INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
SECOND QUARTER 2026

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CORPORATE PROFILE

TVA Group Inc. ("TVA Group," "TVA" or the "Corporation"), a subsidiary of Quebecor Media Inc. ("QMI" or the "parent corporation"), is a communications company with operations in four business segments: Broadcasting, Film Production & Audiovisual Services, Magazines, and Production & Distribution. In the Broadcasting segment, the Corporation creates, broadcasts and produces entertainment, sports, news and public affairs programming and is engaged in commercial production. It operates North America's largest private French-language television network as well as nine specialty services. The Film Production & Audiovisual Services segment provides soundstage, mobile and equipment rental services as well as postproduction services. In the Magazines segment, TVA Group publishes numerous titles, making it Quebec's largest magazine publisher. The Production & Distribution segment produces and distributes television programs for the world market. The Corporation's Class B shares are listed on the Toronto Stock Exchange under the ticker symbol TVA.B.

This Interim Management's Discussion and Analysis covers the Corporation's main activities during the second quarter of 2026 and the major changes from the previous fiscal year. The Corporation's Condensed Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2026 and 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including in particular IAS 34, *Interim Financial Reporting*.

This Management's Discussion and Analysis should be read in conjunction with the information in the annual Consolidated Financial Statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2025 and in the Condensed Consolidated Financial Statements as at June 30, 2026. All amounts are stated in Canadian dollars.

BUSINESS SEGMENTS

The Corporation's operations consist of the following segments:

- The **Broadcasting segment**, which includes the operations of TVA Network, specialty services, the marketing of digital products associated with the various televisual brands, and commercial production and custom publishing services, including those of its Communications Qolab inc. ("**Qolab**") subsidiary;

- The **Film Production & Audiovisual Services segment** ("**MELS**"), which provides soundstage, mobile and production equipment rental services, as well as dubbing and subtitling ("**media accessibility services**"), postproduction and virtual production services;

- The **Magazines segment**, which publishes magazines and markets digital products associated with the various magazine brands;

- The **Production & Distribution segment**, which through the companies in the Incendo group ("**Incendo**"), among others, produces and distributes television shows, movies and television series for the world market.

HIGHLIGHTS SINCE END OF FIRST QUARTER 2026

- On June 29, 2026, the Corporation amended its $120,000,000 secured renewable credit facility with QMI to extend its term from June 30, 2026 to June 30, 2027.

- On June 1, 2026, the Corporation acquired Transmission Squelch inc. ("Squelch"), a Quebec-based leader in communications and wireless audio signal transmission, for a preliminary purchase price of $1,743,000. Squelch's operations have been integrated with those of MELS, thereby creating a one-stop shop for technical services.

NON-IFRS FINANCIAL MEASURES

To evaluate its financial performance, the Corporation uses certain measures that are not calculated in accordance with or recognized under IFRS. The Corporation's method of calculating non-IFRS financial measures may differ from the methods used by other companies and, as a result, the financial measures presented in this Management's Discussion and Analysis may not be comparable to other similarly titled measures reported by other companies.

Adjusted EBITDA

In its analysis of operating results, the Corporation defines adjusted EBITDA, as reconciled to net income (loss) under IFRS, as net income (loss) before depreciation and amortization, financial (income) expenses, restructuring costs and other, income tax expense (recovery) and share of income of associates. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS. It is not intended to be regarded as an alternative to other financial performance measures or to the statement of cash flows as a measure of liquidity. This measure should not be considered in isolation or as a substitute for other performance measures prepared in accordance with IFRS. This measure is used by management and the Board of Directors to evaluate the Corporation's consolidated results and the results of its segments. This measure eliminates the significant level of depreciation and amortization of tangible and intangible assets, including any asset impairment charges, as well as the cost associated with one-time restructuring measures, and is unaffected by the capital structure or investment activities of the Corporation and its segments. Adjusted EBITDA is also relevant because it is a significant component of the Corporation's annual incentive compensation programs. The Corporation's definition of adjusted EBITDA may not be the same as similarly titled measures reported by other companies.

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

Table 1
Reconciliation of the adjusted EBITDA (negative adjusted EBITDA) measure used in this report to the net income (loss) attributable to shareholders measure used in the Condensed Consolidated Financial Statements
(in thousands of dollars)

	Three months ended June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Adjusted EBITDA (negative adjusted EBITDA):				
Broadcasting	**$ 20,848**	$ 2,228	**$ 21,626**	$ (17,485)
Film Production & Audiovisual Services	**2,016**	2,191	**136**	2,314
Magazines	**507**	648	**612**	467
Production & Distribution	**(137)**	(2,859)	**(214)**	(2,842)
Intersegment items	**79**	(454)	**157**	(1,194)
	23,313	1,754	**22,317**	(18,740)
Depreciation and amortization	**4,475**	4,682	**8,986**	9,652
Financial (income) expenses	**(502)**	913	**(814)**	1,239
Restructuring costs and other	**1,525**	2,740	**2,193**	4,612
Incomes taxes (income tax recovery)	**4,770**	(1,640)	**3,245**	(8,909)
Share of income of associates	**(144)**	(148)	**(207)**	(232)
Net income (loss) attributable to shareholders	**$ 13,189**	$ (4,793)	**$ 8,914**	$ (25,102)

ANALYSIS OF CONSOLIDATED RESULTS

2026/2025 second quarter comparison

Revenues: $143,264,000, a $13,849,000 (10.7%) increase.

