 | **(12,797)** | 40,832 |
| (Income tax recovery) income taxes | **(296)** | 4,305 | **(3,113)** | 11,486 |
| Share of income of associates | **(578)** | (596) | **(795)** | (1,148) |
| **Net (loss) income** | **$ (264)** | $ 12,093 | **$ (8,889)** | $ 30,494 |
| **Net (loss) income attributable to:** | | | | |
| Shareholders | **$ (264)** | $ 12,095 | **$ (8,869)** | $ 30,504 |
| Non-controlling interest | **–** | (2) | **(20)** | (10) |
| **Basic (loss) earnings per share attributable to shareholders** | **$ (0.01)** | $ 0.28 | **$ (0.21)** | $ 0.71 |
| **Diluted (loss) earnings per share attributable to shareholders** | **(0.01)** | 0.28 | **(0.21)** | 0.70 |
| **Weighted average number of outstanding shares** | **43,205,535** | 43,205,535 | **43,205,535** | 43,205,535 |
| **Weighted average number of diluted shares** | **43,205,535** | 43,338,622 | **43,205,535** | 43,326,877 |

# TVA GROUP INC.

## Consolidated statements of comprehensive income

(unaudited)
(in thousands of Canadian dollars)

| | Three-month periods ended December 31 | | Years ended December 31 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| **Net (loss) income** | **$ (264)** | $ 12,093 | **$ (8,889)** | $ 30,494 |
| Other comprehensive income items that will not be reclassified to income: | | | | |
| Defined benefit plans: | | | | |
| Re-measurement gain | **1,281** | 6,318 | **31,281** | 50,818 |
| Deferred income taxes | **(290)** | (1,667) | **(8,290)** | (13,467) |
| | **991** | 4,651 | **22,991** | 37,351 |
| **Comprehensive income** | **$ 727** | $ 16,744 | **$ 14,402** | $ 67,845 |
| **Comprehensive income (loss) attributable to:** | | | | |
| Shareholders | **$ 727** | $ 16,746 | **$ 14,122** | $ 67,855 |
| Non-controlling interest | **–** | (2) | **(20)** | (10) |

# TVA GROUP INC.
## Consolidated statements of equity

(unaudited)
(in thousands of Canadian dollars)

| | Equity attributable to shareholders | | | | Equity attributable to non-controlling interest | Total equity |
|---|---|---|---|---|---|---|
| | Capital stock | Contributed surplus | Retained earnings | Accumulated other comprehensive (loss) income— Defined benefit plans | | |
| **Balance as at December 31, 2020** | $ 207,280 | $ 581 | $ 108,175 | $ (4,637) | $ 1,220 | $ 312,619 |
| Net income (loss) | – | – | 30,504 | – | (10) | 30,494 |
| Other comprehensive income | – | – | – | 37,351 | – | 37,351 |
| **Balance as at December 31, 2021** | 207,280 | 581 | 138,679 | 32,714 | 1,210 | 380,464 |
| Net loss | – | – | (8,869) | – | (20) | (8,889) |
| Dividends | – | – | – | – | (1,190) | (1,190) |
| Other comprehensive income | – | – | – | 22,991 | – | 22,991 |
| **Balance as at December 31, 2022** | **$ 207,280** | **$ 581** | **$ 129,810** | **$ 55,705** | **$ –** | **$ 393,376** |

# TVA GROUP INC.
## Consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash | **$ –** | $ 5,181 |
| Accounts receivable | **175,174** | 210,814 |
| Income taxes | **8,522** | 5,755 |
| Audiovisual content | **135,038** | 108,530 |
| Prepaid expenses | **4,400** | 3,866 |
| | **323,134** | 334,146 |
| **Non-current assets** | | |
| Audiovisual content | **88,225** | 72,541 |
| Investments | **12,017** | 12,115 |
| Property, plant and equipment | **157,784** | 160,288 |
| Right-of-use assets | **7,599** | 9,084 |
| Intangible assets | **14,671** | 20,559 |
| Goodwill | **21,696** | 21,696 |
| Defined benefit plan asset | **45,111** | 21,309 |
| Deferred income taxes | **5,833** | 9,353 |
| | **352,936** | 326,945 |
| **Total assets** | **$ 676,070** | $ 661,091 |

# TVA GROUP INC.
## Consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **Liabilities and equity** | | |
| **Current liabilities** | | |
| Bank overdraft | **$ 1,107** | $ – |
| Accounts payable, accrued liabilities and provisions | **114,174** | 139,149 |
| Content rights payable | **124,394** | 93,383 |
| Deferred revenues | **11,031** | 9,961 |
| Income taxes | **562** | 1,622 |
| Current portion of lease liabilities | **2,318** | 2,503 |
| Short-term debt | **8,961** | 11,980 |
| | **262,547** | 258,598 |
| **Non-current liabilities** | | |
| Lease liabilities | **6,453** | 7,857 |
| Other liabilities | **5,395** | 7,798 |
| Deferred income taxes | **8,299** | 6,374 |
| | **20,147** | 22,029 |
| **Equity** | | |
| Capital stock | **207,280** | 207,280 |
| Contributed surplus | **581** | 581 |
| Retained earnings | **129,810** | 138,679 |
| Accumulated other comprehensive income | **55,705** | 32,714 |
| Equity attributable to shareholders | **393,376** | 379,254 |
| Non-controlling interest | **–** | 1,210 |
| | **393,376** | 380,464 |
| **Total liabilities and equity** | **$ 676,070** | $ 661,091 |

