October 28, 2021

For immediate release

TVA GROUP REPORTS Q3 2021 RESULTS

Montreal, Canada – TVA Group Inc. ("TVA Group" or the "Corporation") announced today that it recorded operating revenues totalling $150.7 million in the third quarter of 2021, a year-over-year increase of $31.2 million. Net income attributable to shareholders was $19.0 million or $0.44 per share, compared with net income attributable to shareholders of $8.4 million or $0.19 per share for the same quarter of 2020.

Third quarter operating highlights:

- Consolidated adjusted EBITDA[1] of $35,504,000, a $12,141,000 favourable variance from the same quarter of 2020.

- $21,538,000 in adjusted EBITDA[1] in the Broadcasting segment, a $4,600,000 favourable variance due to the increase in adjusted EBITDA[1] at "TVA Sports," which broadcast the 2019-2020 NHL playoffs in the third quarter of 2020 following the new broadcast schedule necessitated by the pandemic, partially offset by a decrease in adjusted EBITDA[1] at TVA Network.

- $10,565,000 in adjusted EBITDA[1] in the Film Production & Audiovisual Services segment ("MELS"), a $7,618,000 favourable variance due to increased profitability of soundstage, mobile and equipment rental activities, partially offset by the weaker performance of dubbing, subtitling and described video, as well as visual effects.

- $2,048,000 in adjusted EBITDA[1] in the Magazines segment, a $951,000 unfavourable variance stemming from a resumption of activities amid reduced government support.

- $1,243,000 in adjusted EBITDA[1] in the Production & Distribution segment ("Incendo"), an $816,000 favourable variance generated primarily by the international distribution of films produced by Incendo.

"We are pleased with the results for the third quarter of our financial year, which reflect growing activity in most of our segments. For the third straight quarter, advertising revenues at TVA Network and our specialty channels were up over the same quarter of last year, but they also rose 22% compared with the same quarter of 2019, which was not affected by the public health crisis. Based on this positive situation, we can continue and increase our investments in content, a strategy that is reflected in our fall programming, with a wealth of new shows, original productions and exclusive content for our digital platforms. TVA+ continues to grow and build on its popularity. Our array of content is broader and more diverse than ever and is available on multiple platforms to reach more Quebecers on a daily basis and bring them together for major television events," said Pierre Karl Péladeau, acting President and CEO of TVA Group.

[1] See definition of adjusted EBITDA below.

"With a consolidated market share of 38.2%[1] for the third quarter of 2021, our shows are still among the most watched in Quebec and continued to perform strongly, particularly the hit family variety show *Chanteurs masqués*, which attracted over 1.6 million[1] viewers. "TVA Sports" had the third most watched program in Quebec with an average audience of nearly 1.5 million[1] viewers for certain games of the Stanley Cup finals, in addition to ranking third among all French-language channels[2] for both daytime and prime time viewing.

In the Film Production & Audiovisual Services segment, our services were in high demand during the quarter, particularly our soundstage and equipment rental activities. The shooting of *Paramount Pictures'* mega-production *Transformers: Rise of the Beast* is now over, making way for a major online streaming player that will rent our studios in the coming months. MELS' services are increasingly being recognized and used by international clients, placing us in the enviable position of being able to take advantage of the current market growth and plan our offering with MELS 4. Our virtual stage services continue to draw the attention of producers, with greater numbers using the technology to facilitate shooting certain scenes or for creative advertising. Also, MELS was awarded the prestigious EPIC MegaGrant by EPIC Games to support ongoing development of the services and it was able to acquire its own equipment for virtual stage activities to be used in our studios this fall," continued Mr. Péladeau.

"The Magazines segment reported a decrease in profitability due to the difficult situation in an industry that has been in decline for a number of years, which was exacerbated by the reduced government support. Grants from the Canada Periodicals Fund's regular program have decreased considerably due to program modifications. However, we welcome Heritage Canada's announcement this quarter confirming the extension of the enhanced grant until March 31, 2022 to help businesses in the segment recover from the effects of the pandemic. The significant decrease in profitability clearly demonstrates that government support is critical to the segment's survival. Nevertheless, the most recent Vividata survey indicates that we remain the leader in the magazines market, confirming our position as the number 1 publisher of French-language monthlies in Quebec[3] with nearly 3.1 million[3] cross-platform readers.