- Increases in Broadcasting ($13,128,000 or 12.0% of segment revenues) and Film Production & Audiovisual Services ($480,000 or 3.3%).

- Decreases in Magazines ($829,000 or -10.9%) and Production & Distribution ($51,000 or -3.7%).

Adjusted EBITDA: $23,313,000, a $21,559,000 favourable variance.

- Favourable variances in Broadcasting ($18,620,000) and Production & Distribution ($2,722,000).

- Unfavourable variances in Magazines ($141,000 or -21.8% of segment adjusted EBITDA) and Film Production & Audiovisual Services ($175,000 or -8.0%).

Net income attributable to shareholders: $13,189,000 ($0.31 per basic share), compared with a net loss attributable to shareholders of $4,793,000 (-$0.11 per basic share) for the same period of 2025. The $17,982,000 ($0.42 per basic share) favourable variance was primarily due to:

- $21,559,000 favourable variance in adjusted EBITDA;

- $1,415,000 favourable variance in financial income and expenses; and

- $1,215,000 favourable variance in restructuring costs and other;

partially offset by:

- $6,410,000 unfavourable variance in income taxes and income tax recovery.

Depreciation and amortization: $4,475,000, a $207,000 decrease, mainly due to the decrease in the depreciation charge for technical equipment and equipment for rental that have been fully amortized. The decrease was partially offset by an increase in the amortization charge on software.

Financial income: $502,000, a $1,415,000 favourable variance due primarily to the absence of interest charges on the debt to the parent corporation for the second quarter of 2026, as a result of the full repayment of the debt at the end of 2025, a decrease in interest on lease liabilities and an increase in interest income on cash.

Restructuring costs and other: $1,525,000 for the second quarter of 2026, compared with $2,740,000 for the same period of 2025, a $1,215,000 favourable variance.

- For the second quarter of 2026, the Corporation recorded a $1,504,000 charge arising from the elimination of positions and the implementation of cost-reduction measures, including $1,041,000 in the Broadcasting segment, $386,000 in the Film Production & Audiovisual Services segment, $71,000 in the Magazines segment and $6,000 in the Production & Distribution segment (a $2,633,000 charge for the same period of 2025, including $2,098,000 in the Broadcasting segment and $535,000 in the Magazines segment).

Income taxes: $4,770,000 (effective tax rate of 26.8%) for the second quarter of 2026, compared with an income tax recovery of $1,640,000 (effective tax rate of 24.9%) for the same period of 2025, an unfavourable variance of $6,410,000, due mainly to the recording of taxable income for tax purposes for the three-month period ended June 30, 2026, whereas a loss deductible was recorded for the same period of 2025. The effective tax rate was lower than the statutory rate of 26.5% for the second quarter of 2025, mainly due to the recognition of foreign income taxes. Calculation of the effective tax rates is based on only taxable and deductible items.

Share of income of associates: $144,000 for the second quarter of 2026, compared with $148,000 for the same period of 2025, a slight $4,000 unfavourable variance caused by the weaker financial results of an associate in the television industry.

<u>2026/2025 year-to-date comparison</u>

Revenues: $261,057,000, an $11,974,000 (4.8%) increase.

- Increase in Broadcasting ($15,162,000 or 7.2% of segment revenues).

- Decreases in Magazines ($2,151,000 or -14.7%), Film Production & Audiovisual Services ($2,143,000 or -7.9%) and Production & Distribution ($910,000 or -27.9%).

Adjusted EBITDA: $22,317,000, a $41,057,000 favourable variance.

- Favourable variances in Broadcasting ($39,111,000), Production & Distribution ($2,628,000) and Magazines ($145,000 or 31.0% of segment adjusted EBITDA).

- Unfavourable variance in Film Production & Audiovisual Services ($2,178,000 or -94.1%).

Net income attributable to shareholders: $8,914,000 ($0.21 per basic share) for the first six months of 2026, compared with a net loss attributable to shareholders of $25,102,000 (-$0.58 per basic share) for the same period of 2025, a favourable variance of $34,016,000 ($0.79 per basic share) primarily due to:

- $41,057,000 favourable variance in adjusted EBITDA and negative adjusted EBITDA;
- $2,419,000 favourable variance in restructuring costs and other; and
- $2,053,000 favourable variance in financial income and expenses;

partially offset by:

- $12,154,000 unfavourable variance in income taxes and income tax recovery.

Depreciation and amortization: $8,986,000, a $666,000 decrease, mainly due to the decrease in the depreciation charge for assets related to buildings and equipment for rental that have been fully amortized.

Financial income: $814,000, a $2,053,000 favourable variance due mainly to the same factors as noted above in the 2026/2025 second quarter comparison.