# TVA GROUP INC.
## Consolidated statements of cash flows

(unaudited)
(in thousands of Canadian dollars)

| | Three-month periods ended December 31 | | Years ended December 31 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| **Cash flows related to operating activities** | | | | |
| Net (loss) income | **$ (264)** | $ 12,093 | **$ (8,889)** | $ 30,494 |
| Adjustments for: | | | | |
| Depreciation and amortization | **7,419** | 7,769 | **29,947** | 32,107 |
| Share of income of associates | **(578)** | (596) | **(795)** | (1,148) |
| Deferred income taxes | **698** | 1,879 | **(2,845)** | 903 |
| Other | **791** | 7 | **1,452** | (48) |
| | **8,066** | 21,152 | **18,870** | 62,308 |
| Net change in non-cash balances related to operating items | **29,091** | 16,553 | **9,184** | (19,423) |
| Cash flows provided by operating activities | **37,157** | 37,705 | **28,054** | 42,885 |
| **Cash flows related to investing activities** | | | | |
| Additions to property, plant and equipment | **(3,989)** | (5,925) | **(20,236)** | (17,149) |
| Additions to intangible assets | **(299)** | (942) | **(1,114)** | (2,789) |
| Business acquisitions | **–** | – | **(6,323)** | (606) |
| Dividends to non-controlling shareholders | **–** | – | **(1,150)** | – |
| Other | **–** | – | **271** | 271 |
| Cash flows used in investing activities | **(4,288)** | (6,867) | **(28,552)** | (20,273) |
| **Cash flows related to financing activities** | | | | |
| Net change in bank overdraft | **(7,513)** | (5,587) | **1,107** | (1,699) |
| Net change in revolving credit facility | **(24,729)** | (21,842) | **(3,019)** | (15,137) |
| Repayment of lease liabilities | **(627)** | (741) | **(2,718)** | (3,255) |
| Other | **–** | – | **(53)** | (178) |
| Cash flows used in financing activities | **(32,869)** | (28,170) | **(4,683)** | (20,269) |
| **Net change in cash** | **–** | 2,668 | **(5,181)** | 2,343 |
| **Cash at beginning of period** | **–** | 2,513 | **5,181** | 2,838 |
| **Cash at end of period** | **$ –** | $ 5,181 | **$ –** | $ 5,181 |
| **Interest and taxes reflected as operating activities** | | | | |
| Interest paid | **$ 728** | $ 382 | **$ 1,766** | $ 1,515 |
| Income taxes (refunded net of payments) paid net of refunds | **(189)** | 3,483 | **3,559** | 21,740 |

# TVA GROUP INC.
## Segmented information

(unaudited)
(in thousands of Canadian dollars)

Management made changes to the Corporation’s management structure at the beginning of the year. As a result of those changes, the activities of the TVA Films division, formerly presented in the Broadcasting segment, have been combined with the Production & Distribution segment’s existing distribution activities. Disclosures for comparative periods have been restated to reflect this new presentation.

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, virtual production and visual effects;
- **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.

# TVA GROUP INC.
**Segmented information (continued)**

(unaudited)
(in thousands of Canadian dollars)

| | Three-month periods ended December 31 | | Years ended December 31 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| **Revenues** | | | | |
| Broadcasting | **$ 138,550** | $ 137,564 | **$ 479,458** | $ 491,762 |
| Film Production & Audiovisual Services | **19,925** | 21,985 | **74,914** | 86,021 |
| Magazines | **10,567** | 12,010 | **40,547** | 45,655 |
| Production & Distribution | **8,276** | 5,688 | **19,991** | 20,425 |
| Intersegment items | **(5,394)** | (5,346) | **(20,501)** | (21,029) |
| | **171,924** | 171,901 | **594,409** | 622,834 |
| **Adjusted EBITDA[1] (negative adjusted EBITDA)** | | | | |
| Broadcasting | **965** | 20,364 | **(585)** | 44,690 |
| Film Production & Audiovisual Services | **4,283** | 4,812 | **12,884** | 22,918 |
| Magazines | **495** | 1,919 | **3,803** | 7,488 |
| Production & Distribution | **1,752** | 1,547 | **2,865** | 5,068 |
| Intersegment items | **181** | 36 | **418** | 119 |
| | **7,676** | 28,678 | **19,385** | 80,283 |
| Depreciation and amortization | **7,419** | 7,769 | **29,947** | 32,107 |
| Financial expenses | **647** | 619 | **1,305** | 2,674 |
| Operational restructuring costs and other | **748** | 4,488 | **930** | 4,670 |
| **(Loss) income before (income tax recovery) income taxes and share of income of associates** | **$ (1,138)** | $ 15,802 | **$ (12,797)** | $ 40,832 |

(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 (net loss) before depreciation and amortization, financial expenses, operational restructuring costs and other, income taxes (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.