Our Production & Distribution activities continued with the completion of nine new romantic comedies that will be ready for distribution in the next few months, particularly international distribution, thus maintaining the growth of this segment. The growing popularity of streaming platforms also enabled the segment to increase its presence on this type of platform and to improve its profitability. Sales growth at Incendo continues to help diversify our revenue streams and expand our presence in English-language markets.

In closing, although the quarterly results are encouraging and indicate the Corporation is gradually recovering from the impacts of the public health crisis, the economic situation remains fragile and we continue to exercise caution in managing our activities. I want to thank our employees for their outstanding work and for helping us every day to fulfill our mission to inform and entertain Quebecers," concluded Mr. Péladeau.

Senior management

On April 14, 2021, France Lauzière decided to take time off from her professional duties for family reasons. Ms. Lauzière is now resigning from her position as President and Chief Executive Officer of TVA Group, for the same reasons. However, she remains available to work with the company on strategic projects content. Pierre Karl Péladeau will continue to serve as acting President of TVA Group.

"I had the privilege of working with France for 20 years. At every stage of her career, she always impressed me with her devotion to the company's success. Since joining TVA Group in 2001, France has helped strengthen TVA's dominant position as Québec's television leader. She paved the way for some major innovations in content creation, content acquisition and multiplatform distribution. Flagship programs such as *Star Académie*, *La Voix, Révolution,*

[1] Source: Numeris – Quebec Franco, July 1 to September 30, 2021, Mon-Sun, 2 a.m.-2 a.m., All 2+
[2] Source: Numeris – Quebec Franco, May 17 to July 11, 2021, Mon-Sun, 2 a.m.-2 a.m. and 6 p.m.-11 p.m., 25-54
[3] Source: Vividata, Fall 2021, Total Canada, 14+, July 1, 2020 to June 30, 2021

La Tour, Les beaux malaises, Fugueuse and *Pour Sarah*, produced under her leadership, gave our artists and crews a chance to shine and showcased Québec culture. From the bottom of my heart, I thank France for her immense contribution," said Mr. Péladeau.

Update on the COVID-19 situation

Third quarter results must be viewed in the context of the COVID-19 pandemic, which had major consequences for the economic environment in Canada and around the globe. Despite the constraints created by the pandemic, the Corporation has maintained its operations, while safeguarding the health and safety of its employees and the public.

It is possible that the financial impacts of this crisis will continue to be felt in the coming quarters, including:

- significant variability in our revenues and content costs related to live broadcasts of sporting events organized by professional leagues as they resume their activities while cancelling some events and making significant changes to formats and broadcast schedules;
- reduction in advertising revenues in markets or sectors still affected by the public health crisis, which will inevitably affect the Broadcasting and Magazines segments;
- variance in the level of activity at MELS and in the Production & Distribution segment resulting from the stoppage or a slow and complex resumption of our content production and distribution activities due to factors such as the need to comply with health precautions and physical distancing rules on the set, the closing of borders with some countries, and production insurance challenges.
- possible reduction in the publication frequency of some periodicals, which would affect revenues in the Magazines segment.

Because of the decrease in their revenues, some of the entities in the Corporation's various business segments qualified for the Canada Emergency Wage Subsidy, enabling the Corporation to mitigate some of the impacts of the crisis.

Given the uncertainty about the future evolution of the pandemic, including a possible new wave, we cannot determine the full impact of the crisis with certainty. We believe that our current sound financial health, our strong balance sheet and the steps we have taken will enable us to continue to deliver positive cash flows.

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 and share of income of associated corporations. 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, 2020 and the "Risk Factors" section in the Corporation's 2020 annual information form.

The forward-looking statements in this news release reflect the Corporation's expectations as of October 28, 2021 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 dated September 30, 2021, with notes, and the interim Management's Discussion and Analysis for the three-month and nine-month periods ended September 30, 2021, can be consulted on the Corporation's website at www.groupetva.ca.