Restructuring costs and other: $2,193,000 for the first six months of 2026, compared with $4,612,000 for the same period of 2025, a $2,419,000 favourable variance.

- In the first half of 2026, the Corporation recorded a $2,709,000 charge arising from the elimination of positions and implementation of cost-reduction measures, including $2,245,000 in the Broadcasting segment, $387,000 in the Film Production & Audiovisual Services segment, $71,000 in the Magazines segment and $6,000 in the Production & Distribution segment (a $4,827,000 charge for the same period of 2025, including $3,832,000 in the Broadcasting segment, $535,000 in the Magazines segment, $322,000 in the Production & Distribution segment and $138,000 in the Film Production & Audiovisual Services segment).
- On January 1, 2026, the Corporation sold the assets of its TVA Films division to Quebecor Films Inc., a subsidiary of Quebecor Media, for proceeds on disposal of $2,000,000, plus liabilities assumed as part of the transaction. The transaction gave rise to the recognition of a gain on disposal of $575,000.
- In the first quarter of 2025, the Corporation recognized a $322,000 gain related to the winding-up of a portfolio investment.

Income taxes: $3,245,000 (effective tax rate of 27.2%) for the first six months of 2026, compared with an income tax recovery of $8,909,000 (effective tax rate of 26.0%) for the same period of 2025, an unfavourable variance of $12,154,000, due mainly to the recording of taxable income for tax purposes for the first half of 2026, whereas a loss deductible was recorded for the same period of 2025. The effective tax rate was higher than the statutory rate of 26.5% for the first six months of 2026, mainly due to the recognition of foreign income taxes. The lower effective tax rate than the statutory rate of 26.5% for the first six months of 2025 was mainly due to the same factor as that noted above in the 2026/2025 second quarter comparison. Calculation of the effective tax rates is based on only taxable and deductible items.

Share of income of associates: $207,000 for the first half of 2026, compared with $232,000 for the same period of 2025; the $25,000 unfavourable variance was due to the same factor as that noted above in the 2026/2025 second quarter comparison.

SEGMENTED ANALYSIS

Broadcasting

2026/2025 second quarter comparison

Revenues: $122,824,000, a $13,128,000 (12.0%) increase due primarily to:

- 134.9% increase in advertising revenues and 27.2% increase in subscription revenues at TVA Sports, due primarily to the Montreal Canadiens' presence in the National Hockey League ("NHL") playoffs, as well as the agreement reached on carriage rates for the channel in the fourth quarter of 2025;

partially offset by:

- 7.2% decrease in TVA Network's advertising revenues;
- 15.2% decrease in advertising revenues at the news channels and 11.0% decrease in advertising revenues for the entertainment channels; and
- 19.1% decrease in Qolab's revenues due primarily to lower volume of activities.

French-language audience share

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

Second quarter 2026 vs Second quarter 2025			
	2026	**2025**	**Variance**
French-language conventional broadcasters:			
TVA	**20.0**	21.8	-1.8
SRC	**10.9**	10.9	-
Noovo	**5.5**	6.1	-0.6
	36.4	38.8	-2.4
French-language specialty and pay services:			
TVA	**24.2**	22.0	2.2
Bell Media	**13.0**	12.9	0.1
Corus	**3.0**	4.2	-1.2
SRC	**7.4**	7.6	-0.2
Other	**4.4**	4.6	-0.2
	52.0	51.3	0.7
Total English-language channels and other:	**11.6**	9.9	1.7
TVA Group	**44.2**	43.8	0.4

Source: Numeris, Quebec Franco, April 1 to June 30, Mon-Sun, 2:00 – 2:00, All 2+.

TVA Group's market share for the period of April 1 to June 30, 2026 increased by 0.4 points to 44.2%, compared with 43.8% for the same period of 2025.

TVA Network maintained its lead among over-the-air channels with a 20.0% market share, more than its two main over-the-air rivals combined.

TVA Group's specialty services had a combined market share of 24.2% for the second quarter of 2026, compared with 22.0% for the same period of 2025, a 2.2-point increase. TVA Sports recorded exceptional 3.0-point growth for the period, due in part to the Montreal Canadiens making the NHL playoffs. The entertainment channels saw a 0.6-point decline, while the news and public affairs channel LCN recorded a 0.3-point decrease compared with the same quarter of 2025. It nevertheless maintained its position as Quebec's most-watched specialty channel, ahead of even the Noovo channel.

The three playoff rounds in which the Montreal Canadiens participated were the three most-watched programs in Quebec for the second quarter of 2026, with average audiences of nearly 1.4 million viewers each, while the daily show *Indéfendable*, with an average audience of over 1.2 million viewers, ranked 4th in the top 5.

