May 10, 2021

For immediate release

TVA GROUP REPORTS Q1 2021 RESULTS

Montreal, Canada – TVA Group Inc. ("TVA Group" or the "Corporation") announced today that it recorded operating revenues in the amount of $140.8 million in the first quarter of 2021, a year-over-year increase of $3.7 million. The net loss attributable to shareholders was $4.5 million or $0.10 per share, compared with a net loss attributable to shareholders of $0.7 million or $0.02 per share for the same quarter of 2020.

First quarter operating highlights:

- Consolidated adjusted EBITDA[1] of $2,136,000, a $6,371,000 unfavourable variance from the same quarter of 2020.
- $3,421,000 in negative adjusted EBITDA[1] in the Broadcasting segment, a $7,250,000 unfavourable variance due primarily to a decrease in profitability at "TVA Sports," which recorded a significant increase in costs as a result of the change in the broadcast schedule for the National Hockey League ("NHL") 2020-2021 season, partially offset by increased profitability at TVA Network and commercial production activities.
- $3,628,000 in adjusted EBITDA[1] in the Film Production & Audiovisual Services segment ("MELS"), a $456,000 favourable variance mainly due to increased profitability of all segment activities, with the exception of visual effects, partially offset by the start-up of virtual stage activities, which have not yet reached their full revenue potential.
- $1,763,000 in adjusted EBITDA[1] in the Magazines segment, a $1,099,000 favourable variance resulting mainly from the additional government assistance received during the public health crisis, as well as various cost savings that offset the decrease in newsstand and advertising revenues.
- $113,000 in adjusted EBITDA[1] in the Production & Distribution segment ("Incendo"), a $554,000 negative variance, a direct result of the pandemic, which caused a delay in distribution of films produced in 2020.
- During the quarter, some of our segments again qualified for the Canada Emergency Wage Subsidy ("CEWS"). In all, $2,373,000 was recognized to support employment levels, which were still affected by the continuing public health crisis.

"Although the decrease in adjusted EBITDA[1] this quarter was mainly due to higher costs at "TVA Sports" as a result of the NHL's condensed 2020-2021 season, our business volume is gradually recovering and is approaching normal levels. Thanks to the continued application of stringent health measures, adaptation of our work environments and methods, and our teams' motivation, we are slowly but surely mitigating the impacts that the current crisis has had and will continue to have. That said, conditions remain fragile and our activities continue to depend on a number of evolving factors such as the government measures implemented to control the spread of COVID-19 and the difficult situation faced by some of our customers and advertisers," said Pierre Karl Péladeau, acting President and CEO of TVA Group.

[1] See definition of adjusted EBITDA below.

“Despite these conditions, we see encouraging signs, particularly in the advertising market for the Broadcasting segment, which posted growth from the same quarter of 2020, at both TVA Network and our specialty channels. Our digital platforms, particularly our new destination, TVA+, continue to increase in popularity and are thus driving growth of our non-traditional advertising revenues. With a consolidated market share of 39.4%[1] for the first quarter of 2021, our programs are still among the most-watched in Quebec and continued to perform strongly, particularly with the highly awaited return of the series *Les Beaux malaises 2.0* and the variety show *Star Académie*, which attracted average audiences of nearly 1.7 million and 1.4 million viewers respectively.

“In the Film Production & Audiovisual Services segment, the volume of activities has picked up and is above last year's levels in most areas. Thanks to an extremely safe work environment that complies with the new public health measures, we are very pleased to welcome Paramount Pictures’ mega-production, *Transformers*, to our studios, with filming slated to start next quarter. Once again this year, production of international TV series will be significant at MELS, which is well positioned as a destination of choice for this growing industry segment. Moreover, our new virtual stage service continues to attract a great deal of interest from our customers, who have begun using the technology for both film productions and advertising," continued Mr. Péladeau.

