TRANSCONTINENTAL

Press Release

For Immediate Release

Transcontinental Inc. Announces Results for the Third Quarter of Fiscal Year 2025

Highlights

- Revenues of $684.4 million for the quarter ended July 27, 2025; operating earnings of $57.4 million; and net earnings attributable to shareholders of the Corporation of $38.7 million ($0.46 per share).
- Adjusted operating earnings before depreciation and amortization(1) of $122.6 million for the quarter ended July 27, 2025; adjusted operating earnings(1) of $85.4 million; and adjusted net earnings attributable to shareholders of the Corporation(1) of $58.9 million ($0.70 per share).
- Growth in adjusted net earnings attributable to shareholders of the Corporation per share(1) of 16.7%.
- Acquisitions to accelerate the growth of in-store marketing activities: Middleton Group Inc., based in Ontario, on June 23, 2025, for $4.6 million; and, subsequent to the end of the quarter, Mirazed Inc., based in Quebec, and Intergraphics Decal Limited, based in Manitoba, for a maximum of $72.7 million, subject to adjustments.

(1) Please refer to the section entitled "Non-IFRS Financial Measures" in this press release for a definition of these measures.

Montréal, September 4, 2025 - Transcontinental Inc. (TSX: TCL.A TCL.B) announces its results for the third quarter of fiscal year 2025, which ended July 27, 2025.

"For the third consecutive quarter, we significantly improved our adjusted net earnings per share, which continues to demonstrate the positive impact of the implementation of our two-year program aimed at improving our profitability and our financial position," said Thomas Morin, President and Chief Executive Officer of TC Transcontinental.

"The Packaging Sector experienced a decrease in revenues in the third quarter, mainly due to the sale of our industrial packaging operations at the beginning of the fiscal year as well as weaker than expected demand. Thanks to our discipline and our ability to adapt our costs to the demand, and despite a less favourable product mix, we improved the sector's adjusted operating earnings margin before depreciation and amortization. We expect volume growth in several of our markets in the fourth quarter, which makes us confident in our ability to generate organic growth in earnings for fiscal year 2025.

"The Retail Services and Printing Sector posted another good quarter with a 4.5% increase in revenues and an increase in profitability for the fifth consecutive quarter. This solid performance results mainly from significant growth in our book printing activities. As announced, we are pleased with the Mirazed, Intergraphics and Middleton acquisitions, which accelerate growth in our in-store marketing activities."

"The decrease in our financial expenses as a result of the significant reduction in net indebtedness during the last year, combined with the improvement in our earnings and our share repurchase program, allowed us to grow adjusted net earnings per share by 16.7% for the quarter," added Donald LeCavalier, Executive Vice President and Chief Financial Officer of TC Transcontinental.

Transcontinental Inc.
1 Place Ville Marie
Suite 3240
Montréal, Québec H3B 0G1

Telephone: 514-954-4000
Fax: 514-954-4160
www.tc.tc

Financial Highlights

(in millions of dollars, except per share amounts)	Q3-2025	Q3-2024	Variation in %
Revenues	$684.4	$700.0	(2.2) %
Operating earnings before depreciation and amortization	109.0	121.5	(10.3)
Adjusted operating earnings before depreciation and amortization (1)	122.6	121.0	1.3
Operating earnings	57.4	69.2	(17.1)
Adjusted operating earnings (1)	85.4	84.2	1.4
Net earnings attributable to shareholders of the Corporation	38.7	43.6	(11.2)
Net earnings attributable to shareholders of the Corporation per share	0.46	0.50	(8.0)
Adjusted net earnings attributable to shareholders of the Corporation (1)	58.9	51.4	14.6
Adjusted net earnings attributable to shareholders of the Corporation per share (1)	0.70	0.60	16.7

(1) Please refer to the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Press release for adjusted data presented above.

Results for the Third Quarter of Fiscal Year 2025

Revenues decreased by $15.6 million, or 2.2%, from $700.0 million in the third quarter of 2024 to $684.4 million in the corresponding period of 2025. This decrease is mainly due to the impact of the sale of the industrial packaging operations and lower volume in the Packaging Sector, partially offset by higher volume in the Retail Services and Printing Sector, notably in book printing activities, the favourable exchange rate effect and, to a lesser extent, the acquisition of Middleton Group Inc.

Operating earnings before depreciation and amortization decreased by $12.5 million, or 10.3%, from $121.5 million in the third quarter of 2024 to $109.0 million in the third quarter of 2025. This decrease is mainly due to lower volume in the Packaging Sector, a less favourable product mix in our two main sectors, the increase in restructuring and other costs, an asset impairment charge and the sale of the industrial packaging operations, partially offset by the favourable impact of cost reduction initiatives and the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization increased by $1.6 million, or 1.3%, from $121.0 million in the third quarter of 2024 to $122.6 million in the third quarter of 2025. This increase is mainly attributable to the favourable impact of cost reduction initiatives and the favourable exchange rate effect, mostly offset by lower volume in the Packaging Sector, a less favourable product mix in our two main sectors and the sale of the industrial packaging operations.

Net earnings attributable to shareholders of the Corporation decreased by $4.9 million, or 11.2%, from $43.6 million in the third quarter of 2024 to $38.7 million in the third quarter of 2025. This decrease is mainly due to the previously explained decrease in operating earnings before depreciation and amortization, partially offset by lower financial expenses, depreciation and amortization, and income taxes. On a per share basis, net earnings attributable to shareholders of the Corporation went from $0.50 to $0.46, respectively.

Adjusted net earnings attributable to shareholders of the Corporation increased by $7.5 million, or 14.6%, from $51.4 million in the third quarter of 2024 to $58.9 million in the third quarter of 2025. This increase is mainly attributable to lower financial expenses and income taxes as well as the previously explained increase in adjusted operating earnings before depreciation and amortization. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation went from $0.60 to $0.70, respectively.

Results for the First Nine Months of Fiscal Year 2025

Revenues decreased by $52.1 million, or 2.5%, from $2,063.6 million in the first nine months of fiscal year 2024 to $2,011.5 million in the corresponding period of 2025. This decrease is mainly due to the impact of the sale of the industrial packaging operations and lower volume, mainly in the Packaging Sector, partially offset by the favourable exchange rate effect.

Operating earnings before depreciation and amortization increased by $62.0 million, or 21.2%, from $292.9 million in the first nine months of fiscal year 2024 to $354.9 million in the corresponding period of 2025. This increase is mainly attributable to the decrease in restructuring and other costs (revenues), the favourable impact of cost reduction initiatives and the favourable exchange rate effect, partially offset by lower volume and a less favourable product mix in the Packaging Sector as well as the sale of the industrial packaging operations.

Adjusted operating earnings before depreciation and amortization increased by $1.4 million, or 0.4%, from $327.2 million in the first nine months of fiscal year 2024 to $328.6 million in the corresponding period of 2025. This increase is mainly attributable to the favourable impact of cost reduction initiatives and the favourable exchange rate effect, mostly offset by lower volume and a less favourable product mix in the Packaging Sector as well as the sale of the industrial packaging operations.

Net earnings attributable to shareholders of the Corporation increased by $54.7 million, or 74.5%, from $73.4 million in the first nine months of fiscal year 2024 to $128.1 million in the corresponding period of 2025. This increase is mainly attributable to the previously explained increase in operating earnings before depreciation and amortization as well as lower financial expenses and depreciation and amortization, partially offset by higher income taxes. On a per share basis, net earnings attributable to shareholders of the Corporation went from $0.85 to $1.53, respectively.

Adjusted net earnings attributable to shareholders of the Corporation increased by $14.5 million, or 10.8%, from $134.1 million in the first nine months of fiscal year 2024 to $148.6 million in the corresponding period of 2025. This increase is mainly attributable to lower financial expenses. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation went from $1.55 to $1.77, respectively.

For more detailed financial information, please see the Management's Discussion and Analysis for the third quarter ended July 27, 2025, as well as the financial statements in the "Investors" section of our website at www.tc.tc.

Outlook[1]

The investments in our growth activities, including flexible packaging and in-store marketing, position us well for the future and should be a key driver of our long-term growth.

In terms of profitability, despite a weaker than anticipated demand in the third quarter, we expect to generate organic growth in adjusted operating earnings before depreciation and amortization of the Packaging Sector for fiscal 2025 compared to fiscal 2024. In the Retail Services and Printing Sector, given the higher than anticipated growth in earnings since the beginning of fiscal 2025, we expect adjusted operating earnings before depreciation and amortization for fiscal 2025 to rise compared to fiscal 2024.

Lastly, we expect to continue generating significant cash flows from operating activities, which will enable us to pursue our strategy launched in 2023 to reduce net indebtedness while investing in our growth and returning capital to our shareholders.

[1] The above outlook does not take into account the impact of the implementation of protectionist trade measures and a potential labour conflict at Canada Post on our operations and their effects on our results.

Non-IFRS Financial Measures

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Accounting Standards ("IFRS") and the term "dollar", as well as the symbol "$" designate Canadian dollars.

In addition, in this press release, we also use certain non-IFRS financial measures for which a complete definition is presented below and for which a reconciliation to financial information in accordance with IFRS is presented in the section entitled "Reconciliation of Non-IFRS Financial Measures" and in Note 3, "Segmented Information", to the unaudited condensed interim consolidated financial statements for the third quarter ended July 27, 2025.

Terms Used	Definitions
Adjusted operating earnings before depreciation and amortization	Operating earnings before depreciation and amortization including realized gains on non-designated foreign exchange contracts and excluding restructuring and other costs (revenues) as well as impairment of assets.
Adjusted operating earnings	Operating earnings including realized gains on non-designated foreign exchange contracts and excluding restructuring and other costs (revenues), amortization of intangible assets arising from business combinations as well as impairment of assets.
Adjusted income taxes	Income taxes before income taxes on restructuring and other costs (revenues), amortization of intangible assets arising from business combinations, impairment of assets as well as the recognition of previous years tax assets of an acquired company.
Adjusted net earnings attributable to shareholders of the Corporation	Net earnings attributable to shareholders of the Corporation before restructuring and other costs (revenues), amortization of intangible assets arising from business combinations and impairment of assets, net of related income taxes, as well as the recognition of previous years tax assets of an acquired company.
Net indebtedness	Total of long-term debt, of current portion of long-term debt, of lease liabilities and of current portion of lease liabilities, less cash.
Net indebtedness ratio	Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization.

Reconciliation of Non-IFRS Financial Measures

The financial information has been prepared in accordance with IFRS. However, financial measures used, namely adjusted operating earnings before depreciation and amortization, adjusted operating earnings, adjusted income taxes, adjusted net earnings attributable to shareholders of the Corporation, adjusted net earnings attributable to shareholders of the Corporation per share, net indebtedness and net indebtedness ratio, for which a reconciliation is presented in the following table, do not have any standardized meaning under IFRS and could be calculated differently by other companies. We believe that many of our readers analyze the financial performance of the Corporation's activities based on these non-IFRS financial measures as such measures may allow for easier comparisons between periods. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them.

The Corporation also believes that these measures are useful indicators of the performance of its operations and its ability to meet its financial obligations. Furthermore, management also uses some of these non-IFRS financial measures to assess the performance of its activities and managers.

Reconciliation of operating earnings - Third quarter and cumulative

	Three months ended		Nine months ended	
(in millions of dollars)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Operating earnings	**$57.4**	$69.2	**$197.2**	$130.2
Including				
Realized gains on non-designated foreign exchange contracts (1)	**1.2**	—	**1.2**	—
Excluding				
Restructuring and other costs (revenues)	**6.7**	(0.5)	**(33.2)**	26.8
Amortization of intangible assets arising from business combinations (2)	**14.4**	15.5	**44.2**	51.0
Impairment of assets	**5.7**	—	**5.7**	7.5
Adjusted operating earnings	**$85.4**	$84.2	**$215.1**	$215.5
Depreciation and amortization (3)	**37.2**	36.8	**113.5**	111.7
Adjusted operating earnings before depreciation and amortization	**$122.6**	$121.0	**$328.6**	$327.2

(1) To mitigate the impact of foreign currency fluctuations when consolidating the Packaging Sector's earnings, the Corporation sometimes uses foreign exchange contracts. These contracts are not designated as part of a hedge accounting relationship, and resulting exchange gains or losses are added to adjusted operating earnings and adjusted operating earnings before depreciation and amortization.
(2) Amortization of intangible assets arising from business combinations include our customer relationships, rights of first refusal and educational book titles.
(3) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations

Reconciliation of operating earnings - Third quarter and cumulative for the Packaging Sector

	Three months ended		Nine months ended	
(in millions of dollars)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Operating earnings	**$29.4**	$29.4	**$126.5**	$84.1
Including				
Realized gains on non-designated foreign exchange contracts (1)	**1.2**	—	**1.2**	—
Excluding				
Restructuring and other costs (revenues)	**1.1**	2.4	**(41.1)**	9.7
Amortization of intangible assets arising from business combinations (2)	**13.5**	14.3	**41.1**	46.5
Impairment of assets	**—**	—	**—**	0.6
Adjusted operating earnings	**$45.2**	$46.1	**$127.7**	$140.9
Depreciation and amortization (3)	**20.1**	18.8	**62.0**	55.6
Adjusted operating earnings before depreciation and amortization	**$65.3**	$64.9	**$189.7**	$196.5

(1) To mitigate the impact of foreign currency fluctuations when consolidating the Packaging Sector's earnings, the Corporation sometimes uses foreign exchange contracts. These contracts are not designated as part of a hedge accounting relationship, and resulting exchange gains or losses are added to adjusted operating earnings and adjusted operating earnings before depreciation and amortization.
(2) Amortization of intangible assets arising from business combinations includes our customer relationships.
(3) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of operating earnings - Third quarter and cumulative for the Retail Services and Printing Sector

	Three months ended		Nine months ended	
(in millions of dollars)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Operating earnings	**$37.6**	$36.8	**$107.5**	$71.1
Excluding				
Restructuring and other costs	**3.4**	1.7	**7.5**	19.6
Amortization of intangible assets arising from business combinations (1)	**0.5**	0.7	**1.7**	3.0
Impairment of assets	**—**	—	**—**	6.9
Adjusted operating earnings	**$41.5**	$39.2	**$116.7**	$100.6
Depreciation and amortization (2)	**10.5**	11.6	**31.6**	36.8
Adjusted operating earnings before depreciation and amortization	**$52.0**	$50.8	**$148.3**	$137.4

(1) Amortization of intangible assets arising from business combinations includes our customer relationships.
(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of operating earnings - Third quarter and cumulative for the Other Sector