Source:
Anick Dubois, CPA, CA
Vice-President Finance
anick.dubois@tva.ca / (514) 598-3987

TVA GROUP INC.
Consolidated statements of income

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

		Three-month periods ended September 30		Nine-month periods ended September 30	
	Note	**2021**	2020	**2021**	2020
Revenues	2	**$ 150,703**	$ 119,537	**$ 450,933**	$ 360,526
Purchases of goods and services	3	**81,703**	76,167	**294,874**	249,723
Employee costs	3	**33,496**	20,007	**104,454**	71,567
Depreciation and amortization		**8,136**	8,124	**24,338**	25,126
Financial expenses	4	**649**	634	**2,055**	1,969
Operational restructuring costs and other	5	**20**	2,734	**182**	4,838
Income before income taxes and share of loss (income) of associates		**26,699**	11,871	**25,030**	7,303
Income taxes		**7,587**	3,443	**7,181**	2,750
Share of loss (income) of associates		**111**	21	**(552)**	(405)
Net income		**$ 19,001**	$ 8,407	**$ 18,401**	$ 4,958
Net income (loss) attributable to:					
Shareholders		**$ 19,010**	$ 8,404	**$ 18,409**	$ 4,937
Non-controlling interest		**(9)**	3	**(8)**	21
Basic earnings per share attributable to shareholders		**$ 0.44**	$ 0.19	**$ 0.43**	$ 0.11
Diluted earnings per share attributable to shareholders		**0.44**	0.19	**0.42**	0.11
Weighted average number of outstanding shares		**43,205,535**	43,205,535	**43,205,535**	43,205,535
Weighted average number of diluted shares		**43,466,447**	43,205,535	**43,414,665**	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	
		2021	2020	**2021**	2020
Net income		**$ 19,001**	$ 8,407	**$ 18,401**	$ 4,958
Other comprehensive income (loss) items that will not be reclassified to income:					
Defined benefit plans:					
Re-measurement gain (loss)	8	**8,500**	(5,000)	**44,500**	(20,000)
Deferred income taxes		**(2,200)**	1,325	**(11,800)**	5,325
		6,300	(3,675)	**32,700**	(14,675)
Comprehensive income (loss)		**$ 25,301**	$ 4,732	**$ 51,101**	$ (9,717)
Comprehensive income (loss) attributable to:					
Shareholders		**$ 25,310**	$ 4,729	**$ 51,109**	$ (9,738)
Non-controlling interest		**(9)**	3	**(8)**	21

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				Equity attributable to non-controlling interest	Total equity
	Capital stock (note 6)	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss) – Defined benefit plans		
Balance as at December 31, 2019	$ 207,280	$ 581	$ 75,858	$ 5,274	$ 1,196	$ 290,189
Net income	–	–	4,937	–	21	4,958
Other comprehensive loss	–	–	–	(14,675)	–	(14,675)
Balance as at September 30, 2020	207,280	581	80,795	(9,401)	1,217	280,472
Net income	–	–	27,380	–	3	27,383
Other comprehensive income	–	–	–	4,764	–	4,764
Balance as at December 31, 2020	207,280	581	108,175	(4,637)	1,220	312,619
Net income (loss)	–	–	18,409	–	(8)	18,401
Other comprehensive income	–	–	–	32,700	–	32,700
Balance as at September 30, 2021	**$ 207,280**	**$ 581**	**$ 126,584**	**$ 28,063**	**$ 1,212**	**$ 363,720**

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	September 30, 2021	December 31, 2020
Assets		
Current assets		
Cash	**$ 2,513**	$ 2,838
Accounts receivable	**155,432**	137,177
Tax credits and government assistance receivable	**10,934**	16,883
Income taxes	**4,023**	1,391
Audiovisual content	**107,401**	112,982
Prepaid expenses	**5,676**	3,217
	285,979	274,488
Non-current assets		
Audiovisual content	**91,613**	57,245
Property, plant and equipment	**157,761**	165,247
Right-of-use assets	**9,599**	10,326
Intangible assets	**20,901**	25,028
Goodwill	**21,696**	21,696
Deferred income taxes	**10,107**	23,923
Other assets	**28,256**	11,238
	339,933	314,703
Total assets	**$ 625,912**	$ 589,191

