

*For Immediate Release*

## **Transcontinental Inc. Announces Results for the First Quarter of Fiscal Year 2026**

### **Highlights**

- Revenues of \$263.5 million for the quarter ended January 25, 2026; operating earnings of \$8.2 million; and net loss from continuing operations of 0.2 million (0.00 \$ per share).
- Adjusted operating earnings before depreciation and amortization<sup>(1)</sup> of \$33.1 million for the quarter ended January 25, 2026; adjusted operating earnings<sup>(1)</sup> of \$17.5 million; and adjusted net earnings from continuing operations<sup>(1)</sup> of \$6.7 million (\$0.08 per share).
- Subsequent to the closing of the first quarter of fiscal year 2026, announcement of the closing of the sale of the Packaging Business.
- Appointment of Sam Bendavid as Chief Executive Officer, effective April 6, 2026.

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

**Montréal, March 10, 2026** - Transcontinental inc. (TSX: TCL.A TCL.B) announces its results for the first quarter of fiscal year 2026 ended January 25, 2026.

"The closing of the sale of our packaging activities allows us to begin a new chapter of our history and focus our resources on our retail services and printing activities, as well as our educational publishing activities," said Thomas Morin, President and Chief Executive Officer of TC Transcontinental.

"The recent acquisitions in our in-store marketing activities enabled us to partially offset the slowdown in our traditional activities as well as the impact of strategic price concessions to secure our traditional activities. Despite a challenging start to our fiscal year, we remain confident that we will deliver adjusted operating earnings before depreciation and amortization from continuing operations for fiscal year 2026 that will be similar to fiscal year 2025 at the consolidated level. Lastly, building on the three acquisitions we completed last year and aligned with our growth strategy in growth activities that include in-store marketing, we expect to close another acquisition in this segment in the next few weeks, and I am confident in our growth plan."

"Furthermore, the sale of our packaging activities will contribute to reducing significantly our net indebtedness during fiscal year 2026," added Donald LeCavalier, Executive Vice President and Chief Financial Officer of TC Transcontinental. "Our balance sheet is solid, and we are well positioned to benefit from growth opportunities in our retail services and printing activities as well as in our educational publishing activities."

## Financial Highlights

(for continuing operations, in millions of dollars, except per share amounts)	Q1-2026	Q1-2025 Restated <sup>(1)</sup>	Variation in %
Revenues	\$ 263.5	\$ 257.7	2.3 %
Operating earnings before depreciation and amortization	26.1	36.7	(28.9)
Adjusted operating earnings before depreciation and amortization <sup>(2)</sup>	33.1	40.3	(17.9)
Operating earnings	8.2	18.8	(56.4)
Adjusted operating earnings <sup>(2)</sup>	17.5	23.4	(25.2)
Net earnings (loss)	(0.2)	4.8	(104.2)
Net earnings per share	—	0.06	(100.0)
Adjusted net earnings <sup>(2)</sup>	6.7	8.2	(18.3)
Adjusted net earnings per share <sup>(2)</sup>	0.08	0.10	(20.0)

(1) Please refer to the "Discontinued Operations and Reclassification of Comparative Figures" section and Table #2 in the "Accounting Restatements" section of the Management's Discussion and Analysis for an explanation of the restated data presented above.

(2) Please refer to the "Reconciliation of Non-IFRS Financial Measures" section of this Press Release for the adjusted data presented above.

### Results for the First Quarter of Fiscal Year 2026

Revenues increased by \$5.8 million, or 2.3%, from \$257.7 million in the first quarter of fiscal year 2025 to \$263.5 million in the first quarter of fiscal year 2026. This increase is mostly attributable to our recent acquisitions and the favourable exchange rate effect, partially mitigated by lower volume and price concessions in the Retail Services and Printing Sector.

Operating earnings before depreciation and amortization decreased by \$10.6 million, or 28.9%, from \$36.7 million in the first quarter of fiscal 2025 to \$26.1 million in the first quarter of fiscal 2026. This decrease is mainly due to lower volume and price concessions in the Retail Services and Printing Sector, an increase in asset impairment charges and the unfavourable impact of incentive compensation reflecting, among others, the increase in share price, partially offset by our recent acquisitions and the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$7.2 million, or 17.9%, from \$40.3 million in the first quarter of fiscal 2025 to \$33.1 million in the first quarter of fiscal 2026. This decrease is mainly due to lower volume and price concessions in the Retail Services and Printing Sector and the unfavourable impact of incentive compensation reflecting, among others, the increase in share price, partially offset by our recent acquisitions and the favourable exchange rate effect.