	Three months ended		Nine months ended	
(in millions of dollars)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Operating earnings	**$(9.6)**	$ 3.0	**$(36.8)**	$(25.0)
Excluding				
Restructuring and other costs (revenues)	**2.2**	(4.6)	**0.4**	(2.5)
Amortization of intangible assets arising from business combinations (1)	**0.4**	0.5	**1.4**	1.5
Impairment of assets	**5.7**	—	**5.7**	—
Adjusted operating earnings	**$(1.3)**	$(1.1)	**$(29.3)**	$(26.0)
Depreciation and amortization (2)	**6.6**	6.4	**19.9**	19.3
Adjusted operating earnings before depreciation and amortization	**$5.3**	$5.3	**$(9.4)**	$(6.7)

(1) Amortization of intangible assets arising from business combinations includes our rights of first refusal and educational book titles.
(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of net earnings attributable to shareholders of the Corporation - Third quarter and cumulative

	Three months ended		Nine months ended	
(in millions of dollars, except per share amounts)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Net earnings attributable to shareholders of the Corporation	**$38.7**	$43.6	**$128.1**	$73.4
Excluding				
Restructuring and other costs (revenues)	**6.7**	(0.5)	**(33.2)**	26.8
Tax on restructuring and other costs (revenues)	**(1.6)**	—	**16.1**	(6.8)
Amortization of intangible assets arising from business combinations (1)	**14.4**	15.5	**44.2**	51.0
Tax on amortization of intangible assets arising from business combinations	**(3.5)**	(3.8)	**(10.8)**	(12.5)
Impairment of assets	**5.7**	—	**5.7**	7.5
Tax on impairment of assets	**(1.5)**	—	**(1.5)**	(1.9)
Recognition of previous years tax assets of an acquired company	**—**	(3.4)	**—**	(3.4)
Adjusted net earnings attributable to shareholders of the Corporation	**$58.9**	$51.4	**$148.6**	$134.1
Net earnings attributable to shareholders of the Corporation per share	**$0.46**	$0.50	**$1.53**	$0.85
Adjusted net earnings attributable to shareholders of the Corporation per share	**$0.70**	$0.60	**$1.77**	$1.55
Weighted average number of shares outstanding	**83.6**	86.4	**83.8**	86.5

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, rights of first refusal and educational book titles.

Reconciliation of net indebtedness

(in millions of dollars, except ratios)	**As at July 27, 2025**	As at October 27, 2024
Long-term debt	**$461.2**	$668.1
Current portion of long-term debt	**252.0**	201.0
Lease liabilities	**88.7**	95.8
Current portion of lease liabilities	**24.5**	24.1
Cash	**(35.9)**	(185.2)
Net indebtedness	**$790.5**	$803.8
Adjusted operating earnings before depreciation and amortization (last 12 months)	**$470.8**	$469.4
Net indebtedness ratio	**1.68x**	1.71x

Dividend

The Corporation's Board of Directors declared a quarterly dividend of $0.225 per share on Class A Subordinate Voting Shares and Class B Shares. This dividend is payable on October 20, 2025, to shareholders of record at the close of business on September 25, 2025.

Normal Course Issuer Bid

On June 12, 2024, the Corporation was authorized to repurchase for cancellation, on the open market or subject to the approval of any securities authority by private agreements, between June 17, 2024 and June 16, 2025, or at an earlier date if the Corporation concludes or cancels the offer, up to 3,662,967 of its Class A Subordinate Voting Shares and up to 668,241 of its Class B Shares. The repurchases are made in the normal course of business at market prices through the Toronto Stock Exchange.

During the first nine months of fiscal year 2025, the Corporation repurchased and cancelled 934,434 Class A Subordinate Voting Shares at a weighted average price of $17.38 and 3,600 Class B Shares at a weighted average price of $17.27, for a total cash consideration of $16.3 million. As at July 27, 2025, the Corporation had no share repurchase program in effect.

Additional information

Conference Call

Upon releasing its results for the third quarter of fiscal year 2025, the Corporation will hold a conference call for the financial community on September 5, 2025, at 8:00 a.m. The dial-in numbers are 1-289-514-5100 or 1-800-717-1738. Media may hear the call in listen-only mode or tune in to the simultaneous audio broadcast on TC Transcontinental’s website, which will then be archived for 30 days. For media requests or interviews, please contact Laurence Boucicault, Senior Advisor, Corporate Communications of TC Transcontinental, at 438-226-0469.

Profile

TC Transcontinental is a leader in flexible packaging in North America and in retail services in Canada, and is Canada’s largest printer. The Corporation is also the leading Canadian French-language educational publishing group. Since 1976, TC Transcontinental's mission has been to create quality products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are the strong values held by the Corporation and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has approximately 7,600 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental generated revenues of $2.8 billion during the fiscal year ended October 27, 2024. For more information, visit TC Transcontinental's website at www.tc.tc.

Forward-looking Statements

Our public communications often contain oral or written forward-looking statements which are based on the expectations of management and inherently subject to a certain number of risks and uncertainties, known and unknown. By their very nature, forward-looking statements are derived from both general and specific assumptions. The Corporation cautions against undue reliance on such statements since actual results or events may differ materially from the expectations expressed or implied in them. Forward-looking statements may include observations concerning the Corporation's objectives, strategy, anticipated financial results and business outlook. The Corporation's future performance may also be affected by a number of factors, many of which are beyond the Corporation's will or control. These factors include, but are not limited to the impact of digital product development and adoption, the impact of changes in the participants in the distribution of newspapers and printed advertising materials and the disruption in their activities resulting mainly from labour disputes, including at Canada Post, the impact of regulations or legislation regarding door-to-door distribution on the printing of paper flyers or printed advertising materials, inflation and recession risks, economic conditions and geopolitical uncertainty, environmental risks as well as adoption of new regulations or amendments and changes to consumption habits, risk of an operational disruption that could be harmful to its ability to meet deadlines, the worldwide outbreak of a disease, a virus or any other contagious disease could have an adverse impact on the Corporation's operations, the ability to generate organic long-term growth and face competition, a significant increase in the cost of raw materials, the availability of those materials and energy consumption could have an adverse impact on the Corporation's activities, the ability to complete acquisitions and properly integrate them, cybersecurity, data protection, warehousing and usage, the impact of digital product development and adoption on the demand for printed products other than flyers, the failure of patents, trademarks and confidentiality agreements to protect intellectual property, a difficulty to attract and retain employees in the main operating sectors, the safety and quality of packaging products used in the food industry, bad debts from certain customers, import and export controls, duties, tariffs or taxes, exchange rate fluctuations, increase in market interest rates with respect to our financial instruments as well as availability of capital at a reasonable cost, the legal risks related to its activities and the compliance of its activities with applicable regulations, the impact of major market fluctuations on the solvency of defined benefit pension plans, changes in tax legislation and disputes with tax authorities or amendments to statutory tax rates in force, the impact of impairment tests on the value of assets and a conflict of interest between the controlling shareholder and other shareholders. The main risks, uncertainties and factors that could influence actual results are described in the *Management's Discussion and Analysis* for the fiscal year ended October 27, 2024 and in the latest *Annual Information Form*.

Unless otherwise indicated by the Corporation, forward-looking statements do not take into account the potential impact of non-recurring or other unusual items, nor of disposals, business combinations, mergers or acquisitions which may be announced or entered into after the date of September 4, 2025. The forward-looking statements in this press release are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. The forward-looking statements in this release are based on current expectations and information available as at September 4, 2025. Such forward-looking information may also be found in other documents filed with Canadian securities regulators or in other communications. The Corporation's management disclaims any intention or obligation to update or revise these statements unless otherwise required by the securities authorities.

- 30 -

For information:

Media

Laurence Boucicault
Senior Advisor, Corporate Communications
TC Transcontinental
Telephone: 438-226-0469
laurence.boucicault@tc.tc
www.tc.tc

Financial Community

Yan Lapointe
Senior Director, Investor Relations and Treasury
TC Transcontinental
Telephone: 514-954-3574
yan.lapointe@tc.tc
www.tc.tc

TRANSCONTINENTAL

Management's Discussion and Analysis

For the third quarter ended July 27, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the third quarter ended July 27, 2025

The purpose of this *Management's Discussion and Analysis* is to help the reader better understand the business, development strategy, and future outlook of Transcontinental Inc., how we manage risk, as well as to analyze the Corporation's results and financial position for the third quarter ended July 27, 2025. It should be read in conjunction with the information in the unaudited condensed interim consolidated financial statements and the accompanying notes. Additional information relating to the Corporation, including its *Annual Report* and *Annual Information Form*, may also be obtained on SEDAR+ at www.sedarplus.ca.

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Accounting Standards ("IFRS") and the term "dollar", as well as the symbol "$" designate Canadian dollars.

In addition, in this Management's Discussion and Analysis, we also use non-IFRS financial measures for which a complete definition is presented below and for which a reconciliation to financial information in accordance with IFRS is presented in Table #2 in the section entitled "Reconciliation of Non-IFRS Financial Measures" and in Note 3 "Segmented Information" to the unaudited condensed interim consolidated financial statements for the third quarter ended July 27, 2025. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them.

Terms Used	Definitions
Adjusted operating earnings before depreciation and amortization	Operating earnings before depreciation and amortization including realized gains on non-designated foreign exchange contracts and excluding restructuring and other costs (revenues) as well as impairment of assets.
Adjusted operating earnings margin before depreciation and amortization	Adjusted operating earnings before depreciation and amortization divided by revenues.
Adjusted operating earnings	Operating earnings including realized gains on non-designated foreign exchange contracts and excluding restructuring and other costs (revenues), amortization of intangible assets arising from business combinations as well as impairment of assets.
Adjusted operating earnings margin	Adjusted operating earnings divided by revenues.
Adjusted income taxes	Income taxes before income taxes on restructuring and other costs (revenues), amortization of intangible assets arising from business combinations, impairment of assets as well as the recognition of previous years tax assets of an acquired company.
Adjusted net earnings attributable to shareholders of the Corporation	Net earnings attributable to shareholders of the Corporation before restructuring and other costs (revenues), amortization of intangible assets arising from business combinations and impairment of assets, net of related income taxes, as well as the recognition of previous years tax assets of an acquired company.
Net indebtedness	Total of long-term debt, of current portion of long-term debt, of lease liabilities and of current portion of lease liabilities, less cash.
Net indebtedness ratio	Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization.

Finally, to facilitate the reading of this report, the terms "TC Transcontinental", "Transcontinental", "Corporation", "we", "our" and "us" all refer to Transcontinental Inc. together with its subsidiaries and joint ventures.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Our public communications often contain oral or written forward-looking statements which are based on the expectations of Management and inherently subject to a certain number of risks and uncertainties, known and unknown. By their very nature, forward-looking statements are derived from both general and specific assumptions. The Corporation cautions against undue reliance on such statements since actual results or events may differ materially from the expectations expressed or implied in them. Forward-looking statements include, among others, statements with respect to our objectives, our outlook, our strategies to achieve these objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. The words "may", "could", "should", "would", "assumptions", "plan", "strategy", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "objective", the use of the future and conditional tenses, and words and expressions of similar nature are intended to identify forward-looking statements. Such forward-looking statements may also include observations concerning the Corporation's anticipated financial results and business outlooks and the economies in which it operates. The Corporation's future performance may also be affected by a number of factors, many of which are beyond its will or control. The main risks, uncertainties and factors that could influence actual results are described in the *Management's Discussion and Analysis* for the fiscal year ended October 27, 2024 and in the latest *Annual Information Form*.

Unless otherwise indicated by the Corporation, forward-looking statements do not take into account the potential impact of non-recurring or other unusual items, nor of disposals, business combinations, mergers or acquisitions which may be announced or concluded after the date of September 4, 2025.

These forward-looking statements are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation.

The forward-looking statements in this *Management's Discussion and Analysis* are based on current expectations and information available as at September 4, 2025. Such forward-looking statements may also be found in other documents filed with Canadian securities regulators or in other communications. The Corporation's Management disclaims any intention or obligation to update or revise these statements unless otherwise required by the securities authorities.

PROFILE OF TC TRANSCONTINENTAL

TC Transcontinental is a leader in flexible packaging in North America and in retail services in Canada, and is Canada's largest printer. The Corporation is also the leading Canadian French-language educational publishing group. Since 1976, TC Transcontinental's mission has been to create quality products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are the strong values held by the Corporation and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has approximately 7,600 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental generated revenues of $2.8 billion during the fiscal year ended October 27, 2024. For more information, visit TC Transcontinental's website at www.tc.tc.

HIGHLIGHTS

Table #1:

(in millions of dollars, except per share amounts)	Q3-2025	Q3-2024	Variation in %
Revenues	$684.4	$700.0	(2.2)%
Operating earnings before depreciation and amortization	109.0	121.5	(10.3)
Adjusted operating earnings before depreciation and amortization (1)	122.6	121.0	1.3
Operating earnings	57.4	69.2	(17.1)
Adjusted operating earnings (1)	85.4	84.2	1.4
Net earnings attributable to shareholders of the Corporation	38.7	43.6	(11.2)
Net earnings attributable to shareholders of the Corporation per share	0.46	0.50	(8.0)
Adjusted net earnings attributable to shareholders of the Corporation (1)	58.9	51.4	14.6
Adjusted net earnings attributable to shareholders of the Corporation per share (1)	0.70	0.60	16.7

(1) Please refer to Table #2 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.

- Revenues of $684.4 million for the quarter ended July 27, 2025; operating earnings of $57.4 million; and net earnings attributable to shareholders of the Corporation of $38.7 million ($0.46 per share).
- Adjusted operating earnings before depreciation and amortization of $122.6 million for the quarter ended July 27, 2025; adjusted operating earnings of $85.4 million; and adjusted net earnings attributable to shareholders of the Corporation of $58.9 million ($0.70 per share).
- Growth in adjusted net earnings attributable to shareholders of the Corporation per share of 16.7%.
- Acquisitions to accelerate the growth of in-store marketing activities: Middleton Group Inc., based in Ontario, on June 23, 2025, for $4.6 million; and, subsequent to the end of the quarter, Mirazed Inc., based in Quebec, and Intergraphics Decal Limited, based in Manitoba, for a maximum of $72.7 million, subject to adjustments.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

(Unaudited)

The financial information has been prepared in accordance with IFRS. However, financial measures used, namely adjusted operating earnings before depreciation and amortization, adjusted operating earnings margin before depreciation and amortization, adjusted operating earnings, adjusted operating earnings margin, adjusted income taxes, adjusted net earnings attributable to shareholders of the Corporation, adjusted net earnings attributable to shareholders of the Corporation per share, net indebtedness and the net indebtedness ratio, for which a reconciliation is presented in the following table, do not have any standardized meaning under IFRS and could be calculated differently by other companies. We believe that many of our readers analyze the financial performance of the Corporation's activities based on these non-IFRS financial measures as such measures may allow for easier comparisons between periods. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them.