Adjusted EBITDA: $20,848,000, an $18,620,000 favourable variance due primarily to:

- improved profitability at TVA Sports due to a 65.2% increase in revenues, as noted above, despite a 15.4% increase in operating expenses, particularly regarding content costs related to the NHL playoffs and a timing difference in allocation of NHL rights, as well as commissions on advertising sales;

- increased profitability at TVA Network, stemming primarily from a 17.0% decrease in operating expenses, which more than offset the decrease in revenues. The decrease in operating expenses was primarily attributable to savings in content costs and commissions on advertising sales, savings resulting from restructuring plans, notably in employee costs, as well as the recognition retroactive to January 1, 2026 of the tax credit intended to support Quebec news media, a credit that applies to audiovisual media following the Quebec government's latest budget; and

- 25.6% increase in adjusted EBITDA at the entertainment channels resulting mainly from a 6.1% decrease in operating expenses, particularly content costs, which more than offset the decrease in advertising revenues;

partially offset by:

- 60.5% decrease in Qolab's adjusted EBITDA, due mainly to lower volume of activities; and

- 8.8% decrease in adjusted EBITDA for the news channels, resulting primarily from a 15.2% decrease in advertising revenues and a 5.4% decrease in subscription revenues, although the LCN channel also benefited from the recognition retroactive to January 1, 2026 of the tax credit designed to support Quebec news media, as well as from savings in commissions on advertising sales.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Broadcasting segment's activities (expressed as a percentage of revenues) decreased from 98.0% for the second quarter of 2025 to 83.0% for the same period of 2026. The decrease was caused by higher revenues combined with lower operating expenses for the segment.

<u>2026/2025 year-to-date comparison</u>

Revenues: $226,751,000, a $15,162,000 (7.2%) increase due mainly to:

- 76.5% increase in advertising revenues and 25.5% increase in subscription revenues at TVA Sports, essentially due to the same factors as those noted above in the 2026/2025 second quarter comparison; and

- 2.4% increase in subscription revenues at the entertainment channels in connection with the agreement reached on carriage rates for the channels in the fourth quarter of 2025;

partially offset by:

- 4.5% decrease in TVA Network's advertising revenues, although digital revenues increased 3.1%;
- 20.5% decrease in revenues for Qolab due to lower volume of activities;
- 12.9% decrease in advertising revenues at the news channels; and
- 12.2% decrease in advertising revenues at the entertainment channels.

Adjusted EBITDA: $21,626,000, a $39,111,000 favourable variance due primarily to:

- increased profitability at TVA Sports due to a 42.3% increase in revenues, as noted above, whereas operating expenses were relatively stable. The increase in certain costs, including commissions on advertising sales, was largely offset by savings, notably in content costs, whereas the channel had broadcasted the *4 Nations Face-Off* in the same period of 2025;
- return to profitability of TVA Network due to an 18.4% decrease in operating expenses, particularly content costs, employee costs, commissions on advertising sales and building costs, in addition to the recognition of the tax credit to support Quebec news media and the reversal of the digital services tax for periods prior to 2026, which more than offset the decrease in revenues, mainly advertising revenues; and
- 24.8% increase in adjusted EBITDA at the entertainment channels resulting mainly from a 5.6% decrease in operating expenses, notably content costs, as well as an increase in subscription revenues, as noted above, which more than offset the decrease in advertising revenues;

partially offset by:

- 62.7% decrease in Qolab's adjusted EBITDA, due mainly to lower volume of activities; and
- a slight decrease in adjusted EBITDA at the news channels, resulting primarily from lower advertising revenues, largely offset by a 7.9% decrease in operating expenses, due mainly to the recognition of the tax credit to support Quebec news media and a timing difference in advertising and promotion expenses.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Broadcasting segment's activities (expressed as a percentage of revenues) decreased from 108.3% for the first half of 2025 to 90.5% for the same period of 2026. The decrease was caused by lower operating expenses combined with higher revenues for the segment.

Film Production & Audiovisual Services

2026/2025 second quarter comparison

Revenues: $15,087,000, a $480,000 (3.3%) increase due mainly to:

- 31.7% increase in revenues from media accessibility services, due to higher volume of activities in dubbing; and
- 3.2% increase in revenues from soundstage and equipment rental mainly due to higher volume of activities for the second quarter of 2026, compared with the same quarter of 2025;

partially offset by:

- decrease in mobile rental revenues due to lower volume of activities; and

- 3.9% decrease in postproduction revenues also due to lower volume of activities.

Adjusted EBITDA: $2,016,000, a $175,000 (-8.0%) unfavourable variance primarily due to:

- 35.9% decrease in adjusted EBITDA generated by soundstage and equipment rental services, despite higher revenues and volume of activities, due primarily to a 21.0% increase in operating expenses, notably sub-leasing costs incurred to meet the needs of foreign customers and building costs;

partially offset by:

- 58.5% improvement in negative adjusted EBITDA generated by postproduction activities, resulting primarily from a 12.5% decrease in operating expenses, notably savings in employee costs and costs associated with the lower volume of activities; and

- 68.1% increase in adjusted EBITDA from media accessibility services, due to higher volume of activities.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Film Production & Audiovisual Services segment's activities (expressed as a percentage of revenues) increased from 85.0% for the second quarter of 2025 to 86.6% for the second quarter of 2026. The increase was caused essentially by higher operating expenses as a proportion of total expenses for the segment, which exceeded the increase in revenues as a proportion of total revenues.