“Although operating revenues in the Magazines segment continued to decrease, exacerbated by current conditions, the additional government assistance received to support our activities, combined with our efforts to find operational synergies, made it possible to deliver higher adjusted EBITDA[2] and a profit margin of nearly 17%. Once again, we are pleased to report that, according to the latest Vividata survey, TVA held its position as the top publisher of French-language magazines in Quebec[3] with more than 3.4 million multi-platform readers of its French monthlies.

“Our content production activities continued at Incendo, through both local productions and co-productions with New Zealand. Despite the impact of the lockdown last spring on our ability to distribute our films at the usual pace, distribution of the first romantic comedies produced in 2020 will begin in the United States and internationally next quarter, thus solidifying production efforts of the past several months. This business segment is perfectly aligned to enable us to take advantage of the upsurge in demand for original content, in addition to diversifying our revenue streams and expanding our presence in English-language markets.

“In closing, I sincerely thank all our employees in all our segments and all regions of Quebec, who have made it possible for us to continue our mission of informing and entertaining Quebecers during this period of continued difficulty,” concluded Mr. Péladeau.

<u>Update on the COVID-19 situation</u>

First quarter results must be viewed in the context of the COVID-19 pandemic, which continues to have major consequences for the economic environment in Canada and around the globe. Despite the constraints created by the pandemic, the Corporation has continued and will continue to provide essential services in order to inform in addition to entertain the public, while safeguarding the health and safety of its employees and the public. The Corporation is providing television viewers with continuous coverage of the public health crisis on TVA Network and the “LCN” specialty channel.

We expect 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;
- significant reduction in advertising revenues in markets or sectors still affected by the public health crisis, which will inevitably affect the Broadcasting and Magazines segments;

[1] Source: Numeris – Quebec Franco, January 1 to March 31, 2021, Mo-Su, 2a-2a, t2+
[2] See definition of adjusted EBITDA below.
[3] Source: Vividata, Winter 2021, Total Canada, 14+, October 1, 2019 to September 30, 2020

- 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, many of the entities in the Corporation's various business segments qualified for the CEWS, enabling the Corporation to mitigate some of the impacts of the crisis.

Given the uncertainty surrounding the duration of the pandemic and its potential impacts, we are currently unable to predict the overall effect it will have on our operating and financial results. However, 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.

The Corporation's executive management team and its Board of Directors are continuously monitoring the impact of the public health crisis on the Corporation's business segments, employees, customers and business partners, as well as on the population of Quebec, in order to take appropriate action to maintain business continuity and the pursuit of its long-term strategies.

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 May 10, 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, with notes, and the interim Management's Discussion and Analysis for the three-month period ended March 31, 2021, can be consulted on the Corporation's website at www.groupetva.ca.

Source:
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TVA GROUP INC.
Consolidated statements of loss

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

	Note		Three-month periods ended March 31 2021		2020
Revenues	2	**$**	**140,808**	$	137,134
Purchases of goods and services	3		**102,919**		91,739
Employee costs	3		**35,753**		36,888
Depreciation and amortization			**8,258**		8,531
Financial expenses	4		**701**		670
Operational restructuring costs and other	5		**(273)**		302
Loss before income tax recovery and share of income of associates			**(6,550)**		(996)
Income tax recovery			**(1,696)**		(27)
Share of income of associates			**(402)**		(257)
Net loss		**$**	**(4,452)**	$	(712)
Net (loss) income attributable to:					
Shareholders		**$**	**(4,451)**	$	(723)
Non-controlling interest			**(1)**		11
Basic and diluted loss per share attributable to shareholders		**$**	**(0.10)**	$	(0.02)
Weighted average number of basic and diluted outstanding shares			**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	**2021**	2020
Net loss		**$ (4,452)**	$ (712)
Other comprehensive items that will not be reclassified to income:			
Defined benefit plans:			
Re-measurement gain	8	**29,500**	–
Deferred income taxes		**(7,800)**	–
		21,700	–
Comprehensive income (loss)		**$ 17,248**	$ (712)
Comprehensive income (loss) attributable to:			
Shareholders		**$ 17,249**	$ (723)
Non-controlling interest		**(1)**	11