The Corporation also believes that these measures are useful indicators of the performance of its operations and its ability to meet its financial obligations. Furthermore, management also uses some of these non-IFRS financial measures to assess the performance of its activities and managers.

Table #2:

Reconciliation of operating earnings - Third quarter and cumulative

	Three months ended		Nine months ended	
(in millions of dollars)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Operating earnings	**$57.4**	$69.2	**$197.2**	$130.2
Including				
Realized gains on non-designated foreign exchange contracts (1)	**1.2**	—	**1.2**	—
Excluding				
Restructuring and other costs (revenues)	**6.7**	(0.5)	**(33.2)**	26.8
Amortization of intangible assets arising from business combinations (2)	**14.4**	15.5	**44.2**	51.0
Impairment of assets	**5.7**	—	**5.7**	7.5
Adjusted operating earnings	**$85.4**	$84.2	**$215.1**	$215.5
Depreciation and amortization (3)	**37.2**	36.8	**113.5**	111.7
Adjusted operating earnings before depreciation and amortization	**$122.6**	$121.0	**$328.6**	$327.2

(1) To mitigate the impact of foreign currency fluctuations when consolidating the Packaging Sector's earnings, the Corporation sometimes uses foreign exchange contracts. These contracts are not designated as part of a hedge accounting relationship, and resulting exchange gains or losses are added to adjusted operating earnings and adjusted operating earnings before depreciation and amortization.
(2) Amortization of intangible assets arising from business combinations include our customer relationships, rights of first refusal and educational book titles.
(3) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations

Reconciliation of operating earnings - Third quarter and cumulative for the Packaging Sector

	Three months ended		Nine months ended	
(in millions of dollars)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Operating earnings	**$29.4**	$29.4	**$126.5**	$84.1
Including				
Realized gains on non-designated foreign exchange contracts (1)	**1.2**	—	**1.2**	—
Excluding				
Restructuring and other costs (revenues)	**1.1**	2.4	**(41.1)**	9.7
Amortization of intangible assets arising from business combinations (2)	**13.5**	14.3	**41.1**	46.5
Impairment of assets	**—**	—	**—**	0.6
Adjusted operating earnings	**$45.2**	$46.1	**$127.7**	$140.9
Depreciation and amortization (3)	**20.1**	18.8	**62.0**	55.6
Adjusted operating earnings before depreciation and amortization	**$65.3**	$64.9	**$189.7**	$196.5

(1) To mitigate the impact of foreign currency fluctuations when consolidating the Packaging Sector's earnings, the Corporation sometimes uses foreign exchange contracts. These contracts are not designated as part of a hedge accounting relationship, and resulting exchange gains or losses are added to adjusted operating earnings and adjusted operating earnings before depreciation and amortization.
(2) Amortization of intangible assets arising from business combinations includes our customer relationships.
(3) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of operating earnings - Third quarter and cumulative for the Retail Services and Printing Sector

	Three months ended		Nine months ended	
(in millions of dollars)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Operating earnings	**$37.6**	$36.8	**$107.5**	$71.1
Excluding				
Restructuring and other costs	**3.4**	1.7	**7.5**	19.6
Amortization of intangible assets arising from business combinations (1)	**0.5**	0.7	**1.7**	3.0
Impairment of assets	**—**	—	**—**	6.9
Adjusted operating earnings	**$41.5**	$39.2	**$116.7**	$100.6
Depreciation and amortization (2)	**10.5**	11.6	**31.6**	36.8
Adjusted operating earnings before depreciation and amortization	**$52.0**	$50.8	**$148.3**	$137.4

(1) Amortization of intangible assets arising from business combinations includes our customer relationships.
(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of operating earnings - Third quarter and cumulative for the Other Sector

	Three months ended		Nine months ended	
(in millions of dollars)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Operating earnings	**$(9.6)**	$3.0	**$(36.8)**	$(25.0)
Excluding				
Restructuring and other costs (revenues)	**2.2**	(4.6)	**0.4**	(2.5)
Amortization of intangible assets arising from business combinations (1)	**0.4**	0.5	**1.4**	1.5
Impairment of assets	**5.7**	—	**5.7**	—
Adjusted operating earnings	**$(1.3)**	$(1.1)	**$(29.3)**	$(26.0)
Depreciation and amortization (2)	**6.6**	6.4	**19.9**	19.3
Adjusted operating earnings before depreciation and amortization	**$5.3**	$5.3	**$(9.4)**	$(6.7)

(1) Amortization of intangible assets arising from business combinations includes our rights of first refusal and educational book titles.
(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of operating earnings - Last eight quarters

	2025			2024				2023
(in millions of dollars)	**Q3**	Q2	Q1	Q4	**Q3**	Q2	Q1	Q4
Operating earnings	**$57.4**	$51.1	$88.7	$79.3	**$69.2**	$33.2	$27.8	$66.7
Including								
Realized gains on non-designated foreign exchange contracts (1)	**1.2**	—	—	—	**—**	—	—	—
Excluding								
Restructuring and other costs (revenues)	**6.7**	4.0	(43.9)	7.1	**(0.5)**	16.0	11.3	(2.9)
Amortization of intangible assets arising from business combinations (2)	**14.4**	15.0	14.8	15.4	**15.5**	17.7	17.8	18.3
Impairment of assets	**5.7**	—	—	3.3	**—**	5.4	2.1	25.2
Adjusted operating earnings	**$85.4**	$70.1	$59.6	$105.1	**$84.2**	$72.3	$59.0	$107.3
Depreciation and amortization (3)	**37.2**	38.4	37.9	37.1	**36.8**	37.8	37.1	38.2
Adjusted operating earnings before depreciation and amortization	**$122.6**	$108.5	$97.5	$142.2	**$121.0**	$110.1	$96.1	$145.5

(1) To mitigate the impact of foreign currency fluctuations when consolidating the Packaging Sector's earnings, the Corporation sometimes uses foreign exchange contracts. These contracts are not designated as part of a hedge accounting relationship, and resulting exchange gains or losses are added to adjusted operating earnings and adjusted operating earnings before depreciation and amortization.
(2) Amortization of intangible assets arising from business combinations includes our customer relationships, rights of first refusal and educational book titles.
(3) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of net earnings attributable to shareholders of the Corporation - Third quarter and cumulative

	Three months ended		Nine months ended	
(in millions of dollars, except per share amounts)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Net earnings attributable to shareholders of the Corporation	**$38.7**	$43.6	**$128.1**	$73.4
Excluding				
Restructuring and other costs (revenues)	**6.7**	(0.5)	**(33.2)**	26.8
Tax on restructuring and other costs (revenues)	**(1.6)**	—	**16.1**	(6.8)
Amortization of intangible assets arising from business combinations (1)	**14.4**	15.5	**44.2**	51.0
Tax on amortization of intangible assets arising from business combinations	**(3.5)**	(3.8)	**(10.8)**	(12.5)
Impairment of assets	**5.7**	—	**5.7**	7.5
Tax on impairment of assets	**(1.5)**	—	**(1.5)**	(1.9)
Recognition of previous years tax assets of an acquired company	**—**	(3.4)	**—**	(3.4)
Adjusted net earnings attributable to shareholders of the Corporation	**$58.9**	$51.4	**$148.6**	$134.1
Net earnings attributable to shareholders of the Corporation per share	**$0.46**	$0.50	**$1.53**	$0.85
Adjusted net earnings attributable to shareholders of the Corporation per share	**$0.70**	$0.60	**$1.77**	$1.55
Weighted average number of shares outstanding	**83.6**	86.4	**83.8**	86.5

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, rights of first refusal and educational book titles.

Reconciliation of net earnings attributable to shareholders of the Corporation - Last eight quarters

	2025			2024				2023
(in millions of dollars, except per share amounts)	**Q3**	Q2	Q1	Q4	**Q3**	Q2	Q1	Q4
Net earnings attributable to shareholders of the Corporation	**$38.7**	$33.8	$55.6	$47.9	**$43.6**	$15.9	$13.9	$41.7
Excluding								
Restructuring and other costs (revenues)	**6.7**	4.0	(43.9)	7.1	**(0.5)**	16.0	11.3	(2.9)
Tax on restructuring and other costs (revenues)	**(1.6)**	(1.0)	18.7	(1.8)	**—**	(4.0)	(2.8)	0.3
Amortization of intangible assets arising from business combinations (1)	**14.4**	15.0	14.8	15.4	**15.5**	17.7	17.8	18.3
Tax on amortization of intangible assets arising from business combinations	**(3.5)**	(3.6)	(3.7)	(3.8)	**(3.8)**	(4.3)	(4.4)	(4.3)
Impairment of assets	**5.7**	—	—	3.3	**—**	5.4	2.1	25.2
Tax on impairment of assets	**(1.5)**	—	—	(0.8)	**—**	(1.4)	(0.5)	(6.5)
Recognition of previous years tax assets of an acquired company	**—**	—	—	—	**(3.4)**	—	—	—
Adjusted net earnings attributable to shareholders of the Corporation	**$58.9**	$48.2	$41.5	$67.3	**$51.4**	$45.3	$37.4	$71.8
Net earnings attributable to shareholders of the Corporation per share	**$0.46**	$0.40	$0.66	$0.57	**$0.50**	$0.18	$0.16	$0.48
Adjusted net earnings attributable to shareholders of the Corporation per share	**$0.70**	$0.58	$0.49	$0.79	**$0.60**	$0.52	$0.43	$0.83
Weighted average number of shares outstanding	**83.6**	83.6	84.2	84.8	**86.4**	86.6	86.6	86.6

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, rights of first refusal and educational book titles.

Reconciliation of net indebtedness

(in millions of dollars, except ratios)	**As at July 27, 2025**	As at October 27, 2024
Long-term debt	**$461.2**	$668.1
Current portion of long-term debt	**252.0**	201.0
Lease liabilities	**88.7**	95.8
Current portion of lease liabilities	**24.5**	24.1
Cash	**(35.9)**	(185.2)
Net indebtedness	**$790.5**	$803.8
Adjusted operating earnings before depreciation and amortization (last 12 months)	**$470.8**	$469.4
Net indebtedness ratio	**1.68x**	1.71x

ANALYSIS OF CONSOLIDATED RESULTS - THIRD QUARTER

Revenues

Revenues decreased by $15.6 million, or 2.2%, from $700.0 million in the third quarter of 2024 to $684.4 million in the corresponding period of 2025. This decrease is mainly due to the impact of the sale of the industrial packaging operations and lower volume in the Packaging Sector, partially offset by higher volume in the Retail Services and Printing Sector, notably in book printing activities, the favourable exchange rate effect and, to a lesser extent, the acquisition of Middleton Group Inc. ("Middleton"). A more detailed analysis of revenues is presented in the section "Analysis of Sector Results - Third Quarter".

Operating and Other Expenses

Operating expenses decreased by $16.0 million, or 2.8%, in the third quarter of 2025 compared to the corresponding period of 2024. This decrease results mainly from cost reduction initiatives, lower volume in the Packaging Sector and the impact of the sale of the industrial packaging operations, partially offset by higher volume in the Retail Services and Printing Sector and the unfavourable exchange rate effect.

Restructuring and other costs (revenues) increased by $7.2 million, from a revenue of $0.5 million in the third quarter of 2024 to an expense of $6.7 million in the third quarter of 2025. This increase is mainly due to the net gain on the sale of a building in the third quarter of 2024 and costs incurred in relation with the labour conflict at Canada Post in the third quarter of 2025.

Asset impairment charges increased by $5.7 million, from no asset impairment charge in the third quarter of 2024 to an asset impairment charge of $5.7 million in the third quarter of 2025. On July 9, 2025, the Corporation definitively ceased the operations of Groupe Constructo in the Media Sector, which led to the recognition of a goodwill impairment charge of $5.7 million.

Operating Earnings before Depreciation and Amortization

Operating earnings before depreciation and amortization decreased by $12.5 million, or 10.3%, from $121.5 million in the third quarter of 2024 to $109.0 million in the third quarter of 2025. This decrease is mainly due to lower volume in the Packaging Sector, a less favourable product mix in our two main sectors, the increase in restructuring and other costs, an asset impairment charge and the sale of the industrial packaging operations, partially offset by the favourable impact of cost reduction initiatives and the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization increased by $1.6 million, or 1.3%, from $121.0 million in the third quarter of 2024 to $122.6 million in the third quarter of 2025. This increase is mainly attributable to the favourable impact of cost reduction initiatives and the favourable exchange rate effect, mostly offset by lower volume in the Packaging Sector, a less favourable product mix in our two main sectors and the sale of the industrial packaging operations. A more detailed analysis of adjusted operating earnings is presented in the section "Analysis of Sector Results - Third Quarter".

Depreciation and Amortization

Depreciation and amortization decreased by $0.7 million, from $52.3 million in the third quarter of 2024 to $51.6 million in the third quarter of 2025. This decrease is mostly attributable to the end of the depreciation and amortization period for some items of property, plant and equipment and the impact of the sale of the industrial packaging operations, partially offset by the impact of items of property, plant and equipment brought into use, mainly in the Packaging Sector.

Net Financial Expenses

Net financial expenses decreased by $4.6 million, from $15.6 million in the third quarter of 2024 to $11.0 million in the third quarter of 2025. This favourable change is mainly explained by the reduction in net indebtedness, the favourable exchange rate effect and, to a lesser extent, the decrease in interest rates.

Income Taxes

Income taxes decreased by $2.2 million, from $9.8 million in the third quarter of 2024 to $7.6 million in the third quarter of 2025. This decrease is mainly attributable to the decrease in earnings before income taxes.

Adjusted income taxes decreased by $2.8 million, from $17.0 million in the third quarter of 2024, for an effective tax rate of 24.8%, to $14.2 million in the third quarter of 2025, for an effective tax rate of 19.4%. This decrease in the effective tax rate is mainly attributable to differences between the accounting and tax treatment that had an unfavourable impact in 2024 and a favourable impact in 2025.