Net earnings (loss) from continuing operations decreased by \$5.0 million, or 104.2%, from earnings of \$4.8 million in the first quarter of fiscal year 2025 to a loss of \$0.2 million in the first quarter of fiscal year 2026. This decrease is mainly due to the previously explained decline in operating earnings before depreciation and amortization, partially mitigated by lower income taxes and, to a lesser extent, the decrease in financial expenses. On a per share basis, net earnings attributable to shareholders of the Corporation from continuing operations decreased by 100.0%, from \$0.06 to nil, respectively.

Adjusted net earnings decreased by \$1.5 million, or 18.3%, from \$8.2 million in the first quarter of fiscal year 2025 to \$6.7 million in the first quarter of fiscal year 2026. This decrease is mainly due to the previously explained decline in adjusted operating earnings before depreciation and amortization, partially mitigated by lower income taxes and, to a lesser extent, the decrease in financial expenses. On a per share basis, adjusted net earnings from continuing operations decreased by 20.0%, from \$0.10 to \$0.08, respectively.

For more detailed financial information, please see the Management's Discussion and Analysis for the first quarter of fiscal year 2026 ended January 25, 2026, as well as the financial statements in the "Investors" section of our website at [www.tc.tc](http://www.tc.tc).

## Outlook

The closing of the sale of our Packaging business represents a key milestone for TC Transcontinental. This transaction will allow us to focus our resources on our Retail Services & Printing and Educational Publishing activities.

We anticipate lower volume in our traditional activities, including book printing which experienced very high growth in fiscal year 2025. This decrease should be partially offset by growth in our in-store marketing activities, including the positive impact of acquisitions.

At the consolidated level, we expect adjusted operating earnings before depreciation and amortization from continuing operations for fiscal year 2026 to remain stable compared to fiscal year 2025.

Lastly, we expect to continue generating significant cash flows from operating activities, which will enable us to continue to reduce net indebtedness while investing in our growth. We also expect our adjusted net indebtedness ratio to increase over the next two quarters before improving in the fourth quarter of fiscal year 2026.

## 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 "Reconciliation of Non-IFRS Financial Measures" section and in Note 4 "Segmented Information" to the condensed interim consolidated financial statements for the first quarter ended January 25, 2026.

Terms Used	Definitions
Adjusted operating earnings before depreciation and amortization	Operating earnings before depreciation and amortization including realized gains (losses) on non-designated foreign exchange contracts and excluding restructuring and other costs (revenues) as well as impairment of assets. This measure is used to assess the operating performance of the Corporation and its sectors on a comparable basis.
Adjusted operating earnings	Operating earnings including realized gains (losses) 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. This measure is used to better assess the current operating performance of the Corporation and its sectors on a comparable basis.
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	Net earnings (loss) from continuing operations 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. This measure is used to assess the financial performance of the Corporation and its sectors on a comparable basis.
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. This measure is used to calculate the net indebtedness ratio.
Adjusted net indebtedness	Net indebtedness including long-term debt, current portion of long-term debt, lease liabilities and current portion of lease liabilities reclassified to liabilities held for sale. This measure is used to calculate the adjusted net indebtedness ratio.
Net indebtedness ratio	Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization. This ratio is used by the Corporation to measure its ability to repay its debts and assess its financial leverage.
Adjusted net indebtedness ratio	Adjusted net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization, including adjusted operating earnings before depreciation and amortization from discontinued operations. This ratio is used by the Corporation to measure its ability to repay its debts and assess its financial leverage.

## 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 margin before depreciation and amortization, adjusted operating earnings, adjusted operating earnings margin, adjusted income taxes, adjusted net earnings from continuing operations, adjusted net earnings per share from continuing operations, net indebtedness, adjusted net indebtedness, the net indebtedness ratio and the adjusted net indebtedness ratio, for which a reconciliation is presented in the following table, are not defined by IFRS. They may be calculated differently and may not be comparable to similar measures presented 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 from continuing operations - First quarter

	Three months ended	
	January 25, 2026	January 26, 2025 Restated
(in millions of dollars)		
<b>Operating earnings</b>	<b>\$8.2</b>	<b>\$18.8</b>
<b>Excluding</b>		
Restructuring and other costs	3.5	3.6
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	2.3	1.0
Impairment of assets	3.5	—
<b>Adjusted operating earnings</b>	<b>\$17.5</b>	<b>\$23.4</b>
Depreciation and amortization <sup>(2)</sup>	15.6	16.9
<b>Adjusted operating earnings before depreciation and amortization</b>	<b>\$33.1</b>	<b>\$40.3</b>