TVA GROUP INC.
Consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note	September 30, 2021	December 31, 2020
Liabilities and equity			
Current liabilities			
Bank overdraft		$ 5,587	$ 1,699
Accounts payable, accrued liabilities and provisions		112,002	106,066
Content rights payable		71,767	62,252
Deferred revenues		14,690	14,077
Income taxes		762	8,415
Current portion of lease liabilities		2,725	3,001
Short-term debt		33,808	27,117
		241,341	222,627
Non-current liabilities			
Lease liabilities		8,226	9,148
Other liabilities		9,043	38,223
Deferred income taxes		3,582	6,574
		20,851	53,945
Equity			
Capital stock	6	207,280	207,280
Contributed surplus		581	581
Retained earnings		126,584	108,175
Accumulated other comprehensive income (loss)		28,063	(4,637)
Equity attributable to shareholders		362,508	311,399
Non-controlling interest		1,212	1,220
		363,720	312,619
Contingencies	10		
Total liabilities and equity		$ 625,912	$ 589,191

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated statements of cash flows

(unaudited)
(in thousands of Canadian dollars)

	Note	Three-month periods ended September 30		Nine-month periods ended September 30	
		2021	2020	**2021**	2020
Cash flows related to operating activities					
Net income		**$ 19,001**	$ 8,407	**$ 18,401**	$ 4,958
Adjustments for:					
Depreciation and amortization		**8,136**	8,124	**24,338**	25,126
Share of loss (income) of associates		**111**	21	**(552)**	(405)
Deferred income taxes		**(295)**	(303)	**(976)**	(2,120)
Gain on disposal of an asset	5	**–**	–	**–**	(253)
Other		**13**	13	**(55)**	(12)
		26,966	16,262	**41,156**	27,294
Net change in non-cash balances related to operating activities		**(5,376)**	(37,587)	**(35,976)**	(4,498)
Cash flows provided by (used in) operating activities		**21,590**	(21,325)	**5,180**	22,796
Cash flows related to investing activities					
Additions to property, plant and equipment		**(4,488)**	(2,458)	**(11,224)**	(9,246)
Additions to intangible assets		**(346)**	(549)	**(1,847)**	(2,070)
Business acquisitions	5	**–**	–	**(606)**	–
Other		**271**	271	**271**	672
Cash flows used in investing activities		**(4,563)**	(2,736)	**(13,406)**	(10,644)
Cash flows related to financing activities					
Net change in bank overdraft		**43**	(258)	**3,888**	5,616
Net change in revolving credit facility		**(16,130)**	25,252	**6,705**	(15,614)
Repayment of lease liabilities		**(786)**	836	**(2,514)**	(2,559)
Other		**(125)**	–	**(178)**	(53)
Cash flows (used in) provided by financing activities		**(16,998)**	24,158	**7,901**	(12,610)
Net change in cash		**29**	97	**(325)**	(458)
Cash at beginning of period		**2,484**	2,828	**2,838**	3,383
Cash at end of period		**$ 2,513**	$ 2,925	**$ 2,513**	$ 2,925
Interest and taxes reflected as operating activities					
Cash interest payments		**$ 381**	$ 268	**$ 1,133**	$ 1,279
Cash income tax payments (net of refunds)		**5,150**	2,310	**18,257**	5,383

See accompanying notes to condensed consolidated financial statements.