Net Earnings Attributable to Shareholders of the Corporation

Net earnings attributable to shareholders of the Corporation decreased by $4.9 million, or 11.2%, from $43.6 million in the third quarter of 2024 to $38.7 million in the third quarter of 2025. This decrease is mainly due to the previously explained decrease in operating earnings before depreciation and amortization, partially offset by lower financial expenses, depreciation and amortization, and income taxes. On a per share basis, net earnings attributable to shareholders of the Corporation went from $0.50 to $0.46, respectively.

Adjusted net earnings attributable to shareholders of the Corporation increased by $7.5 million, or 14.6%, from $51.4 million in the third quarter of 2024 to $58.9 million in the third quarter of 2025. This increase is mainly attributable to lower financial expenses and income taxes as well as the previously explained increase in adjusted operating earnings before depreciation and amortization. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation went from $0.60 to $0.70, respectively.

ANALYSIS OF CONSOLIDATED RESULTS - CUMULATIVE

Revenues

Revenues decreased by $52.1 million, or 2.5%, from $2,063.6 million in the first nine months of fiscal year 2024 to $2,011.5 million in the corresponding period of 2025. This decrease is mainly due to the impact of the sale of the industrial packaging operations and lower volume, mainly in the Packaging Sector, partially offset by the favourable exchange rate effect. A more detailed analysis of revenues is presented in the section "Analysis of Sector Results - Cumulative".

Operating and Other Expenses

Operating expenses decreased by $52.3 million in the first nine months of fiscal year 2025, or 3.0%, compared to the corresponding period of 2024. This decrease results mainly from lower volume, lower costs of materials used and fixed costs and the impact of the sale of the industrial packaging operations, partially offset by the unfavourable exchange rate effect.

Restructuring and other costs (revenues) decreased by $60.0 million, from an expense of $26.8 million in the first nine months of fiscal year 2024 to a revenue of $33.2 million in the corresponding period of 2025. This decrease is mainly attributable to the gain on the sale of the industrial packaging operations, the decrease in workforce reduction costs and costs resulting from plant closures in 2024 and the reversal of a purchase price holdback, partially offset by costs incurred in relation with the labour conflict at Canada Post in the first nine months of fiscal year 2025 and a net gain on the sale of a building in the first nine months of fiscal year 2024.

Asset impairment charges decreased by $1.8 million, from $7.5 million in the first nine months of fiscal year 2024 to $5.7 million in the corresponding period of 2025. In the first nine months of fiscal year 2024, impairment charges of $7.5 million had been recognized due to the revision of estimates for the expected future economic benefits of equipment, mainly in the Retail Services and Printing Sector. In the first nine months of fiscal year 2025, a goodwill impairment charge of $5.7 million was recognized upon termination, on July 9, 2025, of the operations of Groupe Constructo in the Media Sector.

Operating Earnings before Depreciation and Amortization

Operating earnings before depreciation and amortization increased by $62.0 million, or 21.2%, from $292.9 million in the first nine months of fiscal year 2024 to $354.9 million in the corresponding period of 2025. This increase is mainly attributable to the decrease in restructuring and other costs (revenues), the favourable impact of cost reduction initiatives and the favourable exchange rate effect, partially offset by lower volume and a less favourable product mix in the Packaging Sector as well as the sale of the industrial packaging operations.

Adjusted operating earnings before depreciation and amortization increased by $1.4 million, or 0.4%, from $327.2 million in the first nine months of fiscal year 2024 to $328.6 million in the corresponding period of 2025. This increase is mainly attributable to the favourable impact of cost reduction initiatives and the favourable exchange rate effect, mostly offset by lower volume and a less favourable product mix in the Packaging Sector as well as the sale of the industrial packaging operations. A more detailed analysis of adjusted operating earnings before depreciation and amortization is presented in the section "Analysis of Sector Results - Cumulative".

Depreciation and Amortization

Depreciation and amortization decreased by $5.0 million, from $162.7 million in the first nine months of fiscal year 2024 to $157.7 million in the corresponding period of 2025. This decrease is mostly attributable to the end of the depreciation and amortization period for some items of property, plant and equipment and intangible assets and the impact of the sale of the industrial packaging operations, partially offset by the impact of items of property, plant and equipment brought into use, mainly in the Packaging Sector.

Net Financial Expenses

Net financial expenses decreased by $14.6 million, from $43.9 million in the first nine months of fiscal year 2024 to $29.3 million in the corresponding period of 2025. This favourable change is mainly explained by the reduction in net indebtedness and, to a lesser extent, the favourable exchange rate effect and the decrease in interest rates.

Income Taxes

Income taxes increased by $27.0 million, from $12.4 million in the first nine months of fiscal year 2024 to $39.4 million in the corresponding period of 2025. This increase is mainly due to the taxable gain realized on the sale of the industrial packaging operations, which significantly contributed to the increase in earnings.

Adjusted income taxes decreased by $1.4 million, from $37.0 million in the first nine months of fiscal year 2024, for an effective tax rate of 21.6%, to $35.6 million in the corresponding period of 2025, for an effective tax rate of 19.3%. The decrease in the effective tax rate is mainly attributable to differences between the accounting and tax treatment that had an unfavourable impact in 2024 and a favourable impact in 2025 as well as a favourable prior years adjustment.

Net Earnings Attributable to Shareholders of the Corporation

Net earnings attributable to shareholders of the Corporation increased by $54.7 million, or 74.5%, from $73.4 million in the first nine months of fiscal year 2024 to $128.1 million in the corresponding period of 2025. This increase is mainly attributable to the previously explained increase in operating earnings before depreciation and amortization as well as lower financial expenses and depreciation and amortization, partially offset by higher income taxes. On a per share basis, net earnings attributable to shareholders of the Corporation went from $0.85 to $1.53, respectively.

Adjusted net earnings attributable to shareholders of the Corporation increased by $14.5 million, or 10.8%, from $134.1 million in the first nine months of fiscal year 2024 to $148.6 million in the corresponding period of 2025. This increase is mainly attributable to lower financial expenses. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation went from $1.55 to $1.77, respectively.

ANALYSIS OF SECTOR RESULTS - THIRD QUARTER

(Unaudited)

Table #3:

(in millions of dollars)	Packaging	Retail Services and Printing	Other	Consolidated results
Revenues - Third quarter of 2024	**$417.3**	**$250.0**	**$32.7**	**$700.0**
Business acquisition and disposal	(16.4)	1.5	—	**(14.9)**
Exchange rate effect	3.9	1.0	—	**4.9**
Organic growth (decline)	(13.6)	8.7	(0.7)	**(5.6)**
Revenues - Third quarter of 2025	**$391.2**	**$261.2**	**$32.0**	**$684.4**
Adjusted operating earnings before depreciation and amortization (1) - Third quarter of 2024	**$64.9**	**$50.8**	**$ 5.3**	**$121.0**
Business acquisition and disposal	(3.4)	0.1	—	**(3.3)**
Exchange rate effect	0.8	0.8	—	**1.6**
Stock-based compensation	—	—	(0.9)	**(0.9)**
Organic growth (decline)	3.0	0.3	0.9	**4.2**
Adjusted operating earnings before depreciation and amortization (1) - Third quarter of 2025	**$65.3**	**$52.0**	**$ 5.3**	**$122.6**

(1) Please refer to Table #2 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.

Packaging Sector

Packaging Sector revenues decreased by $26.1 million, or 6.3%, from $417.3 million in the third quarter of 2024 to $391.2 million in the third quarter of 2025. This decrease is mainly due to the sale of the industrial packaging operations and lower volume in several markets, except, notably, the medical market, partially offset by the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization increased by $0.4 million, or 0.6%, from $64.9 million in the third quarter of 2024 to $65.3 million in the third quarter of 2025. This increase is mainly attributable to cost reduction initiatives and the favourable exchange rate effect, mostly offset by lower volume, a less favourable product mix and the sale of the industrial packaging operations. The sector's adjusted operating earnings margin before depreciation and amortization increased from 15.6% in the third quarter of 2024 to 16.7% in the third quarter of 2025, mainly as a result of the above-mentioned items.

Retail Services and Printing Sector

Retail Services and Printing Sector revenues increased by $11.2 million, or 4.5%, from $250.0 million in the third quarter of 2024 to $261.2 million in the third quarter of 2025. This increase is mostly attributable to higher volume for book printing activities, in particular as a result of more competitive prices due to favourable exchange rates that facilitate securing contracts, the recent acquisition and, to a lesser extent, the favourable exchange rate effect, partially offset by lower volume for flyer printing activities.

Adjusted operating earnings before depreciation and amortization increased by $1.2 million, or 2.4%, from $50.8 million in the third quarter of 2024 to $52.0 million in the third quarter of 2025. This increase is mainly attributable to the previously explained higher volume and the favourable exchange rate effect, mostly offset by lower volume for flyer printing activities and a less favourable product mix. The sector's adjusted operating earnings margin before depreciation and amortization decreased from 20.3% in the third quarter of 2024 to 19.9% in the third quarter of 2025, mainly as a result of the above-mentioned items.

Other

Revenues decreased by $0.7 million, or 2.1%, from $32.7 million in the third quarter of 2024 to $32.0 million in the third quarter of 2025. This decrease is due to lower volume in the Media Sector, which was mainly caused by the end of the contract related to SEAO, Quebec's electronic tendering system, and the increase in inter-sector eliminations, partially offset by the solid performance of the Education segment.

Adjusted operating earnings before depreciation and amortization remained stable at $5.3 million in the third quarter of 2024 and the third quarter of 2025, as the higher volumes in the Education segment was offset by the increase in the stock-based compensation expense.

ANALYSIS OF SECTOR RESULTS - CUMULATIVE

(Unaudited)

Table #4 :

(in millions of dollars)	Packaging	Retail Services and Printing	Other	Consolidated results
Revenues - Nine months ended July 28, 2024	**$1,227.9**	**$781.4**	**$54.3**	**$2,063.6**
Business acquisition and disposal	(47.3)	1.5	—	**(45.8)**
Exchange rate effect	37.6	3.1	—	**40.7**
Organic growth (decline)	(33.6)	(4.2)	(9.2)	**(47.0)**
Revenues - Nine months ended July 27, 2025	**$1,184.6**	**$781.8**	**$45.1**	**$2,011.5**
Adjusted operating earnings before depreciation and amortization (1) - Nine months ended July 28, 2024	**$196.5**	**$137.4**	**$ (6.7)**	**$327.2**
Business acquisition and disposal	(9.7)	0.1	—	**(9.6)**
Exchange rate effect	7.0	1.7	(0.2)	**8.5**
Stock-based compensation	—	—	(1.7)	**(1.7)**
Organic growth (decline)	(4.1)	9.1	(0.8)	**4.2**
Adjusted operating earnings before depreciation and amortization (1) - Nine months ended July 27, 2025	**$189.7**	**$148.3**	**$ (9.4)**	**$328.6**

(1) Please refer to Table #2 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.

Packaging Sector

Packaging Sector revenues decreased by $43.3 million, from $1,227.9 million in the first nine months of fiscal year 2024 to $1,184.6 million in the corresponding period of 2025. This decrease is mainly due to the sale of the industrial packaging operations and lower volume in several markets, except, notably, the medical market, partially offset by the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by $6.8 million, from $196.5 million in the first nine months of fiscal year 2024 to $189.7 million in the corresponding period of 2025. This decrease is mainly due to lower volume and a less favourable product mix, as well as the sale of the industrial packaging operations, partially offset by cost reduction initiatives and the favourable exchange rate effect. The sector's adjusted operating earnings margin before depreciation and amortization remained stable at 16.0% in the first nine months of fiscal year 2024 and in the corresponding period of 2025, mainly as a result of the above-mentioned items.

Retail Services and Printing Sector

Retail Services and Printing Sector revenues increased by $0.4 million, from $781.4 million in the first nine months of fiscal year 2024 to $781.8 million in the corresponding period of 2025. This increase is mostly attributable to higher book printing activities, in particular as a result of more competitive prices due to favourable exchange rates that facilitate securing contracts, the favourable exchange rate effect and our recent acquisition, offset by lower volume for flyer printing activities.

Adjusted operating earnings before depreciation and amortization increased by $10.9 million, from $137.4 million in the first nine months of fiscal year 2024 to $148.3 million in the corresponding period of 2025. This increase is mainly attributable to the previously explained higher volume for book printing activities as well as cost reduction initiatives and, to a lesser extent, the favourable exchange rate effect. The sector's adjusted operating earnings margin before depreciation and amortization increased from 17.6% in the first nine months of fiscal year 2024 to 19.0% in the corresponding period of 2025, mainly as a result of the above-mentioned items.

Other

Revenues decreased by $9.2 million, from $54.3 million in the first nine months of fiscal year 2024 to $45.1 million in the corresponding period of 2025. This decrease is due to lower volume in the Media Sector, which was mainly caused by the end of the contract related to SEAO, Quebec's electronic tendering system, as well as the increase in inter-sector eliminations, partially offset by higher volume in the Education segment.

Adjusted operating earnings before depreciation and amortization decreased by $2.7 million, from $-6.7 million in the first nine months of fiscal year 2024 to $-9.4 million in the corresponding period of 2025. This decrease is mainly due to the end of the contract related to SEAO in the Media Sector and to the increase in the stock-based compensation expense, partially offset by cost reduction initiatives and higher volume in the Education segment.

SUMMARY OF QUARTERLY RESULTS

(Unaudited)

Table #5 summarizes selected consolidated financial information derived from the Corporation's audited annual consolidated financial statements and some non-IFRS financial measures for each of the last eight quarters.

Table #5:

	2025			2024				2023
(in millions of dollars, unless otherwise indicated and per share amounts)	**Q3**	Q2	Q1	Q4	**Q3**	Q2	Q1	Q4
Revenues	**$ 684.4**	$ 684.1	$ 643.0	$ 749.3	**$ 700.0**	$ 683.2	$ 680.4	$779.7
Operating earnings before depreciation and amortization	**109.0**	104.5	141.4	131.8	**121.5**	88.7	82.7	123.2
Adjusted operating earnings before depreciation and amortization (1)	**122.6**	108.5	97.5	142.2	**121.0**	110.1	96.1	145.5
Adjusted operating earnings margin before depreciation and amortization (2)	**17.9%**	15.9%	15.2%	19.0%	**17.3%**	16.1%	14.1%	18.7%
Operating earnings	**$ 57.4**	$ 51.1	$ 88.7	$ 79.3	**$ 69.2**	$ 33.2	$ 27.8	$ 66.7
Adjusted operating earnings (1)	**85.4**	70.1	59.6	105.1	**84.2**	72.3	59.0	107.3
Adjusted operating earnings margin (1)	**12.5%**	10.2%	9.3%	14.0%	**12.0%**	10.6%	8.7%	13.8%
Net earnings attributable to shareholders of the Corporation	**$ 38.7**	$ 33.8	$ 55.6	$ 47.9	**$ 43.6**	$ 15.9	$ 13.9	$ 41.7
Net earnings attributable to shareholders of the Corporation per share	**0.46**	0.40	0.66	0.57	**0.50**	0.18	0.16	0.48
Adjusted net earnings attributable to shareholders of the Corporation (1)	**58.9**	48.2	41.5	67.3	**51.4**	45.3	37.4	71.8
Adjusted net earnings attributable to shareholders of the Corporation per share (1)	**0.70**	0.58	0.49	0.79	**0.60**	0.52	0.43	0.83
Adjusted net earnings attributable to shareholders of the Corporation as a % of the fiscal year	**—%**	—%	—%	34%	**26%**	22%	18%	41%

(1) Please refer to Table #2 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.