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, educational book titles, non-compete agreements, trade names with finite useful lives and rights of first refusal.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

### Reconciliation of operating earnings - First quarter for the Retail Services and Printing Sector

	Three months ended	
	January 25, 2026	January 26, 2025 Restated
(in millions of dollars)		
<b>Operating earnings</b>	<b>\$22.3</b>	<b>\$26.9</b>
<b>Excluding</b>		
Restructuring and other costs	2.4	3.1
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	2.1	0.6
Impairment of assets	3.5	—
<b>Adjusted operating earnings</b>	<b>\$30.3</b>	<b>\$30.6</b>
Depreciation and amortization <sup>(2)</sup>	9.3	10.5
<b>Adjusted operating earnings before depreciation and amortization</b>	<b>\$39.6</b>	<b>\$41.1</b>

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, non-compete agreements and trade names with finite useful lives.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

**Reconciliation of operating earnings - First quarter for the Other Sector**

	Three months ended	
	January 25, 2026	January 26, 2025
(in millions of dollars)		Restated
<b>Operating earnings</b>	<b>\$(14.1)</b>	<b>\$(8.1)</b>
<b>Excluding</b>		
Restructuring and other costs	1.1	0.5
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	0.2	0.4
<b>Adjusted operating earnings</b>	<b>\$(12.8)</b>	<b>\$(7.2)</b>
Depreciation and amortization <sup>(2)</sup>	6.3	6.4
<b>Adjusted operating earnings before depreciation and amortization</b>	<b>\$(6.5)</b>	<b>\$(0.8)</b>

(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 from continuing operations - First quarter**

	Three months ended	
	January 25, 2026	January 26, 2025
(in millions of dollars, except per share amounts)		Restated
<b>Net earnings (loss)</b>	<b>\$(0.2)</b>	<b>\$4.8</b>
<b>Excluding</b>		
Restructuring and other costs	3.5	3.6
Tax on restructuring and other costs	(0.9)	(0.9)
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	2.3	1.0
Tax on amortization of intangible assets arising from business combinations	(0.6)	(0.3)
Impairment of assets	3.5	—
Tax on impairment of assets	(0.9)	—
<b>Adjusted net earnings</b>	<b>\$6.7</b>	<b>\$8.2</b>
<b>Net earnings attributable to shareholders of the Corporation per share</b>	<b>\$—</b>	<b>\$0.06</b>
<b>Adjusted net earnings per share</b>	<b>\$0.08</b>	<b>\$0.10</b>
Weighted average number of shares outstanding	83.6	84.2

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, educational book titles, non-compete agreements, trade names with finite useful lives and rights of first refusal.

**Reconciliation of net indebtedness**

	As at January 25, 2026	As at October 26, 2025
(for continuing operations, in millions of dollars, except for ratios)		Restated
Long-term debt	\$438.3	\$417.6
Current portion of long-term debt	252.2	253.2
Lease liabilities	49.6	91.1
Current portion of lease liabilities	12.1	25.5
Cash	(43.0)	(47.0)
<b>Net indebtedness</b>	<b>\$709.2</b>	<b>\$740.4</b>
Adjusted operating earnings before depreciation and amortization (last 12 months)	\$204.7	\$211.9
<b>Net indebtedness ratio</b>	<b>3.46x</b>	<b>3.49x</b>

**Reconciliation of adjusted net indebtedness (last 12 months)**

	As at January 25, 2026	As at October 26, 2025
(in millions of dollars, except for ratios)		Restated
<b>Net indebtedness</b>	<b>\$709.2</b>	<b>\$740.4</b>
<i><b>Including</b></i>		
Long-term debt held for sale	1.1	—
Lease liabilities held for sale	53.7	—
<b>Adjusted net indebtedness</b>	<b>\$764.0</b>	<b>\$740.4</b>
<b>Adjusted operating earnings before depreciation and amortization - continuing operations</b>	<b>\$204.7</b>	<b>\$211.9</b>
<i><b>Including these items from discontinued operations</b></i>		
Operating earnings	107.1	145.9
Realized gains on non-designated foreign exchange contracts <sup>(1)</sup>	0.6	0.8
<i><b>Excluding these items from discontinued operations</b></i>		
Restructuring and other costs (revenues)	25.7	(30.7)
Amortization of intangible assets from business combinations <sup>(2)</sup>	44.9	54.4
Depreciation and amortization <sup>(3)</sup>	69.2	83.3
<b>Adjusted operating earnings before depreciation and amortization including discontinued operations</b>	<b>\$452.2</b>	<b>\$465.6</b>
<b>Adjusted net indebtedness ratio</b>	<b>1.69 x</b>	<b>1.59 x</b>

(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.