<u>2026/2025 year-to-date comparison</u>

Revenues: $24,964,000, a $2,143,000 (-7.9%) decrease due mainly to:

- 13.4% decrease in soundstage and equipment rental revenues, due to lower volume of activities for the first half of 2026 compared with the same period of 2025, largely attributable to a decrease in in-house productions;

- 29.0% decrease in mobile rental revenues due to lower volume of activities, also largely attributable to the decrease in in-house productions; and

- 8.8% decrease in postproduction revenues also due to lower volume of activities;

partially offset by:

- 11.6% increase in media accessibility revenues, due to higher volume of activities in dubbing.

Adjusted EBITDA: $136,000, a $2,178,000 (-94.1%) unfavourable variance primarily due to:

- decreased profitability of soundstage and equipment rental services, attributable to a decrease in volume of activities, largely in in-house productions, as well as higher costs, notably subleasing costs and building expenses; and

- 63.7% decrease in adjusted EBITDA from mobile rental services resulting from lower volume of activities, which was also largely due to in-house productions that were not renewed;

partially offset by:

- 44.4% improvement in negative adjusted EBITDA generated by postproduction activities, due to the same factors as those noted above in the 2026/2025 second quarter comparison.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Film Production & Audiovisual Services segment's activities (expressed as a percentage of revenues) increased from 91.5% for the first half of 2025 to 99.5% for the first half of 2026. The increase was mainly due to the decrease in revenues.

Magazines

2026/2025 second quarter comparison

Revenues: $6,796,000, an $829,000 (-10.9%) decrease, essentially due to a 26.6% decrease in assistance from the Canada Periodical Fund, as well as a 17.4% decrease in subscription revenues and a 10.2% decrease in newsstand revenues. The decreases were primarily due to the reduction in the number of issues of some titles and the reduction in grants from the Canada Periodical Fund stemming from the change in the allocation method.

Canada Periodical Fund ("CPF")

The Government of Canada created the CPF on April 1, 2010. The CPF provides financial assistance to the Canadian magazine and non-daily newspaper industries so they can continue to produce and distribute Canadian content. The Minister of Canadian Heritage announced in 2020 that the CPF would be modernized with the goal of relying more heavily on Canadian content creation, a change that would take effect with the grant period starting April 1, 2021, with a five-year transition period, after which all program changes would be in effect. Thus, as at March 31, 2026, the transition period is complete. Since the former method of grant allocation was geared more towards distribution of titles, the change has and will continue to have a major impact on the amount of government assistance received by this segment since the transition. All assistance related to the CPF is fully recorded under revenues. It amounted to 16.0% of the segment's revenues for the three-month period ended June 30, 2026 (19.4% for the same period of 2025).

Adjusted EBITDA: $507,000, a $141,000 (-21.8%) decrease, mainly due to lower revenues, as noted above, which could not be completely offset by the savings achieved, particularly in printing costs, employee costs and distribution and recycling expenses.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Magazines segment's activities (expressed as a percentage of revenues) increased from 91.5% for the second quarter of 2025 to 92.5% for the same period of 2026. The increase was due to the fact that the decrease in revenues exceeded the decrease in operating expenses.

2026/2025 year-to-date comparison

Revenues: $12,484,000, a $2,151,000 (-14.7%) decrease, due primarily to a 26.6% decrease in assistance from the CPF, an 18.8% decrease in subscription revenues, a 12.4% decrease in newsstand revenues and a 6.6% decrease in advertising revenues. The decreases were essentially due to the same factors as those noted above in the 2026/2025 second quarter comparison.

Adjusted EBITDA: $612,000, a $145,000 (31.0%) favourable variance resulting primarily from cost savings that exceeded the decrease in revenues, due to the same factors as those noted above in the 2026/2025 second quarter comparison, in addition to savings in freelance costs.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Magazines segment's activities (expressed as a percentage of revenues) decreased from 96.8% for the first half of 2025 to 95.1% for the first half of 2026. The decrease was caused by lower operating expenses as a proportion of total expenses for the segment, which exceeded the decrease in revenues as a proportion of total revenues.

Production & Distribution

2026/2025 second quarter comparison

Revenues: $1,311,000, a $51,000 (-3.7%) decrease, due primarily to the transfer of the TVA Films division's activities to Quebecor Films Inc. on January 1, 2026, partially offset by higher revenues at TVA Distribution, resulting from an increase in volume of activities in connection with the sale of some series to Disney+.

Activities related to the distribution of films produced by Incendo accounted for 31.4% of the segment's revenues for the three-month period ended June 30, 2026, compared with 30.5% for the same period of 2025.

Negative adjusted EBITDA: $137,000, a $2,722,000 favourable variance, primarily attributable to the one-time recognition of an impairment charge for certain rights in the second quarter of 2025, as well as the transfer of TVA Films' activities to Quebecor Films Inc., a division that had recorded a loss also in the second quarter of 2025.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Production & Distribution segment's activities (expressed as a percentage of revenues) decreased from 309.9% for the three-month period ended June 30, 2025 to 110.5% for the same period of 2026. The decrease was primarily due to lower operating expenses, whereas an impairment charge for certain rights had been recognized in the second quarter of 2025.