(2) Corresponds to adjusted operating earnings before depreciation and amortization divided by revenues.

The variability of financial information for interim periods is influenced by many factors, such as:

- The impact of business acquisitions and disposals;
- The effect of exchange rate fluctuations;
- The effect of interest rate fluctuations;
- The impact of the change in the share price on the stock-based compensation expense;
- The impact of changes in price of raw materials, including resin and paper; and
- The impact of inflation on costs.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL STRUCTURE

(Unaudited)

Table #6:

	Three months ended		Nine months ended	
(in millions of dollars)	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Operating activities				
Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid	**$113.5**	$112.6	**$313.0**	$284.7
Changes in non-cash operating items	**(21.1)**	(7.3)	**(91.6)**	(28.2)
Income taxes paid	**(14.6)**	(7.0)	**(39.7)**	(27.8)
Cash flows from operating activities	**$77.8**	$98.3	**$181.7**	$228.7
Investing activities				
Business combination, net of acquired cash	**$(4.1)**	$—	**$(4.1)**	$—
Business disposal	**—**	—	**132.0**	—
Acquisitions of property, plant and equipment	**(22.5)**	(23.8)	**(52.3)**	(75.9)
Disposals of property, plant and equipment and other	**0.1**	7.3	**0.2**	8.8
Increase in intangible assets	**(7.1)**	(6.8)	**(23.9)**	(21.4)
Cash flows from investing activities	**$(33.6)**	$(23.3)	**$51.9**	$(88.5)
Financing activities				
Reimbursement of long-term debt	**$(0.7)**	$(0.2)	**$(201.9)**	$(2.2)
Net (decrease) increase in credit facilities	**(16.0)**	(1.3)	**49.0**	(75.4)
Settlement of cross-currency fixed-to-floating interest rate swaps	**—**	—	**(25.9)**	—
Financial expenses paid on long-term debt and credit facilities	**(8.3)**	(6.1)	**(31.3)**	(27.7)
Repayment of principal on lease liabilities	**(6.4)**	(5.6)	**(18.5)**	(17.2)
Interest paid on lease liabilities	**(1.0)**	(0.8)	**(3.1)**	(2.5)
Dividends	**(18.9)**	(19.4)	**(140.2)**	(58.4)
Shares repurchased	**—**	(17.7)	**(16.3)**	(17.7)
Cash flows from financing activities	**$(51.3)**	$(51.1)	**$(388.2)**	$(201.1)
Effect of exchange rate changes on cash denominated in foreign currencies	**(0.2)**	0.9	**5.3**	3.8
Net change in cash	**$(7.3)**	$24.8	**$(149.3)**	$(57.1)

Table #7:

Financial position	**As at July 27, 2025**	As at October 27, 2024
Net indebtedness (1)	**$790.5**	$803.8
Net indebtedness ratio (1)	**1.68x**	1.71x
Credit rating		
DBRS	**BBB (low)**	BBB (low)
Outlook	**Stable**	Stable
Standard and Poor’s	**BBB-**	BBB-
Outlook	**Stable**	Stable
Consolidated Statements of Financial Position	**As at July 27, 2025**	As at October 27, 2024
Current assets	**$915.1**	$1,214.6
Current liabilities	**659.8**	765.3
Total assets	**3,265.6**	3,641.3
Total liabilities	**1,388.1**	1,726.5

(1) Please refer to Table #2 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.

ANALYSIS OF FINANCIAL POSITION - THIRD QUARTER

Cash Flows from Operating Activities

Cash flows from operating activities decreased, from $98.3 million in the third quarter of 2024 to $77.8 million in the third quarter of 2025. This decreased is mainly explained by an unfavourable change in working capital, notably caused by an unfavourable change in accounts payable and prepaid expenses, as well as an increase in income taxes paid.

Cash Flows from Investing Activities

Cash flows from investing activities increased, from a cash outflow of $23.3 million in the third quarter of 2024 to a cash outflow of $33.6 million in the third quarter of 2025. This change is mainly attributable to higher disposals of real estate assets in the third quarter of 2024 and the Middleton business combination in the third quarter of 2025.

Cash Flows from Financing Activities

Cash flows from financing activities remained relatively stable, from a cash outflow of $51.1 million in the third quarter of 2024 to a cash outflow of $51.3 million in the third quarter of 2025. This change is mainly attributable to the decrease in share redemptions, mostly offset by the decrease in borrowings under the credit facilities.

LIQUIDITY ANALYSIS - CUMULATIVE

Debt Instruments

On February 3, 2025, the Corporation repaid at maturity the unsecured notes (issued in 2022) amounting to $200.0 million. Concurrently with the repayment of the unsecured notes, the Corporation repaid the cross-currency fixed-to-floating interest rate swaps (CAD fixed/USD floating) amounting to $200.0 million (US$157.1 million).

The Corporation has a credit facility amounting to $400.0 million or the U.S. dollar equivalent, which was maturing in February 2028. On February 18, 2025, the maturity was extended for two additional years, until February 2030, with similar terms. The interest rate on the credit facility is based on the Corporation's credit rating. Based on the current credit rating, the applicable rate is the Canadian Overnight Repo Rate Average ("CORRA") plus 1.970% for one-month periods or plus 1.996% for three-month periods, or the Secured Overnight Financing Rate ("SOFR") plus 1.775%, or the Canadian prime rate or the U.S. prime rate plus 0.675%.

The Corporation has another credit facility with a maximum amount of US$15.0 million ($20.6 million), which was maturing in March 2025. On February 6, 2025, the maturity was extended for an additional year, until March 2026, with similar terms. The applicable interest rate for this credit facility is SOFR plus 1.450%.

As at July 27, 2025, $49.0 million were drawn on the credit facilities and the unused amount under the credit facilities was $371.6 million.

As at July 27, 2025, the floating-rate portion of the Corporation's long-term debt represented approximately 29.0% of total debt.

Net Indebtedness

Net indebtedness decreased, from $803.8 million as at October 27, 2024 to $790.5 million as at July 27, 2025. This change is explained by the decrease in borrowings under the credit facilities and the cash flows generated by the sale of the industrial packaging operations, which were partially offset by the payment of the special dividend. The net indebtedness ratio remained relatively stable, from 1.71x as at October 27, 2024 to 1.68x as at July 27, 2025.

CAPITAL STRUCTURE

Share Capital

Table #8:

Shares Issued and Outstanding	As at July 27, 2025	As at August 29, 2025
Class A (Subordinate Voting Shares)	**74,112,647**	**74,112,647**
Class B (Multiple Voting Shares)	**9,506,272**	**9,506,272**
Total Class A and Class B	**83,618,919**	**83,618,919**

On June 12, 2024, the Corporation was authorized to repurchase for cancellation, on the open market or subject to the approval of any securities authority by private agreements, between June 17, 2024 and June 16, 2025, or at an earlier date if the Corporation concludes or cancels the offer, up to 3,662,967 of its Class A Subordinate Voting Shares and up to 668,241 of its Class B Shares. The repurchases are made in the normal course of business at market prices through the Toronto Stock Exchange.

During the third quarter of 2025, the Corporation did not repurchase any of its Class A Subordinate Voting Shares or Class B Shares. During the first nine months of fiscal year 2025, the Corporation repurchased and cancelled 934,434 Class A Subordinate Voting Shares at a weighted average price of $17.38 and 3,600 Class B Shares at a weighted average price of $17.27, for a total cash consideration of $16.3 million. The excess of the total consideration over the carrying amount of the shares, amounting to $8.5 million, as well as related income taxes payable amounting to $0.3 million, were applied against retained earnings. As at July 27, 2025, the Corporation had no share repurchase program in effect.

During the third quarter and the first nine months of fiscal year 2024, the Corporation had repurchased and cancelled 1,159,758 Class A Subordinate Voting Shares at a weighted average price of $15.22 and 5,000 Class B Shares at a weighted average price of $15.37, for a total cash consideration of $17.7 million. The excess of the total consideration over the carrying amount of the shares, amounting to $7.9 million, had been applied against retained earnings.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control. The purpose of internal control over financial reporting ("ICFR") is to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and the preparation of condensed interim consolidated financial statements in accordance with IFRS. Management certifies disclosures in annual and interim filings under Regulation 52-109 using the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

During the third quarter ended July 27, 2025, no change that has materially affected or is reasonably likely to affect the ICFR was brought to the attention of management, including the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of the Corporation.

SUBSEQUENT EVENT

Business combination

On August 7, 2025, the Corporation acquired all the shares of two Canva Group businesses, Mirazed Inc. ("Mirazed") and Intergraphics Decal Limited ("Intergraphics"). Mirazed, located in Saint-Hubert, Quebec, is recognized for its cutting-edge expertise in screen printing as well as large format digital printing, the production of promotional displays and point-of-purchase signage. Intergraphics, based in Winnipeg, Manitoba, specializes in industrial screen and digital printing. The transaction was completed for a maximum consideration of $72.7 million, subject to adjustments, including a purchase price holdback of up to $5.0 million payable 18 months after the closing date of the transaction if performance thresholds are met for the reference period, and a cash contingent consideration of up to $8.5 million payable subject to attaining pre-established financial targets. The Corporation will measure the fair value of assets acquired and liabilities assumed in the coming quarters. This acquisition allows the Corporation to strengthen its position as a leader in in-store marketing.

OUTLOOK[1]

The investments in our growth activities, including flexible packaging and in-store marketing, position us well for the future and should be a key driver of our long-term growth.

In terms of profitability, despite a weaker than anticipated demand in the third quarter, we expect to generate organic growth in adjusted operating earnings before depreciation and amortization of the Packaging Sector for fiscal 2025 compared to fiscal 2024. In the Retail Services and Printing Sector, given the higher than anticipated growth in earnings since the beginning of fiscal 2025, we expect adjusted operating earnings before depreciation and amortization for fiscal 2025 to rise compared to fiscal 2024.

Lastly, we expect to continue generating significant cash flows from operating activities, which will enable us to pursue our strategy launched in 2023 to reduce net indebtedness while investing in our growth and returning capital to our shareholders.

On behalf of Management,

(s) Donald LeCavalier
Executive Vice President and Chief Financial Officer

September 4, 2025

[1] The above outlook does not take into account the impact of the implementation of protectionist trade measures and a potential labour conflict at Canada Post on our operations and their effects on our results.

TRANSCONTINENTAL

Condensed Interim Consolidated Financial Statements

For the nine-month periods ended July 27, 2025 and July 28, 2024

CONSOLIDATED STATEMENTS OF EARNINGS

Unaudited
(in millions of Canadian dollars, unless otherwise indicated and per share data)

		Three months ended		Nine months ended	
	Notes	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Revenues	3	**$ 684.4**	$ 700.0	**$ 2,011.5**	$ 2,063.6
Operating expenses	5	**563.0**	579.0	**1,684.1**	1,736.4
Restructuring and other costs (revenues)	6	**6.7**	(0.5)	**(33.2)**	26.8
Impairment of assets	6	**5.7**	—	**5.7**	7.5
Operating earnings before depreciation and amortization		**109.0**	121.5	**354.9**	292.9
Depreciation and amortization	7	**51.6**	52.3	**157.7**	162.7
Operating earnings		**57.4**	69.2	**197.2**	130.2
Net financial expenses	8	**11.0**	15.6	**29.3**	43.9
Earnings before income taxes		**46.4**	53.6	**167.9**	86.3
Income taxes	9	**7.6**	9.8	**39.4**	12.4
Net earnings		**38.8**	43.8	**128.5**	73.9
Non-controlling interests		**0.1**	0.2	**0.4**	0.5
Net earnings attributable to shareholders of the Corporation		**$ 38.7**	$ 43.6	**$ 128.1**	$ 73.4
Net earnings attributable to shareholders of the Corporation per share - basic and diluted		**$ 0.46**	$ 0.50	**$ 1.53**	$ 0.85
Weighted average number of shares outstanding - basic and diluted (in millions)	12	**83.6**	86.4	**83.8**	86.5

The notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited
(in millions of Canadian dollars)

		Three months ended		Nine months ended	
	Notes	**July 27, 2025**	July 28, 2024	**July 27, 2025**	July 28, 2024
Net earnings		**$ 38.8**	$ 43.8	**$ 128.5**	$ 73.9
Other comprehensive (loss) income					
Items that may be subsequently reclassified to net earnings					
Net change related to cash flow hedges					
Net change in the fair value of designated derivatives - foreign exchange risk		**1.6**	(3.1)	**0.1**	0.7
Net change in the fair value of designated derivatives - interest rate risk		**0.9**	(2.3)	**0.4**	(1.1)
Reclassification of the net change in the fair value of designated derivatives recognized in net earnings during the period		**(0.1)**	0.2	**4.5**	1.8
Related income taxes (recovery)		**0.6**	(1.3)	**1.3**	0.4
	14	**1.8**	(3.9)	**3.7**	1.0
Cumulative translation differences					
Net unrealized exchange (losses) gains on the translation of the financial statements of foreign operations		**(19.3)**	22.9	**(20.1)**	7.5
Reclassification to net earnings of net exchange gains on the translation of the financial statements of foreign operations during the period	4	**—**	—	**(8.2)**	—
Net gains (losses) on hedge of the net investment in foreign operations		**6.0**	(8.3)	**0.9**	(1.1)
Related (recovery) income taxes		**(0.4)**	(1.5)	**0.1**	(1.5)
	14	**(12.9)**	16.1	**(27.5)**	7.9
Items that will not be reclassified to net earnings					
Changes related to defined benefit plans					
Actuarial losses on defined benefit plans		**(2.9)**	3.5	**(3.8)**	(4.2)
Related (recovery) income taxes		**(0.8)**	0.9	**(1.0)**	(1.2)
	14	**(2.1)**	2.6	**(2.8)**	(3.0)
Other comprehensive (loss) income	14	**(13.2)**	14.8	**(26.6)**	5.9
Comprehensive income		**$ 25.6**	$ 58.6	**$ 101.9**	$ 79.8

The notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Unaudited
(in millions of Canadian dollars)

	Notes	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
Balance as at October 27, 2024		**$ 619.2**	**$ 0.9**	**$ 1,237.5**	**$ 51.7**	**$ 1,909.3**	**$ 5.5**	**$ 1,914.8**
Net earnings		**—**	**—**	**128.1**	**—**	**128.1**	**0.4**	**128.5**
Other comprehensive loss	14	**—**	**—**	**—**	**(26.6)**	**(26.6)**	**—**	**(26.6)**
Shareholders' contributions and distributions to shareholders								
Share repurchases and related income taxes	12	**(7.8)**	**—**	**8.8**	**—**	**1.0**	**—**	**1.0**
Dividends	12	**—**	**—**	**(140.2)**	**—**	**(140.2)**	**—**	**(140.2)**
Balance as at July 27, 2025		**$ 611.4**	**$ 0.9**	**$ 1,234.2**	**$ 25.1**	**$ 1,871.6**	**$ 5.9**	**$ 1,877.5**
Balance as at October 29, 2023		$ 636.6	$ 0.9	$ 1,226.8	$ 37.0	$ 1,901.3	$ 4.9	$ 1,906.2
Net earnings		—	—	73.4	—	73.4	0.5	73.9
Other comprehensive income	14	—	—	—	5.9	5.9	—	5.9
Shareholders' contributions and distributions to shareholders								
Share redemptions	12	(9.8)	—	(25.3)	—	(35.1)	—	(35.1)
Dividends	12	—	—	(58.4)	—	(58.4)	—	(58.4)
Balance as at July 28, 2024		$ 626.8	$ 0.9	$ 1,216.5	$ 42.9	$ 1,887.1	$ 5.4	$ 1,892.5

The notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited
(in millions of Canadian dollars)

	Notes	**As at July 27, 2025**	As at October 27, 2024
Current assets			
Cash		**$ 35.9**	$ 185.2
Accounts receivable		**437.8**	504.4
Income taxes receivable		**14.9**	28.7
Inventories		**384.7**	365.7
Prepaid expenses and other current assets		**35.3**	21.7
Assets held for sale		**6.5**	108.9
		915.1	1,214.6
Property, plant and equipment		**720.3**	751.4
Right-of-use assets		**94.6**	99.6
Intangible assets		**315.5**	354.5
Goodwill		**1,142.2**	1,154.0
Deferred taxes		**37.7**	35.9
Other assets		**40.2**	31.3
		$ 3,265.6	$ 3,641.3
Current liabilities			
Accounts payable and accrued liabilities		**$ 354.7**	$ 495.1
Income taxes payable		**18.6**	21.1
Deferred revenues and deposits		**10.0**	10.9
Current portion of long-term debt	10	**252.0**	201.0
Current portion of lease liabilities		**24.5**	24.1
Liabilities held for sale		**—**	13.1
		659.8	765.3
Long-term debt	10	**461.2**	668.1
Lease liabilities		**88.7**	95.8
Deferred taxes		**66.9**	70.3
Other liabilities	11	**111.5**	127.0
		1,388.1	1,726.5
Equity			
Share capital	12	**611.4**	619.2
Contributed surplus		**0.9**	0.9
Retained earnings		**1,234.2**	1,237.5
Accumulated other comprehensive income	14	**25.1**	51.7
Attributable to shareholders of the Corporation		**1,871.6**	1,909.3
Non-controlling interests		**5.9**	5.5
		1,877.5	1,914.8
		$ 3,265.6	$ 3,641.3

The notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited
(in millions of Canadian dollars)

	Notes	Three months ended July 27, 2025	Three months ended July 28, 2024	Nine months ended July 27, 2025	Nine months ended July 28, 2024
Operating activities					
Net earnings		**$ 38.8**	$ 43.8	**$ 128.5**	$ 73.9
Adjustments to reconcile net earnings and cash flows from operating activities:					
Impairment of assets	6	**5.7**	—	**5.7**	7.5
Depreciation and amortization	7	**51.6**	52.3	**157.7**	162.7
Financial expenses on long-term debt and lease liabilities	8	**9.5**	11.5	**30.7**	35.2
Net losses (gains) on disposal of assets		**0.2**	(5.3)	**0.3**	(5.6)
Gain on business disposal	4 & 6	**—**	—	**(46.0)**	—
Income taxes	9	**7.6**	9.8	**39.4**	12.4
Net foreign exchange differences and other		**0.1**	0.5	**(3.3)**	(1.4)
Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid		**113.5**	112.6	**313.0**	284.7
Changes in non-cash operating items		**(21.1)**	(7.3)	**(91.6)**	(28.2)
Income taxes paid		**(14.6)**	(7.0)	**(39.7)**	(27.8)
Cash flows from operating activities		**77.8**	98.3	**181.7**	228.7
Investing activities					
Business combination, net of acquired cash	4	**(4.1)**	—	**(4.1)**	—
Business disposal	4	**—**	—	**132.0**	—
Acquisitions of property, plant and equipment		**(22.5)**	(23.8)	**(52.3)**	(75.9)
Disposals of property, plant and equipment and other		**0.1**	7.3	**0.2**	8.8
Increase in intangible assets		**(7.1)**	(6.8)	**(23.9)**	(21.4)
Cash flows from investing activities		**(33.6)**	(23.3)	**51.9**	(88.5)
Financing activities					
Reimbursement of long-term debt	10	**(0.7)**	(0.2)	**(201.9)**	(2.2)
Net (decrease) increase in credit facilities	10	**(16.0)**	(1.3)	**49.0**	(75.4)
Settlement of cross-currency fixed-to-floating interest rate swaps	10	**—**	—	**(25.9)**	—
Financial expenses paid on long-term debt and credit facilities		**(8.3)**	(6.1)	**(31.3)**	(27.7)
Repayment of principal on lease liabilities		**(6.4)**	(5.6)	**(18.5)**	(17.2)
Interest paid on lease liabilities		**(1.0)**	(0.8)	**(3.1)**	(2.5)
Dividends	12	**(18.9)**	(19.4)	**(140.2)**	(58.4)
Shares repurchased	12	**—**	(17.7)	**(16.3)**	(17.7)
Cash flows from financing activities		**(51.3)**	(51.1)	**(388.2)**	(201.1)
Effect of exchange rate changes on cash denominated in foreign currencies		**(0.2)**	0.9	**5.3**	3.8
Net change in cash		**(7.3)**	24.8	**(149.3)**	(57.1)
Cash at beginning of the period		**43.2**	55.1	**185.2**	137.0
Cash at end of period		**$ 35.9**	$ 79.9	**$ 35.9**	$ 79.9
Non-cash investing activities					
Net change in capital asset acquisitions financed by accounts payable		**$ 1.4**	$ (2.3)	**$ (1.9)**	$ (11.6)

The notes are an integral part of these condensed interim consolidated financial statements.

1 GENERAL INFORMATION

Transcontinental Inc. (the "Corporation") is incorporated under the Canada Business Corporations Act. Its Class A Subordinate Voting Shares and Class B Shares are traded on the Toronto Stock Exchange. The Corporation's head office is located at 1 Place Ville Marie, Suite 3240, Montreal, Quebec, Canada, H3B 0G1.

The Corporation is a leader in flexible packaging in North America and in retail services in Canada and is Canada's largest printer. The Corporation mainly conducts business in Canada, the United States, Latin America and the United Kingdom in three separate sectors: the Packaging Sector, the Retail Services and Printing Sector and the Media Sector. The Corporation's main activities are described in Note 3 "Segmented Information".

The operating results for interim periods are not necessarily indicative of expected full-year results due to the seasonal nature of certain activities of the Corporation. Operating results of the Retail Services and Printing Sector are influenced by the advertising market, which is stronger in the second and fourth quarters.

The Corporation's Board of Directors approved these condensed interim consolidated financial statements on September 4, 2025.

2 MATERIAL ACCOUNTING POLICIES

Basis of presentation
These condensed interim consolidated financial statements were prepared in accordance with International Financial Reporting Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). In particular, these interim consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting", and therefore, are condensed consolidated financial statements since they do not contain all disclosures required by IFRS for annual consolidated financial statements. These condensed interim consolidated financial statements were prepared using the same accounting policies than those used in the audited annual consolidated financial statements for the year ended October 27, 2024 and should be read in conjunction with them.

3 SEGMENTED INFORMATION

The Corporation's operating segments are aggregated by management into three separate sectors: Packaging, Retail Services and Printing and Media.

The Packaging Sector, which specializes in extrusion, lamination, printing, and converting packaging solutions, generates revenues from the manufacturing of flexible plastic, including rollstock, labels, die cut lids, shrink films, bags and pouches and advanced coatings. Its facilities are mainly located in the United States, Canada, Latin America and the United Kingdom.

The Retail Services and Printing Sector generates revenues from an integrated retail service offering, including content solutions (also known as "premedia"), marketing and media solutions which comprise our flyer retail printing, digital flyer solutions and retail analytics, as well as in-store marketing solutions. This sector also offers an array of innovative print solutions for newspapers, magazines and 4-colour books. Its facilities are located in Canada.

The "Other" column includes the Media Sector, certain head office costs as well as the elimination of inter-sector sales. The Media Sector generates revenues from print and digital publishing products, in French and English, of the following types: educational books, supplemental educational books and specialized publications for professionals. Inter-sector sales of the Corporation are recognized at agreed transfer prices, which approximate fair value. Transactions other than sales are recognized at carrying amount.

(in millions of Canadian dollars, unless otherwise indicated and per share data)

3 SEGMENTED INFORMATION (CONTINUED)

The following tables present the various sectorial components of the Consolidated Statements of Earnings:

For the three-month period ended July 27, 2025	Packaging	Retail Services and Printing	Other	Consolidated Results
Revenues	**$ 391.2**	**$ 261.2**	**$ 32.0**	**$ 684.4**
Operating expenses	**327.1**	**209.2**	**26.7**	**563.0**
Restructuring and other costs	**1.1**	**3.4**	**2.2**	**6.7**
Impairment of assets	**—**	**—**	**5.7**	**5.7**
Operating earnings before depreciation and amortization	**63.0**	**48.6**	**(2.6)**	**109.0**
Depreciation and amortization	**33.6**	**11.0**	**7.0**	**51.6**
Operating earnings (1)	**$ 29.4**	**$ 37.6**	**$ (9.6)**	**$ 57.4**
Adjusted operating earnings before depreciation and amortization (2)	**$ 65.3**	**$ 52.0**	**$ 5.3**	**$ 122.6**
Adjusted operating earnings (1) & (2)	**45.2**	**41.5**	**(1.3)**	**85.4**
Realized gains on non-designated foreign exchange contracts (2)	**1.2**	**—**	**—**	**1.2**
Amortization of intangible assets arising from business combinations (2)	**13.5**	**0.5**	**0.4**	**14.4**
Acquisitions of non-current assets (3)	**18.9**	**6.0**	**6.1**	**31.0**

For the three-month period ended July 28, 2024	Packaging	Retail Services and Printing	Other	Consolidated Results
Revenues	$ 417.3	$ 250.0	$ 32.7	$ 700.0
Operating expenses	352.4	199.2	27.4	579.0
Restructuring and other costs (revenues)	2.4	1.7	(4.6)	(0.5)
Operating earnings before depreciation and amortization	62.5	49.1	9.9	121.5
Depreciation and amortization	33.1	12.3	6.9	52.3
Operating earnings (1)	$ 29.4	$ 36.8	$ 3.0	$ 69.2
Adjusted operating earnings before depreciation and amortization (2)	$ 64.9	$ 50.8	$ 5.3	$ 121.0
Adjusted operating earnings (1) & (2)	46.1	39.2	(1.1)	84.2
Amortization of intangible assets arising from business combinations (2)	14.3	0.7	0.5	15.5
Acquisitions of non-current assets (3)	16.2	5.0	7.0	28.2

(in millions of Canadian dollars, unless otherwise indicated and per share data)

3 SEGMENTED INFORMATION (CONTINUED)

For the nine-month period ended July 27, 2025	Packaging	Retail Services and Printing	Other	Consolidated results
Revenues	**$ 1,184.6**	**$ 781.8**	**$ 45.1**	**$ 2,011.5**
Operating expenses	**996.1**	**633.5**	**54.5**	**1,684.1**
Restructuring and other costs (revenues)	**(41.1)**	**7.5**	**0.4**	**(33.2)**
Impairment of assets	**—**	**—**	**5.7**	**5.7**
Operating earnings before depreciation and amortization	**229.6**	**140.8**	**(15.5)**	**354.9**
Depreciation and amortization	**103.1**	**33.3**	**21.3**	**157.7**
Operating earnings (1)	**$ 126.5**	**$ 107.5**	**$ (36.8)**	**$ 197.2**
Adjusted operating earnings before depreciation and amortization (2)	**$ 189.7**	**$ 148.3**	**$ (9.4)**	**$ 328.6**
Adjusted operating earnings (1) & (2)	**127.7**	**116.7**	**(29.3)**	**215.1**
Realized gains on non-designated foreign exchange contracts (2)	**1.2**	**—**	**—**	**1.2**
Amortization of intangible assets arising from business combinations (2)	**41.1**	**1.7**	**1.4**	**44.2**
Acquisitions of non-current assets (3)	**38.7**	**13.9**	**21.7**	**74.3**

For the nine-month period ended July 28, 2024	Packaging	Retail Services and Printing	Other	Consolidated results
Revenues	$ 1,227.9	$ 781.4	$ 54.3	$ 2,063.6
Operating expenses	1,031.4	644.0	61.0	1,736.4
Restructuring and other costs (revenues)	9.7	19.6	(2.5)	26.8
Impairment of assets	0.6	6.9	—	7.5
Operating earnings before depreciation and amortization	186.2	110.9	(4.2)	292.9
Depreciation and amortization	102.1	39.8	20.8	162.7
Operating earnings (1)	$ 84.1	$ 71.1	$ (25.0)	$ 130.2
Adjusted operating earnings before depreciation and amortization (2)	$ 196.5	$ 137.4	$ (6.7)	$ 327.2
Adjusted operating earnings (1) & (2)	140.9	100.6	(26.0)	215.5
Amortization of intangible assets arising from business combinations (2)	46.5	3.0	1.5	51.0
Acquisitions of non-current assets (3)	50.7	14.5	20.5	85.7

(1) Net financial expenses and income tax expense are managed on a centralized basis and, consequently, these line items are not allocated between the various sectors. As a result, the line items "Earnings before income taxes" and "Net earnings" are not presented by sector.