(3) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

## **Dividend**

Following the sale of the packaging activities completed on March 6, 2026, and subject to the approval of some changes by the shareholders of the Corporation at the Annual and Special meeting of shareholders to be held on March 10, 2026, the Corporation intends to declare a special distribution of \$20.00 per share on Class A Subordinate Voting Shares and Class B Shares.

## **Additional information**

### **Conference Call**

Upon releasing its results for the first quarter of fiscal year 2026, the Corporation will hold a conference call for the financial community on March 10, 2026, at 4:00 p.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**

Founded 50 years ago and 4,000 employees strong, Transcontinental Inc. (TSX: TCL.A TCL.B), known under the TC Transcontinental brand, is a Canadian retail marketing services company, Canada's largest printer, and the Canadian leader in French-language educational publishing. Driven by the vision of a more informed, educated and prosperous society, TC Transcontinental propels its clients' success across the retail, education, book and information industries. With agility, creativity and boldness, we design and deliver innovative, high-value products and services.

The Corporation's revenues from continuing operations were \$1.1 billion for the fiscal year ended October 26, 2025. Until the sale of its Packaging Sector to ProAmpac, which was completed on March 6, 2026, the Corporation was also a North American leader in flexible packaging with approximately 3,600 employees, and revenues from the Corporation's discontinued operations were \$1.6 billion for the fiscal year ended October 26, 2025. For more information, please visit [www.tc.tc](http://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 business acquisitions and disposals and properly integrate acquisitions, 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 26, 2025 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 March 10, 2026. 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 March 10, 2026. 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.

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# Management's Discussion and Analysis

For the the first quarter ended January 25, 2026

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the first quarter ended January 25, 2026

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 first quarter ended January 25, 2026. 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](http://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 #3 in the section entitled "Reconciliation of Non-IFRS Financial Measures" and in Note 4 "Segmented Information" to the condensed interim consolidated financial statements for the first quarter ended January 25, 2026. 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 (losses) on non-designated foreign exchange contracts and excluding restructuring and other costs (revenues) as well as impairment of assets. This measure is used to assess the operating performance of the Corporation and its sectors on a comparable basis.
Adjusted operating earnings margin before depreciation and amortization	Adjusted operating earnings before depreciation and amortization divided by revenues. This ratio is used to assess the operating performance and contribution of each sector on a comparable basis.
Adjusted operating earnings	Operating earnings including realized gains (losses) 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. This measure is used to better assess the current operating performance of the Corporation and its sectors on a comparable basis.
Adjusted operating earnings margin	Adjusted operating earnings divided by revenues. This ratio is used to assess the efficiency of the current operating performance of the Corporation and its sectors on a comparable basis, thus demonstrating the Corporation's ability to generate profitable growth.
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	Net earnings (loss) from continuing operations 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. This measure is used to assess the financial performance of the Corporation and its sectors on a comparable basis.
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. This measure is used to calculate the net indebtedness ratio.
Adjusted net indebtedness	Net indebtedness including long-term debt, current portion of long-term debt, lease liabilities and current portion of lease liabilities reclassified to liabilities held for sale. This measure is used to calculate the adjusted net indebtedness ratio.
Net indebtedness ratio	Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization. This ratio is used by the Corporation to measure its ability to repay its debts and assess its financial leverage.
Adjusted net indebtedness ratio	Adjusted net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization, including adjusted operating earnings before depreciation and amortization from discontinued operations. This ratio is used by the Corporation to measure its ability to repay its debts and assess its financial leverage.

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 this *Management's Discussion and Analysis* for the fiscal year ended October 26, 2025 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 March 10, 2026.

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 March 10, 2026. 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

Founded 50 years ago and 4,000 employees strong, Transcontinental Inc. (TSX: TCL.A TCL.B), known under the TC Transcontinental brand, is a Canadian retail marketing services company, Canada's largest printer, and the Canadian leader in French-language educational publishing. Driven by the vision of a more informed, educated and prosperous society, TC Transcontinental propels its clients' success across the retail, education, book and information industries. With agility, creativity and boldness, we design and deliver innovative, high-value products and services.