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

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

The COVID-19 pandemic has had a significant impact on the economic environment in Canada and around the world. In order to limit the spread of the virus, the Quebec government has imposed a number of restrictions and special preventive measures since the beginning of this health crisis, including the suspension of some business activities. The Quebec government has gradually implemented a new reopening plan since May 2021 and has imposed the use of a vaccination passport starting September 1, 2021, required to be admitted to certain places or to participate in certain non-essential activities. Since March 2020, this health crisis has curtailed the operations of many of TVA Group's business partners and has led at times to a significant slowdown in some of the Corporation's segments. Among other things, the restrictions and preventive measures imposed by the Quebec government caused a decline in advertising revenues and their recovery is still hesitant in some markets and segments and, more specifically in 2020, a reduction in the sporting events broadcast on the "TVA Sports" specialty channel, a reduction in the publication frequency of some periodicals and the temporary suspension of most of our content production activities. Despite the constraints created by the pandemic, the Corporation has continued providing essential services in order to inform in addition to entertain the public, while safeguarding the health and safety of its employees and the public. Due to the decline in their revenues, a number of entities in the Corporation's various segments qualified for the Canada Emergency Wage Subsidy ("CEWS") at the beginning of the health crisis (note 3). Given the uncertainty about the future evolution of the pandemic, including a possible new wave, the full impact of the health crisis cannot be determined with certainty.

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

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

1. Basis of presentation

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), except that they do not include all disclosures required under IFRS for annual consolidated financial statements. In particular, these consolidated financial statements were prepared in accordance with IAS 34, *Interim Financial Reporting*, and accordingly are condensed consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the Corporation's 2020 annual consolidated financial statements, which describe the accounting policies used to prepare these financial statements.

These condensed consolidated financial statements were approved by the Corporation's Board of Directors on October 28, 2021.

Certain comparative figures for the three-month and nine-month periods ended September 30, 2020 have been restated to conform to the presentation adopted for the three-month and nine-month periods ended September 30, 2021.

2. Revenues

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2021	2020	**2021**	2020
Advertising services	**$ 58,998**	$ 50,563	**$ 203,594**	$ 155,408
Royalties	**36,045**	34,411	**106,123**	105,441
Rental, postproduction and distribution services and other services rendered(1)	**39,560**	17,256	**93,453**	52,415
Product sales(2)	**16,100**	17,307	**47,763**	47,262
	$ 150,703	$ 119,537	**$ 450,933**	$ 360,526

(1) Revenues from rental of soundstages, mobiles, equipment and rental space amounted to $17,510,000 and $34,559,000 during the three-month and nine-month periods ended September 30, 2021 respectively ($5,026,000 and $17,252,000 during the same periods of 2020). Service revenues also include the activities of the Production & Distribution segment.

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

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

3. Purchases of goods and services and employee costs

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2021	2020	**2021**	2020
Purchases of goods and services:				
Rights and audiovisual content costs(1)	**$ 57,512**	$ 51,379	**$ 218,125**	$ 176,757
Printing and distribution	**3,990**	4,112	**11,178**	10,774
Services rendered by the parent corporation:				
- Commissions on advertising sales	**4,867**	5,172	**18,430**	16,080
- Other	**1,962**	1,876	**6,357**	6,374
Building costs	**3,952**	3,949	**12,135**	11,693
Marketing, advertising and promotion	**3,543**	4,298	**11,742**	9,736
Other	**5,877**	5,381	**16,907**	18,309
	81,703	76,167	**294,874**	249,723
Employee costs(2)	**33,496**	20,007	**104,454**	71,567
	$ 115,199	$ 96,174	**$ 399,328**	$ 321,290

(1) In 2021, the Corporation reviewed the allocation of the value of the rights attached to the various components of its contract for National Hockey League ("NHL") games to better reflect the financial benefits arising from it. There were also a number of changes to the broadcast schedule for NHL games, since the 2019-2020 season was completed in the third quarter of 2020, the start of the 2020-2021 season was postponed to the beginning of 2021, and the 2020-2021 season was shortened. As a result, the timing of recognition in income of NHL content rights was changed.

Consequently, the cost of NHL rights decreased by $11,533,000 for the third quarter of 2021 compared with the same period of 2020, and increased by $13,294,000 for the nine-month period ended September 30, 2021 compared with the same period of 2020.

(2) For the nine-month period ended September 30, 2021, employee costs are presented net of the $3,185,000 that the Corporation recognized under the CEWS for employees whose work assignments were maintained ($11,072,000 and $25,616,000 for the three-month and nine-month periods ended September 30, 2020).