(2) The Corporation's officers mainly use adjusted operating earnings before depreciation to make decisions and assess the performance of sectors.These earnings like adjusted operating earnings include gains realized on non-designated foreign exchange contracts entered into to mitigate the effects of currency fluctuations when consolidating results from the Packaging Sector. These measures exclude restructuring expenses and other costs (revenues) and the depreciation of assets, if applicable. Adjusted operating earnings also excludes amortization of intangible assets arising from business combinations, which includes customer relationships, non-compete agreements, right of first refusal and educational book titles.

(3) These amounts include internally generated intangible assets and acquisitions of property, plant and equipment and intangible assets, excluding those acquired in business combinations, whether they were paid or not.

(in millions of Canadian dollars, unless otherwise indicated and per share data)

3 SEGMENTED INFORMATION (CONTINUED)

Additional information on revenues
The table below presents information on revenues by sector disaggregated by type of products and geographical area:

	Three months ended		Nine months ended	
	July 27, 2025	July 28, 2024	**July 27, 2025**	July 28, 2024
Packaging Products				
Revenues generated from plants located in Canada	**$ 40.3**	$ 40.6	**$ 123.2**	$ 109.1
Revenues generated from plants located in the United States	**275.6**	307.0	**843.4**	901.5
Revenues generated from plants located outside Canada and the United States	**75.3**	69.7	**218.0**	217.3
	391.2	417.3	**1,184.6**	1,227.9
Retail Services and Printing (1) & (2)				
Marketing and media solutions (3)	**97.0**	102.9	**279.6**	326.6
In-store marketing solutions	**52.4**	50.1	**155.8**	148.8
Magazines and books	**49.4**	38.2	**148.2**	123.3
Specialized solutions	**24.0**	21.0	**83.7**	69.5
Newspapers	**20.5**	19.4	**60.2**	61.9
Content solutions	**17.9**	18.4	**54.3**	51.3
	261.2	250.0	**781.8**	781.4
Media (1)	**38.1**	37.6	**63.7**	68.9
Inter-sector Sales (4)	**(6.1)**	(4.9)	**(18.6)**	(14.6)
	$ 684.4	$ 700.0	**$ 2,011.5**	$ 2,063.6

(1) Revenues from retail services and printing and media are mainly generated in Canada.

(2) The Corporation modified the disaggregation of revenues by type of products to add greater precision for the Retail Services and Printing Sector. Comparative figures for the three-month and nine-month periods ended July 28, 2024 have been reclassified to conform to the current period's presentation.

(3) Revenues from marketing and media solutions include printing services and distribution of flyers.

(4) Inter-sector sales are mostly eliminations of internal sales of the Retail Services and Printing Sector to Media Sector.

Assets by sector
The Corporation's total assets by sector are as follows:

	As at July 27, 2025	As at October 27, 2024
Packaging	**$ 2,166.2**	$ 2,228.7
Retail Services and Printing	**769.9**	843.6
Other (1)	**329.5**	569.0
	$ 3,265.6	$ 3,641.3

(1) This heading notably includes cash, income taxes receivable, assets held for sale, property, plant and equipment, intangible assets, right-of-use assets, deferred taxes and defined benefit asset not allocated to sectors.

(in millions of Canadian dollars, unless otherwise indicated and per share data)

4 BUSINESS COMBINATION AND DISPOSAL

Business combination
On June 23, 2025, the Corporation acquired all the shares of Middleton Group Inc. ("Middleton"), a provider of retail services and point-of-purchase display solutions based in Markham, Ontario. The transaction was completed for a total consideration of $4.6 million, subject to adjustments, including a purchase price holdback of $0.5 million payable 18 months after the closing date of the transaction provided no compensation for damages is claimed by the Corporation during the reference period. This acquisition allows the Corporation to accelerate the growth of its in-store marketing activities.

As at July 27, 2025, the accounting for the Middleton business combination was not completed and was based on information available as of the date of these condensed interim consolidated financial statements. The recognized goodwill is not deductible for tax purpose. The accounting for this business combination remains provisional as at July 27, 2025 and will be finalized in the coming quarters.

Business disposal
On October 28, 2024, the Corporation completed the sale of its industrial packaging operations to Hood Packaging Corporation. The transaction included the assets and liabilities related to the industrial packaging operations of its Thomasville, North Carolina, and Ontario, California, plants.

For this sale, the Corporation received a final consideration of $132.0 million (US$95.0 million), less transaction costs incurred.

	Notes	**Business disposal**
Consideration received		$ 132.0
Transaction costs		(0.4)
Total consideration		**131.6**
Net amount of assets and liabilities disposed		(93.8)
Cumulative net exchange gains on the translation of the financial statements of foreign operations reclassified to net earnings		8.2
Gain on business disposal, before income taxes	6	**46.0**
Income taxes on the gain on business disposal	9	(19.8)
Gain on business disposal, after income taxes		**$ 26.2**

5 OPERATING EXPENSES

	Three months ended		Nine months ended	
	July 27, 2025	July 28, 2024	**July 27, 2025**	July 28, 2024
Employee-related costs	**$ 186.2**	$ 189.3	**$ 577.6**	$ 577.7
Supply chain and logistics (1)	**340.9**	355.3	**1,002.7**	1,058.9
Other goods and services (2)	**35.9**	34.4	**103.8**	99.8
	$ 563.0	$ 579.0	**$ 1,684.1**	$ 1,736.4

(1) Includes mainly production, other than employee-related costs, and distribution costs related to external suppliers.

(2) Includes mainly promotion, advertising and telecommunications costs, office supplies, real estate expenses and professional fees.

(in millions of Canadian dollars, unless otherwise indicated and per share data)

6 RESTRUCTURING AND OTHER COSTS (REVENUES)

	Note	Three months ended		Nine months ended	
		July 27, 2025	July 28, 2024	**July 27, 2025**	July 28, 2024
Workforce reductions [(1)]		**$ 2.9**	$ 1.5	**$ 6.4**	$ 21.6
Costs related to plant closures and restructuring [(2)]		**1.0**	2.4	**2.6**	6.6
Gain on business disposal	4	**—**	—	**(46.0)**	—
Net gain on the sale of building		**—**	(5.0)	**—**	(5.0)
Configuration and customization costs in cloud computing arrangements		**0.3**	1.1	**0.7**	3.5
Other elements [(3)]		**2.5**	(0.5)	**3.1**	0.1
		$ 6.7	$ (0.5)	**$ (33.2)**	$ 26.8

[(1)] Includes termination payments to employees as part of workforce restructuring in the Retail Services and Printing Sector, Packaging Sector and Other.

[(2)] Includes related costs and gains and losses on the disposal of property, plant and equipment related to plant closures or restructuring in the Retail Services and Printing Sector, the Packaging Sector and Other. Gains and losses on the disposal of an item of property, plant and equipment are determined as the difference between the fair value of proceeds from disposal and the net carrying amount of the item of property, plant and equipment that is disposed of.

[(3)] For the three-month period ended July 27, 2025 , amounts presented under this caption include mainly costs of $2.2 million resulting from the labour conflict at Canada Post. For the nine-month period ended July 27, 2025, amounts presented under this caption include mainly costs of $5.1 million as a result of the labour conflict at Canada Post, less the reversal of the purchase price holdback of $2.3 million recorded upon the acquisition of Banaplast S.A.S. on June 22, 2022.

Conclusion of the Groupe Constructo activities
On July 9, 2025, the Corporation definitively ceased the operations of the Groupe Constructo in the Media Sector, which led to the recognition of a goodwill impairment charge of $5.7 million, corresponding to the entire goodwill of the Business Solutions Group cash generating unit.

7 DEPRECIATION AND AMORTIZATION

	Three months ended		Nine months ended	
	July 27, 2025	July 28, 2024	**July 27, 2025**	July 28, 2024
Property, plant and equipment	**$ 24.4**	$ 25.0	**$ 75.9**	$ 76.1
Right-of-use assets	**6.0**	5.4	**17.0**	16.4
Intangible assets	**21.2**	21.9	**64.8**	70.2
	$ 51.6	$ 52.3	**$ 157.7**	$ 162.7

8 NET FINANCIAL EXPENSES

	Three months ended		Nine months ended	
	July 27, 2025	July 28, 2024	**July 27, 2025**	July 28, 2024
Financial expenses on long-term debt	**$ 8.4**	$ 10.6	**$ 27.6**	$ 32.6
Interest on lease liabilities	**1.1**	0.9	**3.1**	2.6
Net interest on defined benefit asset and liability	**1.0**	1.0	**2.9**	3.1
Other (income) expenses	**1.3**	1.4	**(1.1)**	5.2
Net foreign exchange (gains) losses [(1)]	**(0.8)**	1.7	**(3.2)**	0.4
	$ 11.0	$ 15.6	**$ 29.3**	$ 43.9

[(1)] For the three-month and nine-month periods ended July 27, 2025, amounts presented under this line item include realized gains on non-designated foreign exchange contracts of $1.2 million (nil for the three-month and nine-month periods ended July 28, 2024).

(in millions of Canadian dollars, unless otherwise indicated and per share data)

9 INCOME TAXES

The following table presents a reconciliation of income taxes at the Canadian statutory tax rate and at the effective tax rate:

	Three months ended		Nine months ended	
	July 27, 2025	July 28, 2024	**July 27, 2025**	July 28, 2024
Earnings before income taxes	**$ 46.4**	$ 53.6	**$ 167.9**	$ 86.3
Canadian statutory tax rate [(1)]	**26.5%**	26.5%	**26.5%**	26.5%
Income taxes at the statutory tax rate	**12.3**	14.2	**44.5**	22.9
Effect of differences in tax rates and additional income taxes in other jurisdictions	**(3.5)**	(2.5)	**(10.2)**	(8.0)
(Income tax recovery) income taxes on non-deductible expenses and non-taxable revenues	**(0.9)**	1.0	**6.9**	0.5
Change in deferred tax assets on tax losses or temporary differences not previously recognized	**0.5**	0.4	**0.5**	0.6
Adjustment for previous years' balances	**(0.5)**	(3.1)	**(1.6)**	(3.2)
Other	**(0.3)**	(0.2)	**(0.7)**	(0.4)
Income taxes at the effective tax rate	**$ 7.6**	$ 9.8	**$ 39.4**	$ 12.4
Income taxes before the following items:	**$ 14.2**	$ 17.0	**$ 35.6**	$ 37.0
Income tax recovery on amortization of intangible assets arising from business combinations	**(3.5)**	(3.8)	**(10.8)**	(12.5)
Income tax recovery on impairment of assets	**(1.5)**	—	**(1.5)**	(1.9)
Income tax recovery on restructuring and other costs	**(1.6)**	—	**(3.7)**	(6.8)
Income taxes on gain on business disposal	**—**	—	**19.8**	—
Recognition of previous year tax assets of an acquired company	**—**	(3.4)	**—**	(3.4)
Income taxes at the effective tax rate	**$ 7.6**	$ 9.8	**$ 39.4**	$ 12.4

[(1)] The Corporation's applicable tax rate corresponds to the combined Canadian tax rates applicable in the provinces where the Corporation operates.

The Corporation is present in countries that have adopted the new Pillar Two model rules on global minimum tax that will be effective as of its fiscal year ending October 26, 2025. The Corporation has assessed its potential exposure based on the most recent available information and determined that the transitional safe harbour provided for in the new Pillar Two model rules applies in most jurisdictions where it operates. However, there are a limited number of jurisdictions where the transitional safe harbour does not apply and where the effective tax rate could be lower than 15.0%. Based on its interpretation of current laws, the Corporation expects that the maximal annual impact on income taxes will not be material and did not recognize any global minimum tax. The Corporation monitors the developments in the various jurisdictions in which it operates. In addition, the Corporation has applied the mandatory temporary exemption to recognizing deferred tax assets and liabilities related to income taxes resulting from the Pillar Two global minimum tax rules and has therefore not recognized any deferred income tax assets and liabilities that would result from such rules.

10 LONG-TERM DEBT

	Effective Interest Rate as at July 27, 2025	Maturity	**As at July 27, 2025**	As at October 27, 2024
Unsecured notes (issued in 2021)	2.41%	July 13, 2026	**$ 250.0**	$ 250.0
U.S. dollar term loan (issued in 2021)	6.34	June 14, 2028	**157.8**	161.3
U.S. dollar term loan (extended in 2022)	6.17	June 30, 2027	**154.2**	156.3
Unified Debenture	4.84	February 1, 2028	**100.0**	100.0
Unsecured notes (issued in 2022)	—	—	**—**	199.0
Credit facilities		2026-2030	**49.0**	—
Other loans		2026-2031	**3.8**	4.4
			$ 714.8	$ 871.0
Issuance costs on long-term debt at amortized cost			**(1.6)**	(1.9)
Total long-term debt			**$ 713.2**	$ 869.1
Current portion of long-term debt			**$ 252.0**	$ 201.0
Non-current portion of long-term debt			**$ 461.2**	$ 668.1

(in millions of Canadian dollars, unless otherwise indicated and per share data)

10 LONG-TERM DEBT (CONTINUED)

Repayment of unsecured notes

On February 3, 2025, the Corporation repaid at maturity the unsecured notes (issued in 2022) amounting to $200.0 million. Concurrently with the repayment of the unsecured notes, the Corporation repaid the cross-currency fixed-to-floating interest rate swaps (CAD fixed/USD floating) amounting to $200.0 million (US$157.1 million).

Credit facilities

The Corporation has a credit facility amounting to $400.0 million or the U.S. dollar equivalent, which was maturing in February 2028. On February 18, 2025, the maturity was extended for two additional years, until February 2030, with similar terms. The interest rate on the credit facility is based on the Corporation's credit rating. Based on the current credit rating, the applicable rate is the Canadian Overnight Repo Rate Average ("CORRA") plus 1.970% for one-month periods or plus 1.996% for three-month periods, or the Secured Overnight Financing Rate ("SOFR") plus 1.775%, or the Canadian prime rate or the U.S. prime rate plus 0.675%.

The Corporation has another credit facility with a maximum amount of US$15.0 million ($20.6 million), which was maturing in March 2025. On February 6, 2025, the maturity was extended for an additional year, until March 2026, with similar terms. The applicable interest rate for this credit facility is SOFR plus 1.450%.