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## HIGHLIGHTS

Table #1:

(for continuing operations, in millions of dollars, except per share amounts)	Q1-2026	Q1-2025 Restated <sup>(1)</sup>	Variation in %
Revenues	\$263.5	\$257.7	2.3 %
Operating earnings before depreciation and amortization	26.1	36.7	(28.9)
Adjusted operating earnings before depreciation and amortization <sup>(2)</sup>	33.1	40.3	(17.9)
Operating earnings	8.2	18.8	(56.4)
Adjusted operating earnings <sup>(2)</sup>	17.5	23.4	(25.2)
Net earnings (loss)	(0.2)	4.8	(104.2)
Net earnings per share	—	0.06	(100.0)
Adjusted net earnings <sup>(2)</sup>	6.7	8.2	(18.3)
Adjusted net earnings per share <sup>(2)</sup>	0.08	0.10	(20.0)

(1) Please refer to the "Discontinued Operations and Reclassification of Comparative Figures" section and Table #2 in the "Accounting Restatements" section of this Management Discussion and Analysis for an explanation of the restated data presented above.

(2) Please refer to Table #3 in the "Reconciliation of Non-IFRS Financial Measures" section of this Management Discussion and Analysis for the adjusted data presented above.

- Revenues of \$263.5 million for the quarter ended January 25, 2026; operating earnings of \$8.2 million; and net loss from continuing operations of \$0.2 million (\$0.00 per share).
- Adjusted operating earnings before depreciation and amortization of \$33.1 million for the quarter ended January 25, 2026; adjusted operating earnings of \$17.5 million; and adjusted net earnings from continuing operations of \$6.7 million (\$0.08 per share).
- Subsequent to the closing of the first quarter of fiscal year 2026, announcement of the closing of the sale of the Packaging Business.
- Appointment of Sam Bendavid as Chief Executive Officer, effective April 6, 2026.

## DISCONTINUED OPERATIONS AND RECLASSIFICATION OF COMPARATIVE FIGURES

On December 8, 2025, the Corporation announced that it had entered into an agreement to sell its Packaging Sector activities to ProAmpac Holdings Inc. In accordance with the requirements of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", the Packaging Sector is reported as discontinued operations and the related assets and liabilities are considered as held for sale as at January 25, 2026. As a result, the Consolidated Statement of Earnings, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flows have been reclassified as if the operations had been discontinued from the beginning of the comparative period. Unless otherwise indicated, results are presented on a continuing operations basis.

## ACCOUNTING RESTATEMENTS

During the first quarter of fiscal year 2026, the Corporation revised the accounting treatment of digital revenues for the Media Sector and volume discounts for the Retail Services and Printing Sector. The Corporation applied these treatments retrospectively, and the corresponding figures for the first quarter of fiscal year 2025 have been adjusted to reflect these changes, which had a favourable impact of \$1.0 million on previously reported net earnings. These restatements had a negligible impact on the opening balances as at October 27, 2024.

The following table presents, only for the applicable line items, the previously reported figures, the restatements and the restated figures:

**Table #2:**

(in millions of dollars)	As at		As at
	October 26,		October 26,
	2025		2025
	As reported	Restatement	Restated
Inventories	\$ 378.4	\$ (5.7)	\$ 372.7
Deferred revenues and deposits	8.5	6.0	14.5
Deferred taxes	72.1	(3.0)	69.1
Retained earnings	1,258.3	(8.7)	1,249.6

(in millions of dollars)	Three months ended		
	January 26,		January 26,
	2025		2025
	As reported	Restatement	Restated <sup>(1)</sup>
Revenues	\$ 643.0	\$ 2.5	\$ 645.5
Operating expenses	545.5	1.0	546.5
Income taxes	23.7	0.5	24.2
Net earnings	55.7	1.0	56.7

<sup>(1)</sup> Amounts reported represent total amounts before the reclassification of discontinued operations.