(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	
	2021	2020	**2021**	2020
Interest on debt	**$ 228**	$ 145	**$ 614**	$ 760
Amortization of financing costs	**13**	13	**39**	48
Interest on lease liabilities	**144**	175	**424**	457
Interest expense related to defined-benefit plans	**189**	77	**571**	239
Foreign exchange (gain) loss	**(12)**	104	**113**	128
Other	**87**	120	**294**	337
	$ 649	$ 634	**$ 2,055**	$ 1,969

5. Operational restructuring costs and other

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2021	2020	**2021**	2020
Operational restructuring costs	**$ 16**	$ 903	**$ 394**	$ 3,153
Other	**4**	1,831	**(212)**	1,685
	$ 20	$ 2,734	**$ 182**	$ 4,838

Operational restructuring costs

For the three-month and nine-month periods ended September 30, 2021 and 2020, the Corporation recorded a net charge (net reversal of the charge) for operational restructuring in connection with the elimination of positions and the implementation of cost reduction measures. The segment breakdown is as follows:

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2021	2020	**2021**	2020
Broadcasting	**$ 68**	$ 433	**$ 729**	$ 1,872
Film Production & Audiovisual Services	**–**	368	**7**	1,050
Magazines	**(52)**	102	**(342)**	231
	$ 16	$ 903	**$ 394**	$ 3,153

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

5. Operational restructuring costs and other (continued)

Other

During the first nine months of 2021, the Corporation reversed a $49,000 charge following remeasurement of the contingent consideration payable in connection with the acquisition of the companies in the Incendo group and made a $606,000 payment with respect to this contingent consideration. In the third quarter of 2020, the Corporation recorded a $1,728,000 charge in respect of the same contingent consideration.

In the first nine months of 2021, the Corporation also recorded a $94,000 gain on write-off of lease liabilities. In the same period of 2020, the Corporation recognized a $253,000 gain on disposal of an asset, for proceeds of $310,000.

6. Capital stock

(a) Authorized capital stock

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

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

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

(b) Issued and outstanding capital stock

	September 30, 2021	December 31, 2020
4,320,000 Class A common shares	**$ 72**	$ 72
38,885,535 Class B shares	**207,208**	207,208
	$ 207,280	$ 207,280

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

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

(a) Stock option plans

	Outstanding options	
	Number	Weighted average exercise price
TVA Group		
As at December 31, 2020	795,000	$ 2.06
Cancelled	(105,497)	2.43
As at September 30, 2021	**689,503**	**$ 2.00**
Vested options as at September 30, 2021	**25,000**	**$ 6.85**
Quebecor Media		
As at December 31, 2020	7,800	$ 70.29
Exercised	(7,800)	70.29
As at September 30, 2021	**–**	**$ –**
Quebecor		
As at December 31, 2020	590,795	$ 30.30
Cancelled	(77,343)	29.22
As at September 30, 2021	**513,452**	**$ 30.47**
Vested options as at September 30, 2021	**–**	**$ –**

During the three-month period ended September 30, 2021, 1,500 Quebecor Media stock options were exercised for a cash consideration of $71,000 (during the same period of 2020, 5,000 stock options were exercised for a cash consideration of $180,000).

During the nine-month period ended September 30, 2021, 7,800 Quebecor Media stock options were exercised for a cash consideration of $445,000 (during the same period of 2020, 23,800 stock options were exercised for a cash consideration of $1,182,000).

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

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

(b) Deferred stock unit ("DSU") plans

TVA Group has a DSU plan for some management employees based on TVA Group Class B Non-Voting Shares ("TVA Group Class B Shares"). Quebecor also has a DSU plan for its employees and those of its subsidiaries, based on, among other things, Quebecor Class B Shares. Under these plans, the DSUs vest over six years and will be redeemed for cash only upon the participant's retirement or cessation of employment, as the case may be. Under the TVA Group plan, holders of DSUs are entitled to collect dividends on TVA Group Class B Shares in the form of additional units. Under the Quebecor plan, holders of DSUs are entitled to collect dividends on Quebecor Class B Shares in the form of additional units.