As at July 27, 2025, $49.0 million were drawn on the credit facilities and the unused amount under the credit facilities was $371.6 million.

The Corporation must comply with certain restrictive covenants, including maintaining certain financial ratios. During the nine-month period ended July 27, 2025, the Corporation has not been in default under any covenants.

11 OTHER LIABILITIES

	Notes	**As at July 27, 2025**	As at October 27, 2024
Defined benefit liability		**$ 89.8**	$ 86.2
Stock-based compensation	13	**16.4**	13.2
Derivative financial instruments	15	**2.8**	25.2
Accrued liabilities and other liabilities		**2.2**	2.1
Long-term provisions		**0.3**	0.3
		$ 111.5	$ 127.0

12 SHARE CAPITAL

	Number of shares	**Amount**
Class A Subordinate Voting Shares		
Balance as at October 27, 2024	71,199,125	$ 601.0
Conversion of Class B Shares into Class A Subordinate Voting Shares	3,847,956	5.2
Shares repurchased and cancelled	(934,434)	(7.8)
Balance as at July 27, 2025	74,112,647	598.4
Class B Shares		
Balance as at October 27, 2024	13,357,828	18.2
Conversion of Class B Shares into Class A Subordinate Voting Shares	(3,847,956)	(5.2)
Shares repurchased and cancelled	(3,600)	—
Balance as at July 27, 2025	9,506,272	13.0
	83,618,919	$ 611.4

(in millions of Canadian dollars, unless otherwise indicated and per share data)

12 SHARE CAPITAL (CONTINUED)

Conversion of Class B Shares into Class A Subordinate Voting Shares
During the nine-month period ended July 27, 2025, the Corporation completed a series of related party transactions that resulted in the conversion of 3,847,956 Class B Shares into Class A Subordinate Voting Shares. These transactions had no impact on the total value of the Corporation's share capital.

Repurchase of shares
On June 12, 2024, the Corporation was authorized to repurchase for cancellation, on the open market or subject to the approval of any securities authority by private agreements, between June 17, 2024 and June 16, 2025, or at an earlier date if the Corporation concludes or cancels the offer, up to 3,662,967 of its Class A Subordinate Voting Shares and up to 668,241 of its Class B Shares. The repurchases are made in the normal course of business at market prices through the Toronto Stock Exchange.

During the three-month period ended July 27, 2025, the Corporation did not repurchase any of its Class A Subordinate Voting Shares or Class B Shares. During the nine-month period ended July 27, 2025, the Corporation repurchased and cancelled 934,434 Class A Subordinate Voting Shares at a weighted average price of $17.38 and 3,600 Class B Shares at a weighted average price of $17.27, for a total cash consideration of $16.3 million. The excess of the total consideration over the carrying amount of the shares, amounting to $8.5 million, taxes payable on share repurchase, amounting to $0.3 million, as well as the reversal of the $17.6 million liability for share repurchases recorded as at October 27, 2024, were applied against retained earnings. The taxes payable on share repurchase are presented under Income taxes payable. As at July 27, 2025, the Corporation had no share repurchase program in effect.

During three-month and nine-month periods ended July 28, 2024, the Corporation had repurchased and cancelled 1,159,758 Class A Subordinate Voting Shares at a weighted average price of $15.22 and 5,000 Class B Shares at a weighted average price of $15.37, for a total cash consideration of $17.7 million. The excess of the total consideration over the carrying amount of the shares, amounting to $7.9 million, had been applied against retained earnings. On July 26, 2024, the Corporation had authorized its broker to repurchase shares between July 29, 2024, and September 13, 2024, inclusively, in accordance with parameters set by the Corporation. As at July 28, 2024, this had led to the recognition of a $17.4 million liability presented under Accounts payable and accrued liabilities.

Net earnings per share
For the nine-month periods ended July 27, 2025 and July 28, 2024, there were no dilutive items.

Dividends
Dividends of $0.225 per share were declared and paid to holders of shares for each of the three-month periods ended July 27, 2025 and July 28, 2024. Dividends of $0.675 per share were declared and paid to holders of shares for each of the nine-month periods ended July 27, 2025 and July 28, 2024.

Additionally, a special dividend of $1.00 per share was declared and paid to holders of shares for the nine-month period ended July 27, 2025.

13 STOCK-BASED COMPENSATION

Share unit plans
The Corporation offers a share unit plan for certain officers and senior executives under which deferred share units ("DSUs") and restricted share units ("RSUs") are granted. Vested DSUs and RSUs will be paid, at the Corporation's discretion, in cash or with Class A Subordinate Voting Shares of the Corporation purchased on the open market.

The Corporation also offers a DSU plan for its directors. Under this plan, directors may elect to receive as compensation either cash, DSUs, or a combination of both.

The following table presents the changes in the plans' status for the nine-month period ended July 27, 2025 :

	Number of units	
	DSUs	RSUs
Balance as at October 27, 2024	**973,201**	**1,312,173**
Units granted	**39,923**	**525,946**
Units cancelled	**—**	**(21,707)**
Units paid	**(170,350)**	**(358,936)**
Incentive compensation paid in units	**10,444**	**—**
Dividends paid in units	**80,336**	**131,549**
Balance as at July 27, 2025	**933,554**	**1,589,025**

As at July 27, 2025, the liability related to the share unit plans was $35.1 million, of which $16.4 million was presented under Other liabilities ($30.2 million as at October 27, 2024, of which $13.2 million was presented under Other liabilities) and the remaining balance was presented under Accounts payable and accrued liabilities. Expenses recorded in the Consolidated Statements of Earnings for the three-month periods ended July 27, 2025 and July 28, 2024 were $6.3 million and $5.7 million, respectively. Expenses recorded in the Consolidated Statements of Earnings for each of the nine-month periods ended July 27, 2025 and July 28, 2024 were $15.0 million. Amounts of $0.2 million were paid under these plans for each of the three-month periods ended July 27, 2025 and July 28, 2024. Amounts of $10.1 million and $5.7 million were paid under these plans for the nine-month periods ended July 27, 2025 and July 28, 2024, respectively.

(in millions of Canadian dollars, unless otherwise indicated and per share data)

13 STOCK-BASED COMPENSATION (CONTINUED)

Total return swap
The Corporation uses total return swaps to hedge a portion of the stock-based compensation expenses (gains) that vary based on the price of the Corporation's shares. These swaps usually have a term of 12 months each. During the nine-month period ended July 27, 2025, the Corporation settled, at maturity, the contract covering 900,000 units at a weighted average price of $15.12 per unit for a consideration received of $3.1 million. Concurrently with the settlement, the Corporation entered into a new contract covering 900,000 units at a weighted average price of $18.61 per unit maturing on April 30, 2026.

During the three-month periods ended July 27, 2025 and July 28, 2024, amounts recognized in the Consolidated Statements of Earnings under Operating expenses, corresponding to the change in fair value of the total return swaps for hedged units, before taking into account dividends received and interest paid, were gains of $1.6 million and $2.0 million, respectively. During the nine-month periods ended July 27, 2025 and July 28, 2024, amounts recognized in the Consolidated Statements of Earnings under Operating expenses, corresponding to the change in fair value of the total return swap for hedged units, before taking into account dividends received and interest paid, were gains of $2.4 million and of $5.3 million, respectively.

14 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Cash flow hedges	Net investment hedges	Cumulative translation differences	Actuarial gains and losses related to defined benefit plans	Accumulated other comprehensive income
Balance as at October 27, 2024	**$ (3.0)**	**$ (24.7)**	**$ 114.9**	**$ (35.5)**	**$ 51.7**
Net change in gains (losses), net of income taxes	**3.7**	**0.8**	**(28.3)**	**(2.8)**	**(26.6)**
Balance as at July 27, 2025	**$ 0.7**	**$ (23.9)**	**$ 86.6**	**$ (38.3)**	**$ 25.1**
Balance as at October 29, 2023	$ (3.6)	$ (25.4)	$ 99.5	$ (33.5)	$ 37.0
Net change in gains (losses), net of income taxes	1.0	0.4	7.5	(3.0)	5.9
Balance as at July 28, 2024	$ (2.6)	$ (25.0)	$ 107.0	$ (36.5)	$ 42.9

As at July 27, 2025, the amounts expected to be reclassified to net earnings in future years are as follows:

	2025	2026	2027	2028	Total
Net change in the fair value of derivatives designated as cash flow hedges	$ (0.1)	$ (0.5)	$ (1.1)	$ 0.7	$ (1.0)
Income taxes (recovery)	—	(0.1)	(0.3)	0.1	(0.3)
	$ (0.1)	$ (0.4)	$ (0.8)	$ 0.6	$ (0.7)

Actuarial gains and losses on defined benefit plans
The actuarial gains and losses on defined benefit plans recognized in other comprehensive income (loss) reflect the following items:

	Three months ended		Nine months ended	
	July 27, 2025	July 28, 2024	**July 27, 2025**	July 28, 2024
Actuarial (losses) gains on obligation - change in discount rate	**$ (0.2)**	$ (15.0)	**$ 4.6**	$ (37.9)
Actuarial (losses) gains on plan assets - excluding interest income	**(2.4)**	18.4	**(8.1)**	32.2
Effect of the asset ceiling	**(0.3)**	0.1	**(0.3)**	1.5
Related (recovery) income taxes	**(0.8)**	0.9	**(1.0)**	(1.2)
	$ (2.1)	$ 2.6	**$ (2.8)**	$ (3.0)

14 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (CONTINUED)

Actuarial gains and losses on obligation recognized in the Statements of Comprehensive Income for the nine-month period ended July 27, 2025 are explained by the change in the discount rate, which increased from 4.80% as at October 27, 2024 to 4.90% as at July 27, 2025 in Canada, and from 5.30% as at October 27, 2024 to 5.50% as at July 27, 2025 in the United States. Actuarial gains and losses on plan assets are attributable to the fact that actual rates of return on assets were lower than expected returns for the nine-month period ended July 27, 2025.

Actuarial gains and losses on obligation recognized in the Statements of Comprehensive Income for the nine-month period ended July 28, 2024 are explained by the change in the discount rate, which decreased from 5.60% as at October 29, 2023 to 4.90% as at July 28, 2024 in Canada, and from 6.20% as at October 29, 2023 to 5.30% as at July 28, 2024 in the United States. Actuarial gains and losses on plan assets are attributable to the fact that actual rates of return on assets were higher than expected returns for the nine-month period ended July 28, 2024.

15 FINANCIAL INSTRUMENTS

Fair value of financial instruments
The fair value represents the amount that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. The fair value estimates are calculated at a specific date taking into consideration assumptions regarding the amounts, the timing of estimated future cash flows and discount rates. Therefore, due to its estimated and subjective nature, the fair value must not be interpreted as being realizable in an immediate settlement of the financial instruments.

The carrying amount of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short term maturities.

The fair value of long-term debt is determined using the discounted future cash flows method and management's estimates for market interest rates for identical or similar issuances.

The only financial instruments of the Corporation that are measured at fair value on a recurring basis subsequent to their initial recognition are derivative financial instruments, including foreign exchange forward contracts, interest rate swaps, cross-currency interest rate swaps, total return swaps and contingent considerations payable related to business combinations, if any. The fair value of derivative financial instruments is determined using an evaluation of the estimated market value, adjusted for the credit quality of the counterparty or the Corporation. The valuation model for contingent considerations considers the present value of expected payments, discounted using a risk-adjusted discount rate. The expected payment is determined by considering various scenarios of achievement of pre-established financial performance thresholds, the amount to be paid under each scenario and the probability of occurrence of each scenario.

The Corporation presents a fair value hierarchy with three levels that reflects the significance of inputs used in determining the fair value assessments. The fair value of financial assets and liabilities classified in these three levels is evaluated as follows:

- Level 1 - Unadjusted prices on active markets for identical assets or liabilities
- Level 2 - Inputs other than the prices included within Level 1, that are observable for the asset or liability, directly (prices) or indirectly (derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data

(in millions of Canadian dollars, unless otherwise indicated and per share data)

15 FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the fair value and the carrying amount of other financial instruments and derivative financial instruments:

		As at July 27, 2025		As at October 27, 2024	
	Fair value hierarchy	**Fair value**	**Carrying amount**	Fair value	Carrying amount
Prepaid expenses and other current assets					
Foreign exchange forward contracts	Level 2	**$ 1.6**	**$ 1.6**	$ 0.1	$ 0.1
Total return swap	Level 2	**1.2**	**1.2**	2.0	2.0
Other assets					
Foreign exchange forward contracts	Level 2	**2.6**	**2.6**	2.1	2.1
Interest rate swaps	Level 2	**0.7**	**0.7**	1.5	1.5
Accounts payable and accrued liabilities					
Cross-currency fixed-to-floating interest rate swaps	Level 2	**—**	**—**	(19.2)	(19.2)
Cross-currency fixed interest rate swaps	Level 2	**(19.9)**	**(19.9)**	—	—
Foreign exchange forward contracts	Level 2	**(1.2)**	**(1.2)**	(4.2)	(4.2)
Long-term debt					
Long-term debt	Level 2	**(725.9)**	**(713.2)**	(877.4)	(869.1)
Other liabilities					
Cross-currency fixed interest rate swaps	Level 2	**—**	**—**	(21.8)	(21.8)
Foreign exchange forward contract	Level 2	**(2.8)**	**(2.8)**	(3.4)	(3.4)

During the nine-month periods ended July 27, 2025 and July 28, 2024, no financial instruments were transferred between Levels 1, 2 and 3.

16 SUBSEQUENT EVENT

Business combination
On August 7, 2025, the Corporation acquired all the shares of two Canva Group businesses, Mirazed Inc. ("Mirazed") and Intergraphics Decal Limited ("Intergraphics"). Mirazed, located in Saint-Hubert, Quebec, is recognized for its cutting-edge expertise in screen printing as well as large format digital printing, the production of promotional displays and point-of-purchase signage. Intergraphics, based in Winnipeg, Manitoba, specializes in industrial screen and digital printing. The transaction was completed for a maximum consideration of $72.7 million, subject to adjustments, including a purchase price holdback of up to $5.0 million payable 18 months after the closing date of the transaction if performance thresholds are met for the reference period, and a cash contingent consideration of up to $8.5 million payable subject to attaining pre-established financial targets. The Corporation will measure the fair value of assets acquired and liabilities assumed in the coming quarters. This acquisition allows the Corporation to strengthen its position as a leader in in-store marketing.