## 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 from continuing operations, adjusted net earnings per share from continuing operations, net indebtedness, adjusted net indebtedness, net indebtedness ratio and adjusted net indebtedness ratio, for which a reconciliation is presented in the following table, are not defined by IFRS. They may be calculated differently and may not be comparable to similar measures presented 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 #3:**

### Reconciliation of operating earnings from continuing operations - First quarter

	Three months ended	
	January 25, 2026	January 26, 2025
(in millions of dollars)		Restated
<b>Operating earnings</b>	<b>\$8.2</b>	<b>\$18.8</b>
<b>Excluding</b>		
Restructuring and other costs	3.5	3.6
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	2.3	1.0
Impairment of assets	3.5	—
<b>Adjusted operating earnings</b>	<b>\$17.5</b>	<b>\$23.4</b>
Depreciation and amortization <sup>(2)</sup>	15.6	16.9
<b>Adjusted operating earnings before depreciation and amortization</b>	<b>\$33.1</b>	<b>\$40.3</b>

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, educational book titles, non-compete agreements, trade names with finite useful lives and rights of first refusal.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

### Reconciliation of operating earnings - First quarter for the Retail Services and Printing Sector

	Three months ended	
	January 25, 2026	January 26, 2025
(in millions of dollars)		Restated
<b>Operating earnings</b>	<b>\$22.3</b>	<b>\$26.9</b>
<b>Excluding</b>		
Restructuring and other costs	2.4	3.1
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	2.1	0.6
Impairment of assets	3.5	—
<b>Adjusted operating earnings</b>	<b>\$30.3</b>	<b>\$30.6</b>
Depreciation and amortization <sup>(2)</sup>	9.3	10.5
<b>Adjusted operating earnings before depreciation and amortization</b>	<b>\$39.6</b>	<b>\$41.1</b>

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, non-compete agreements and trade names with finite useful lives.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

## Reconciliation of operating earnings - First quarter for the Other Sector

	Three months ended	
	January 25, 2026	January 26, 2025
(in millions of dollars)		Restated
<b>Operating earnings</b>	<b>\$(14.1)</b>	<b>\$(8.1)</b>
<b>Excluding</b>		
Restructuring and other costs	1.1	0.5
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	0.2	0.4
<b>Adjusted operating earnings</b>	<b>\$(12.8)</b>	<b>\$(7.2)</b>
Depreciation and amortization <sup>(2)</sup>	6.3	6.4
<b>Adjusted operating earnings before depreciation and amortization</b>	<b>\$(6.5)</b>	<b>\$(0.8)</b>

(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 from continuing operations - Last eight quarters

	2026		2025 - Restated			2024 - Restated		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
(in millions of dollars)								
<b>Operating earnings</b>	<b>\$8.2</b>	\$42.2	\$29.5	\$27.1	<b>\$18.8</b>	\$49.8	\$40.9	\$1.4
<b>Excluding</b>								
Restructuring and other costs (revenues)	3.5	3.3	5.6	1.0	3.6	5.6	(2.9)	12.3
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	2.3	1.0	0.9	1.2	1.0	1.0	1.2	1.6
Impairment of assets	3.5	3.8	5.7	—	—	3.3	—	5.1
<b>Adjusted operating earnings</b>	<b>\$17.5</b>	\$50.3	\$41.7	\$29.3	<b>\$23.4</b>	\$59.7	\$39.2	\$20.4
Depreciation and amortization <sup>(2)</sup>	15.6	16.6	16.8	16.9	16.9	17.7	17.7	18.6
<b>Adjusted operating earnings before depreciation and amortization</b>	<b>\$33.1</b>	\$66.9	\$58.5	\$46.2	<b>\$40.3</b>	\$77.4	\$56.9	\$39.0

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, educational book titles, non-compete agreements, trade names with finite useful lives and rights of first refusal.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

## Reconciliation of net earnings from continuing operations - First quarter

	Three months ended	
	January 25, 2026	January 26, 2025
(in millions of dollars, except per share amounts)		Restated
<b>Net earnings (loss)</b>	<b>\$(0.2)</b>	<b>\$4.8</b>
<b>Excluding</b>		
Restructuring and other costs	3.5	3.6
Tax on restructuring and other costs	(0.9)	(0.9)
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	2.3	1.0
Tax on amortization of intangible assets arising from business combinations	(0.6)	(0.3)
Impairment of assets	3.5	—
Tax on impairment of assets	(0.9)	—
<b>Adjusted net earnings</b>	<b>\$6.7</b>	<b>\$8.2</b>
<b>Net earnings attributable to shareholders of the Corporation per share</b>	<b>\$—</b>	<b>\$0.06</b>
<b>Adjusted net earnings per share</b>	<b>\$0.08</b>	<b>\$0.10</b>
Weighted average number of shares outstanding	83.6	84.2

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, educational book titles, non-compete agreements, trade names with finite useful lives and rights of first refusal.