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 (loss) income	–	–	(723)	–	11	(712)
Balance as at March 31, 2020	207,280	581	75,135	5,274	1,207	289,477
Net income	–	–	33,040	–	13	33,053
Other comprehensive loss	–	–	–	(9,911)	–	(9,911)
Balance as at December 31, 2020	207,280	581	108,175	(4,637)	1,220	312,619
Net loss	–	–	(4,451)	–	(1)	(4,452)
Other comprehensive income	–	–	–	21,700	–	21,700
Balance as at March 31, 2021	**$ 207,280**	**$ 581**	**$ 103,724**	**$ 17,063**	**$ 1,219**	**$ 329,867**

See accompanying notes to condensed consolidated financial statements.

TVA GROUP INC.
Consolidated balance sheets

(unaudited)
(in thousands of Canadian dollars)

	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash	**$ 2,364**	$ 2,838
Accounts receivable	**148,132**	137,177
Tax credits and government assistance receivable	**11,396**	16,883
Income taxes	**6,065**	1,391
Audiovisual content	**113,447**	112,982
Prepaid expenses	**7,795**	3,217
	289,199	274,488
Non-current assets		
Audiovisual content	**66,631**	57,245
Property, plant and equipment	**160,523**	165,247
Right-of-use assets	**9,536**	10,326
Intangible assets	**23,620**	25,028
Goodwill	**21,696**	21,696
Deferred income taxes	**12,857**	23,923
Other assets	**16,259**	11,238
	311,122	314,703
Total assets	**$ 600,321**	$ 589,191

TVA GROUP INC.
Consolidated balance sheets (continued)

(unaudited)
(in thousands of Canadian dollars)

	Note	**March 31, 2021**	December 31, 2020
Liabilities and equity			
Current liabilities			
Bank overdraft		**$ 3,252**	$ 1,699
Accounts payable, accrued liabilities and provisions		**115,861**	106,066
Content rights payable		**93,456**	62,252
Deferred revenues		**9,090**	14,077
Income taxes		**754**	8,415
Current portion of lease liabilities		**2,727**	3,001
Short-term debt		**23,992**	27,117
		249,132	222,627
Non-current liabilities			
Lease liabilities		**8,349**	9,148
Other liabilities		**9,789**	38,223
Deferred income taxes		**3,184**	6,574
		21,322	53,945
Equity			
Capital stock	6	**207,280**	207,280
Contributed surplus		**581**	581
Retained earnings		**103,724**	108,175
Accumulated other comprehensive income (loss)		**17,063**	(4,637)
Equity attributable to shareholders		**328,648**	311,399
Non-controlling interest		**1,219**	1,220
		329,867	312,619
Contingencies	10		
Total liabilities and equity		**$ 600,321**	$ 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	2021	2020
		Three-month periods ended March 31	
Cash flows related to operating activities			
Net loss		**$ (4,452)**	$ (712)
Adjustments for:			
Depreciation and amortization		**8,258**	8,531
Share of income of associates		**(402)**	(257)
Deferred income taxes		**(124)**	(2,135)
Other		**(81)**	22
		3,199	5,449
Net change in non-cash balances related to operating items		**4,238**	10,129
Cash flows provided by operating activities		**7,437**	15,578
Cash flows related to investing activities			
Additions to property, plant and equipment		**(3,737)**	(4,823)
Additions to intangible assets		**(1,004)**	(1,033)
Business acquisitions	5	**(606)**	–
Cash flows used in investing activities		**(5,347)**	(5,856)
Cash flows related to financing activities			
Net change in bank overdraft		**1,553**	5,416
Net change in revolving credit facility		**(3,085)**	(14,732)
Repayment of lease liabilities		**(979)**	(856)
Other		**(53)**	(53)
Cash flows used in financing activities		**(2,564)**	(10,225)
Net change in cash		**(474)**	(503)
Cash, beginning of period		**2,838**	3,383
Cash, end of period		**$ 2,364**	$ 2,880
Interest and taxes reflected as operating activities			
Net interest paid		**$ 369**	$ 707
Income taxes paid		**10,763**	3,029