2026/2025 year-to-date comparison

Revenues: $2,354,000, a $910,000 (-27.9%) decrease, due primarily to the same factors as those noted above in the 2026/2025 second quarter comparison.

Activities related to the distribution of films produced by Incendo accounted for 38.7% of the segment's revenues for the six-month period ended June 30, 2026, compared with 24.3% for the same period of 2025.

Negative adjusted EBITDA: $214,000, a $2,628,000 favourable variance, mainly due to the same factors as those noted above in the 2026/2025 second quarter comparison.

Analysis of cost/revenue ratio: Employee costs and the cost of purchases of goods and services for the Production & Distribution segment's activities (expressed as a percentage of revenues) decreased from 187.1% for the six-month period ended June 30, 2025 to 109.1% for the same period of 2026. The decrease was primarily due to the same factor as noted above in the 2026/2025 second quarter comparison, in addition to the transfer of TVA Films' activities to Quebecor Films Inc. on January 1, 2026.

CASH FLOWS AND FINANCIAL POSITION

Table 3 below shows a summary of cash flows related to operating activities, investing activities and financing activities:

Table 3
Summary of the Corporation's cash flows
(in thousands of dollars)

	Three months ended June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Cash flows related to operating activities	**$ (4,211)**	$ 15,918	**$ 7,886**	$ (14,683)
Additions to property, plant and equipment and intangible assets	**(956)**	(2,144)	**(1,090)**	(6,847)
Disposals of assets	**-**	-	**2,000**	-
Business acquisition, net of cash	**(1,743)**	-	**(1,743)**	-
Other	**(484)**	(433)	**(1,016)**	(711)
Change in cash and repayment of (increase in) debt	**$ (7,394)**	$ 13,341	**$ 6,037**	$ (22,241)

	June 30, 2026	December 31, 2025
At period end:		
Current portion of debt due to the parent corporation	**$ -**	$ -
Less: cash	**(19,315)**	(13,278)
(Cash)	**$ (19,315)**	$ (13,278)

Operating activities

Cash flows related to operating activities: $20,129,000 decrease for the three-month period ended June 30, 2026 compared with the same period of 2025. This variance was mainly due to a $42,942,000 unfavourable net variance in operating assets and liabilities, partially offset by a $21,559,000 favourable variance in adjusted EBITDA. The unfavourable net variance in operating assets and liabilities was essentially due to unfavourable variances in accounts payable, accrued liabilities and provisions, accounts receivable and content rights payable, partially offset by a favourable variance in audiovisual content.

Cash flows related to operating activities: $22,569,000 increase for the six-month period ended June 30, 2026 compared with the same period of 2025, due mainly to a $41,057,000 favourable variance in adjusted EBITDA and a favourable variance in restructuring costs, partially offset by a $21,415,000 unfavourable net variance in operating assets and liabilities. The unfavourable net variance in operating assets and liabilities was essentially due to an unfavourable variance in accounts payable, accrued liabilities and provisions, partially offset by a favourable variance in audiovisual content.

Working capital: $110,703,000 as at June 30, 2026, compared with $94,470,000 as at December 31, 2025. The $16,233,000 favourable variance was due primarily to a decrease in accounts payable, accrued liabilities and provisions and an increase in cash and prepaid expenses, partially offset by a decrease in audiovisual content and accounts receivable.

Investing activities

Quarterly additions to property, plant and equipment and to intangible assets: $956,000 compared with $2,144,000 for the same period of 2025. The $1,188,000 decrease was essentially due to a decrease in investment projects for property, plant and equipment and intangible assets carried out in the second quarter of 2026, as well as the completion of the fitting out of new studios and the transfer of television operations to 4545 Frontenac St. in Montreal during fiscal 2025.

Year-to-date additions to property, plant and equipment and to intangible assets: $1,090,000 compared with $6,847,000 for the same period of 2025, a $5,757,000 decrease due mainly to the same factors as those noted above under additions for the second quarter of 2026 compared with the same period of 2025.

Year-to-date disposals of assets: $2,000,000 in proceeds stemming from the sale of the assets of the TVA Films division to Quebecor Films Inc. (nil for the same period of 2025).

Business acquisition, net of cash: $1,743,000 preliminary purchase price for the second quarter of 2026 and the first half of 2026, resulting from the acquisition of Transmission Squelch inc. (nil for the same periods of 2025).

Financing activities

Debt due to the parent corporation (excluding deferred financing costs): Nil as at June 30, 2026 and at December 31, 2025.

Financial position as at June 30, 2026

Available liquid assets: $139,315,000, consisting of a $120,000,000 available undrawn renewable credit facility and $19,315,000 in cash.

As at June 30, 2026 and December 31, 2025, no amounts were drawn on the QMI renewable credit facility.