**Reconciliation of net earnings from continuing operations - Last eight quarters**

	2026	2025 - Restated				2024 - Restated		
(in millions of dollars, except per share amounts)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Net earnings (loss)</b>	<b>(\$0.2)</b>	\$29.2	\$13.0	\$15.4	<b>\$4.8</b>	\$36.1	\$21.8	(\$10.2)
<b>Excluding</b>								
Restructuring and other costs (revenues)	3.5	3.3	5.6	1.0	3.6	5.6	(2.9)	12.3
Tax on restructuring and other costs (revenues)	(0.9)	(3.7)	(1.3)	(0.3)	(0.9)	(1.4)	0.5	(3.2)
Amortization of intangible assets arising from business combinations <sup>(1)</sup>	2.3	1.0	0.9	1.2	1.0	1.0	1.2	1.6
Tax on amortization of intangible assets arising from business combinations	(0.6)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Impairment of assets	3.5	3.8	5.7	—	—	3.3	—	5.1
Tax on impairment of assets	(0.9)	(1.0)	(1.5)	—	—	(0.8)	—	(1.3)
Recognition of previous years tax assets of an acquired company	—	—	—	—	—	—	(3.4)	—
<b>Adjusted net earnings</b>	<b>\$6.7</b>	\$32.4	\$22.2	\$17.0	<b>\$8.2</b>	\$43.5	\$16.9	\$4.0
<b>Net earnings attributable to shareholders of the Corporation per share</b>	<b>\$—</b>	\$0.35	\$0.16	\$0.18	<b>\$0.06</b>	\$0.43	\$0.25	(\$0.12)
<b>Adjusted net earnings per share</b>	<b>\$0.08</b>	\$0.39	\$0.27	\$0.20	<b>\$0.10</b>	\$0.51	\$0.20	\$0.05
Weighted average number of shares outstanding	83.6	83.6	83.6	83.6	84.2	84.8	86.4	86.6

(1) Amortization of intangible assets arising from business combinations includes our customer relationships, educational book titles, non-compete agreements, trade names with finite useful lives and rights of first refusal.

**Reconciliation of net indebtedness**

	As at January 25, 2026	As at October 26, 2025
(for continuing operations, in millions of dollars, except ratios)		Restated
Long-term debt	\$438.3	\$417.6
Current portion of long-term debt	252.2	253.2
Lease liabilities	49.6	91.1
Current portion of lease liabilities	12.1	25.5
Cash	(43.0)	(47.0)
<b>Net indebtedness</b>	<b>\$709.2</b>	<b>\$740.4</b>
Adjusted operating earnings before depreciation and amortization (last 12 months)	\$204.7	\$211.9
<b>Net indebtedness ratio</b>	<b>3.46x</b>	<b>3.49x</b>

**Reconciliation of adjusted net indebtedness (last 12 months)**

	As at January 25, 2026	As at October 26, 2025
(in millions of dollars, except ratios)		Restated
<b>Net indebtedness</b>	<b>\$709.2</b>	<b>\$740.4</b>
<b>Including</b>		
Long-term debt held for sale	1.1	—
Lease liabilities held for sale	53.7	—
<b>Adjusted net indebtedness</b>	<b>\$764.0</b>	<b>\$740.4</b>
<b>Adjusted operating earnings before depreciation and amortization - continuing operations</b>	<b>\$204.7</b>	<b>\$211.9</b>
<b>Including these items from discontinued operations</b>		
Operating earnings	107.1	145.9
Realized gains on non-designated foreign exchange contracts <sup>(1)</sup>	0.6	0.8
<b>Excluding these items from discontinued operations</b>		
Restructuring and other costs (revenues)	25.7	(30.7)
Amortization of intangible assets from business combinations <sup>(2)</sup>	44.9	54.4
Depreciation and amortization <sup>(3)</sup>	69.2	83.3
<b>Adjusted operating earnings before depreciation and amortization including discontinued operations</b>	<b>\$452.2</b>	<b>\$465.6</b>
<b>Adjusted net indebtedness ratio</b>	<b>1.69 x</b>	<b>1.59 x</b>

(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.