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 continues to have a major impact on the economic environment in Canada and around the world. Since the start of the public health crisis, the Quebec government has imposed a series of restrictions and special preventive measures to limit the spread of the virus, including the suspension of some business activities. Since March 2020, the public health crisis has curtailed the operations of many of TVA Group's business partners and led 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, particularly 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 and will continue to provide essential services in order to inform in addition to entertain the public, while safeguarding the health and safety of its employees and the public. The Corporation is providing television viewers with continuous coverage of the public health crisis on TVA Network and the "LCN" specialty channel. Due to a decline in revenues, a number of entities in the Corporation's various segments qualified for the Canada Emergency Wage Subsidy ("CEWS") (note 3). Given the uncertainty about the evolution of the pandemic, the full impact of the crisis over its duration 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 condensed consolidated financial statements.

These condensed consolidated financial statements were approved by the Corporation's Board of Directors on May 10, 2021.

Comparative figures for the three-month period ended March 31, 2020 have been restated to conform to the presentation adopted for the three-month period ended March 31, 2021.

2. Revenues

	Three-month periods ended March 31	
	2021	2020
Advertising services	**$ 63,252**	$ 62,116
Royalties	**34,890**	36,393
Rental, postproduction and distribution services and other services rendered(1)	**27,316**	24,852
Product sales(2)	**15,350**	13,773
	$ 140,808	$ 137,134

(1) Revenues from rental of soundstages, mobiles, equipment and rental space amounted to $8,471,000 during the three-month period ended March 31, 2021 ($9,521,000 for the same period 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

The main components of purchases of goods and services are as follows:

	Three-month periods ended March 31	
	2021	2020
Purchases of goods and services:		
Rights and audiovisual content costs[(1)]	**$ 75,986**	$ 64,999
Printing and distribution	**3,200**	3,675
Services rendered by the parent corporation:		
- Commissions on advertising sales	**6,732**	6,429
- Other	**2,136**	2,242
Building costs	**4,595**	4,098
Marketing, advertising and promotion	**4,405**	3,770
Other	**5,865**	6,526
	102,919	91,739
Employee costs[(2)]	**35,753**	36,888
	$ 138,672	$ 128,627

(1) During the first quarter of 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. At the same time, the start of the 2020-2021 season was postponed from 2020 to 2021 and the season was shortened. These changes had the effect of altering the timing of recognition in income of NHL content rights. As a result, the cost of NHL rights increased by $16,677,000 in the first quarter of 2021.

(2) For the three-month period ended March 31, 2021, employee costs are presented net of the $2,373,000 that the Corporation recognized under the CEWS for employees whose work assignments were maintained (nil for the same period of 2020).

4. Financial expenses

	Three-month periods ended March 31	
	2021	2020
Interest on debt	**$ 158**	$ 434
Amortization of financing costs	**13**	22
Interest on lease liabilities	**141**	143
Interest expense on net defined benefit liability	**191**	95
Foreign exchange loss (gain)	**91**	(126)
Other	**107**	102
	$ 701	$ 670

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

5. Operational restructuring costs and other

	Three-month periods ended March 31	
	2021	2020
Operational restructuring costs	**$ (130)**	$ 153
Other	**(143)**	149
	$ (273)	$ 302

<u>Operational restructuring costs</u>

For the three-month periods ended March 31, 2021 and 2020, the Corporation recorded a (net reversal of the charge) net charge for operational restructuring following the elimination of positions and the implementation of cost reduction measures. The segment breakdown is as follows:

	Three-month periods ended March 31	
	2021	2020
Broadcasting	**$ 156**	$ 24
Film Production & Audiovisual Services	**3**	–
Magazines	**(289)**	129
	$ (130)	$ 153

<u>Other</u>

During the first quarter 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. During the same period, the Corporation also made a $606,000 payment with respect to this contingent consideration. In the same period of 2020, the Corporation recorded a $176,000 charge for business acquisition costs.