On June 29, 2026, the Corporation amended its $120,000,000 secured renewable credit facility with QMI as lender to extend its term from June 30, 2026, to June 30, 2027. This renewable credit facility bears interest at the Canadian Overnight Repo Rate Average ("CORRA") or the Canadian prime rate, plus a premium based on the Corporation's debt ratio.

As at June 30, 2026, no amount was drawn on the demand credit facility, while letters of credit totalling $1,787,000 were outstanding. As at December 31, 2025, no amount was drawn on the demand credit facility, while letters of credit totalling $1,723,000 were outstanding.

The Corporation's management believes that the cash flows generated on an annual basis by continuing operating activities and by available sources of external and parent corporation financing should be sufficient to fulfill its commitments with respect to investment in property, plant and equipment and intangible assets, business acquisitions, working capital, interest payments, income tax payments, repayment of debt and lease liabilities, pension plan contributions, share redemptions and shareholder dividends and to meet its commitments and guarantees.

As at June 30, 2026, the Corporation was in compliance with all the terms of its renewable credit facilities.

Analysis of consolidated balance sheet as at June 30, 2026

Table 4
Consolidated balance sheets of TVA Group
Analysis of main variances between June 30, 2026 and December 31, 2025
(in thousands of dollars)

	June 30, 2026	December 31, 2025	Variance	Main reasons for variance
Assets				
Accounts receivable	**$ 133,838**	$ 154,453	$ (20,615)	Impact of the collection of certain receivables from companies under common control, net of an increase in external accounts receivable.
Current audiovisual content	**87,667**	118,226	(30,559)	Impact of current and seasonal variations in activities.
Liabilities				
Accounts payable, accrued liabilities and provisions	**$ 100,551**	$ 155,441	$ (54,890)	Impact of the payment of balances due to the parent corporation, companies under common control and associates, as well as to external suppliers.

ADDITIONAL INFORMATION

Contractual obligations

The Corporation's material contractual commitments of operating activities include payments of principal, interest and standby fees on debt and lease liabilities, payments under audiovisual content acquisition contracts, and obligations related to expenditures on property, plant and equipment, intangible assets and other commitments.

For a summary of the Corporation's contractual obligations, please refer to TVA Group's annual MD&A for the year ended December 31, 2025. As at June 30, 2026, there have been no significant changes in the Corporation's material contractual obligations since the end of the previous fiscal year.

Related party transactions

The Corporation entered into the following transactions with related parties in the normal course of business. These transactions were accounted for at the consideration agreed between parties.

In the second quarter of 2026, the Corporation sold advertising space and content, recognized subscription revenues, and provided production, postproduction and other services to companies under common control and associates for an aggregate amount of $29,957,000 ($31,229,000 for the second quarter of 2025). The decrease was mainly due to lower subscription and advertising revenues with a company under common control and a decrease in commercial production revenues with companies under common control.

In the second quarter of 2026, the Corporation recorded content acquisition costs, telecommunications service costs, advertising space acquisition costs, professional service fees, commissions on sales, and fees for newsgathering, technological, digital and other services arising from transactions with companies under common control and associates totalling $26,742,000 ($28,245,000 for the second quarter of 2025). The decrease was primarily due to lower content acquisition costs with associates, net of an increase in purchases of advertising space with a company under common control.

In the second quarter of 2026, the Corporation also billed management fees to companies under common control in the amount of $210,000 ($354,000 for the second quarter of 2025). The decrease in management fees billed was due to the implementation of restructuring plans, which led to a decrease in the cost of services rendered. These fees are recorded as a reduction of operating expenses.

The Corporation also assumed management fees of the parent corporation in the amount of $1,979,000 for the three-month period ended June 30, 2026 ($2,238,000 for the same period of 2025), as well as standby fees in the amount of $149,000 on the secured renewable credit facility ($1,134,000 in interest and standby fees for the same period of 2025).

In the first six months of 2026, the Corporation sold advertising space and content, recognized subscription revenues, and provided production, postproduction and other services to companies under common control and associates for an aggregate amount of $58,223,000 ($59,987,000 for the first six months of 2025). The decrease was mainly due to lower production and postproduction revenues with associates, as well as lower commercial production revenues with companies under common control.

In the first half of 2026, the Corporation recorded content acquisition costs, telecommunications service costs, advertising space acquisition costs, professional service fees, commissions on sales, and fees for newsgathering, technological, digital and other services arising from transactions with companies under common control and associates totalling $59,024,000 ($58,471,000 for the first half of 2025). The slight increase was primarily due to higher content acquisition costs with associates, net of a decrease in commissions on sales and content management fees with the parent corporation.

In the first half of 2026, the Corporation also billed management fees to companies under common control in the amount of $420,000 ($694,000 for the first half of 2025). The decrease was due to the same factor as noted above.

The Corporation also assumed management fees of the parent corporation in the amount of $3,958,000 for the first six months of 2026 ($4,477,000 for the same period of 2025), as well as standby fees in the amount of $381,000 on the secured renewable credit facility ($1,954,000 in interest and standby fees for the same period of 2025).