The following table shows changes in outstanding DSUs during the nine-month period ended September 30, 2021:

	Outstanding units	
	Corporation stock units	Quebecor stock units
Balance as at December 31, 2020	156,564	25,472
Granted	–	451
Redeemed	(18,122)	(3,747)
Cancelled	(21,036)	(4,425)
Balance as at September 30, 2021	**117,406**	**17,751**

During the nine-month period ended September 30, 2021, 18,122 DSUs were redeemed under the Corporation's plan and 3,747 DSUs were redeemed under the Quebecor plan for cash considerations of $43,000 and $139,000 respectively (nil for the three-month and nine-month periods ended September 30, 2020).

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

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

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

	Outstanding units
	Corporation stock units
Balance as at December 31, 2020	357,798
Granted	48,544
Redeemed	(36,413)
Balance as at September 30, 2021	**369,929**

During the three-month and nine-month periods ended September 30, 2021, 545 and 36,413 DSUs of the Corporation were redeemed for cash considerations of $2,000 and $106,000 respectively (nil for the same periods of 2020).

(d) Stock-based compensation expense

During the three-month and nine-month periods ended September 30, 2021, a compensation expense reversal in the amount of $7,000 and a compensation expense of $896,000 respectively were recorded in respect of all stock-based compensation plans (compensation expenses of $688,000 and $574,000 respectively for the same periods of 2020).

8. Pension plans and post-retirement benefits

The gain on remeasurement of defined benefit plans recognized on the consolidated statement of comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2021 mainly reflects the increase in the discount rate (the loss recognized for the same periods of 2020 was due primarily to the decrease in the discount rate).

9. Segmented information

The Corporation's operations consist of the following segments:

- The **Broadcasting segment**, which includes the operations of TVA Network, specialty services, the marketing of digital products associated with the various televisual brands, and commercial production and custom publishing services notably through its Communications Qolab inc. subsidiary (formerly COLAB Studio Marketing Collaboratif inc.);
- The **Film Production & Audiovisual Services segment**, which through its subsidiaries Mels Studios and Postproduction G.P. and Mels Dubbing Inc. provides soundstage, mobile and production equipment rental services, as well as dubbing and described video ("media accessibility services"), postproduction and visual effects;
- The **Magazines segment**, which through its subsidiaries, notably TVA Publications inc. and Les Publications Charron & Cie inc., publishes magazines in various fields including the arts, entertainment, television, fashion and decorating, and markets digital products associated with the various magazine brands;
- **The Production & Distribution segment**, which through the companies in the Incendo group produces and distributes television shows, movies and television series for the world market.

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

9. Segmented information (continued)

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2021	2020	**2021**	2020
Revenues				
Broadcasting	**$ 111,934**	$ 97,400	**$ 356,846**	$ 292,228
Film Production & Audiovisual Services	**28,070**	11,856	**64,036**	37,298
Magazines	**11,630**	12,569	**33,645**	32,899
Production & Distribution	**4,133**	1,884	**11,755**	9,506
Intersegment items	**(5,064)**	(4,172)	**(15,349)**	(11,405)
	150,703	119,537	**450,933**	360,526
Adjusted EBITDA(1)				
Broadcasting	**21,538**	16,938	**24,698**	24,237
Film Production & Audiovisual Services	**10,565**	2,947	**18,106**	6,626
Magazines	**2,048**	2,999	**5,569**	6,553
Production & Distribution	**1,243**	427	**2,974**	1,522
Intersegment items	**110**	52	**258**	298
	35,504	23,363	**51,605**	39,236
Depreciation and amortization	**8,136**	8,124	**24,338**	25,126
Financial expenses	**649**	634	**2,055**	1,969
Operational restructuring costs and other	**20**	2,734	**182**	4,838
Income before income taxes and share of loss (income) of associates	**$ 26,699**	$ 11,871	**$ 25,030**	$ 7,303

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

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

10. Contingencies

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