In the first quarter of 2021, the Corporation also recognized a $94,000 gain on write-off of lease liabilities.

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

6. Capital stock

(a) Authorized capital stock

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

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

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

(b) Issued and outstanding capital stock

		March 31, 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

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

(a) Stock option plans

	Outstanding options		
	Number		Weighted average exercise price
Groupe TVA			
As at December 31, 2020	795,000	$	2.06
Cancelled	(25,497)		1.87
As at March 31, 2021	**769,503**	**$**	**2.06**
Vested options as at March 31, 2021	**35,000**	**$**	**6.85**
Quebecor Media			
As at December 31, 2020	7,800	$	70.29
Exercised	(6,300)		70.22
As at March 31, 2021	**1,500**	**$**	**70.56**
Vested options as at March 31, 2021	**1,500**	**$**	**70.56**
Quebecor			
As at December 31, 2020	590,795	$	30.30
Cancelled	(22,593)		30.19
As at March 31, 2021	**568,202**	**$**	**30.31**
Vested options as at March 31, 2021	**–**	**$**	**–**

(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)

(a) Stock option plans (continued)

During the three-month period ended March 31, 2021, 6,300 Quebecor Media stock options were exercised for a cash consideration of $374,000 (for the three-month period ended March 31, 2020, 2,800 stock options were exercised for a cash consideration of $126,000).

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

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 receive dividends on TVA Group Class B Shares in the form of additional units. Under the Quebecor plan, holders of DSUs are entitled to receive dividends on Quebecor Class B Shares in the form of additional units.

The following table shows changes in outstanding DSUs for the three-month period ended March 31, 2021:

	Outstanding units	
	Corporation stock units	Quebecor stock units
Balance as at December 31, 2020	156,564	25,472
Redeemed	(18,122)	(3,747)
Cancelled	(6,692)	(1,361)
Balance as at March 31, 2021	**131,750**	**20,364**

During the three-month period ended March 31, 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.

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

As of March 31, 2021, the total number of DSUs outstanding under this plan was 378,532 (357,798 as at December 31, 2020).

(d) Stock-based compensation expense

During the three-month period ended March 31, 2021, a $684,000 compensation charge was recorded in respect of all stock-based compensation plans ($17,000 reversal for the same period 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 period ended March 31, 2021 mainly reflects the increase in the discount rate.

9. Segmented information

The Corporation’s operations consist of the following segments:

– The **Broadcasting segment**, which includes the operations of TVA Network, specialty services, the marketing of digital products associated with the various televisual brands, and commercial production and custom publishing services notably through its Communications Qolab inc. (“Qolab”) 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, 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 March 31	
	2021	2020
Revenues		
Broadcasting	**$ 114,832**	$ 108,061
Film Production & Audiovisual Services	**18,017**	17,982
Magazines	**10,507**	10,293
Production & Distribution	**2,295**	4,753
Intersegment items	**(4,843)**	(3,955)
	140,808	137,134
Adjusted EBITDA (negative adjusted EBITDA)[1]		
Broadcasting	**(3,421)**	3,829
Film Production & Audiovisual Services	**3,628**	3,172
Magazines	**1,763**	664
Production & Distribution	**113**	667
Intersegment items	**53**	175
	2,136	8,507
Depreciation and amortization	**8,258**	8,531
Financial expenses	**701**	670
Operational restructuring costs and other	**(273)**	302
Loss before income tax recovery and share of income of associates	**$ (6,550)**	$ (996)

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.