Capital stock

Table 5 below presents information on the Corporation’s capital stock. In addition, 640,450 Class B stock options of the Corporation were outstanding as of July 10, 2026.

Table 5
Capital stock outstanding as at July 10, 2026
(in shares and dollars)

	Issued and outstanding	Carrying amount
Class A common shares	4,320,000	$ 0.02
Class B shares	38,885,535	$ 5.33

Disclosure controls and procedures

The purpose of internal controls over financial reporting is to provide reasonable assurance as to the reliability of the Corporation's financial reporting and the preparation of its financial statements in accordance with IFRS. During the three-month period ended June 30, 2026, there have not been any changes to internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Additional information

The Corporation is a reporting issuer under the securities acts of all the provinces of Canada. It is therefore required to file financial statements, an information circular and an annual information form with the various securities regulatory authorities. Copies of those documents are available free of charge from the Corporation on request, and on the Web at www.sedarplus.ca and www.groupetva.ca.

Forward-looking information disclaimer

The statements in this Management's Discussion and Analysis that are not historical facts may be forward-looking statements and are subject to important known and unknown risks, uncertainties and assumptions which could cause the Corporation's actual results for future periods to differ materially from those set forth in the forward-looking statements. Forward-looking statements generally can be identified by the use of the conditional, the use of forward-looking terminology such as "propose," "will," "expect," "may," "anticipate," "intend," "estimate," "plan," "foresee," "believe" or the negative of these terms or variations of them or similar terminology. Certain factors that may cause actual results to differ from current expectations include seasonality, operational risks (including pricing actions by competitors and the risk of loss of key customers in the Film Production & Audiovisual Services and Production & Distribution segments), programming, content and production cost risks, credit risk, government regulation risks, government assistance risks, changes in economic conditions, fragmentation of the media landscape, risk related to the Corporation's ability to adapt to fast-paced technological change and to new delivery and storage methods, labour relation risks, impacts related to cybersecurity and the protection of personal information, and the risks related to public health emergencies, as well as any urgent steps taken by government.

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

For more information on the risks, uncertainties and assumptions that could cause the Corporation's actual results to differ from current expectations, please refer to the Corporation's public filings, available at www.sedarplus.ca and www.groupetva.ca, including in particular the "Risks and Uncertainties" section of the Corporation's annual Management's Discussion and Analysis for the year ended December 31, 2025.

The forward-looking statements in this Management's Discussion and Analysis reflect the Corporation's expectations as of July 30, 2026, and are subject to change after that date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by the applicable securities laws.

Montreal, Quebec

July 30, 2026

Table 6
SELECTED QUARTERLY FINANCIAL DATA
(in thousands of dollars, except for per-share data)

	2026		2025	
	June 30	March 31	Dec. 31	Sept. 30
Operations				
Revenues	**$ 143,264**	$ 117,793	$ 185,543	$ 106,192
Adjusted EBITDA (negative adjusted EBITDA)	**$ 23,313**	$ (996)	$ 50,090	$ 18,500
Net income (loss) attributable to shareholders	**$ 13,189**	$ (4,275)	$ 31,877	$ 8,012
Basic and diluted per-share data				
Basic earnings (loss) per share	**$ 0.31**	$ (0.10)	$ 0.74	$ 0.19
Diluted earnings (loss) per share	**$ 0.30**	$ (0.10)	$ 0.74	$ 0.19
Weighted average number of outstanding shares (in thousands)	**43,206**	43,206	43,206	43,206
Weighted average number of diluted shares (in thousands)	**43,311**	43,206	43,206	43,206

	2025		2024	
	June 30	March 31	Dec. 31	Sept. 30
Operations				
Revenues	$ 129,415	$ 119,668	$ 146,701	$ 112,416
Adjusted EBITDA (negative adjusted EBITDA)	$ 1,754	$ (20,494)	$ 5,031	$ 12,221
Net (loss) income attributable to shareholders	$ (4,793)	$ (20,309)	$ (1,143)	$ 2,608
Basic and diluted per-share data				
Basic and diluted (loss) earnings per share	$ (0.11)	$ (0.47)	$ (0.03)	$ 0.06
Weighted average number of outstanding and diluted shares (in thousands)	43,206	43,206	43,206	43,206

- The Corporation's businesses experience significant seasonality caused, among other factors, by seasonal advertising patterns, consumers' viewing, reading and listening habits, demand for production services from international and local producers, demand for content from global broadcasters, and the related delivery schedules. Because the Corporation depends on the sale of advertising for a significant portion of its revenues, operating results are also sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions, particularly as they may affect advertising spending.
- In the Broadcasting segment, operating expenses vary mainly as a result of programming costs, which are directly related to programming strategies and to live sports broadcasts. In the Film Production & Audiovisual Services segment, operating costs fluctuate according to demand for production services from international and local producers. In the Magazines segment, operating expenses fluctuate according to publication schedules, which may vary from quarter to quarter. In the Production & Distribution segment, operating expenses fluctuate according to delivery schedules and estimated future revenues.

Accordingly, adjusted EBITDA for interim periods may vary from one quarter to the next.