## ANALYSIS OF CONSOLIDATED RESULTS - FIRST QUARTER

### Revenues

Revenues increased by \$5.8 million, or 2.3%, from \$257.7 million in the first quarter of fiscal year 2025 to \$263.5 million in the first quarter of fiscal year 2026. This increase is mostly attributable to our recent acquisitions and the favourable exchange rate effect, partially mitigated by lower volume and price concessions in the Retail Services and Printing Sector. A more detailed analysis of revenues is presented in the section "Analysis of Sector Results - First Quarter of Fiscal Year 2026".

### Operating and Other Expenses

Operating expenses increased by \$13.0 million, or 6.0%, in the first quarter of fiscal year 2026 compared to the corresponding period of 2025. This increase mainly results from our recent acquisitions and the unfavourable impact of incentive compensation reflecting, among others, the increase in share price.

Restructuring and other costs remained relatively stable, from an expense of \$3.6 million in the first quarter of fiscal year 2025 to an expense of \$3.5 million in the first quarter of fiscal year 2026. The decrease in costs incurred in relation with the labour conflicts at Canada Post was mostly mitigated by the increase in workforce reduction costs and costs related to restructuring, as well as by business acquisition and integration costs.

In the first quarter of fiscal year 2026, an asset impairment charge of \$3.5 million was recognized following the revision of the estimated expected future economic benefits of equipment in the Retail Services and Printing Sector. In the first quarter of fiscal year 2025, no impairment charge had been recognized.

### Operating Earnings before Depreciation and Amortization

Operating earnings before depreciation and amortization decreased by \$10.6 million, or 28.9%, from \$36.7 million in the first quarter of fiscal year 2025 to \$26.1 million in the first quarter of fiscal year 2026. This decrease is mainly due to lower volume and price concessions in the Retail Services and Printing Sector, an increase in asset impairment charges and the unfavourable impact of incentive compensation reflecting, among others, the increase in share price, partially offset by our recent acquisitions and the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$7.2 million, or 17.9%, from \$40.3 million in the first quarter of fiscal year 2025 to \$33.1 million in the first quarter of fiscal year 2026. This decrease is mainly due to lower volume and price concessions in the Retail Services and Printing Sector and the unfavourable impact of incentive compensation reflecting, among others, the increase in share price, partially offset by our recent acquisitions and the favourable exchange rate effect. A more detailed analysis of adjusted operating earnings before depreciation and amortization is presented in the section "Analysis of Sector Results - First Quarter of Fiscal Year 2026".

### Depreciation and Amortization

Depreciation and amortization remained stable at \$17.9 million in the first quarter of fiscal year 2025 and the first quarter of fiscal year 2026. The depreciation and amortization of property, plant and equipment and intangible assets from our recent acquisitions was offset by the end of the depreciation period for some items of property, plant and equipment.

### Net Financial Expenses

Net financial expenses decreased by \$0.4 million, from \$9.7 million in the first quarter of fiscal year 2025 to \$9.3 million in the first quarter of fiscal year 2026. This favourable change is mainly explained by the reduction in net indebtedness, partially mitigated by lower interest income.

### Income Taxes

Income taxes decreased by \$5.2 million, from an expense of \$4.3 million in the first quarter of fiscal year 2025 to a recovery of \$0.9 million in the first quarter of fiscal year 2026. This decrease is mainly attributable to the decline in earnings before income taxes.

Adjusted income taxes decreased by \$4.0 million, from \$5.5 million in the first quarter of fiscal year 2025, for an effective tax rate of 40.1%, to \$1.5 million in the first quarter of fiscal year 2026, for an effective tax rate of 18.3%. This decrease in the effective tax rate is mainly attributable to a prior year adjustment that had a favourable impact in 2026.

### **Net Earnings (Loss) from Continuing Operations**

Net loss from continuing operations decreased by \$5.0 million, or 104.2%, from earnings of \$4.8 million in the first quarter of fiscal year 2025 to a loss of \$0.2 million in the first quarter of fiscal year 2026. This decrease is mainly due to the previously explained decline in operating earnings before depreciation and amortization, partially mitigated by lower income taxes and, to a lesser extent, the decrease in financial expenses. On a per share basis, net earnings attributable to shareholders of the Corporation from continuing operations decreased by 100.0 %, from \$0.06 to nil, respectively.

Adjusted net earnings decreased by \$1.5 million, or 18.3%, from \$8.2 million in the first quarter of fiscal year 2025 to \$6.7 million in the first quarter of fiscal year 2026. This decrease is mainly due to the previously explained decline in adjusted operating earnings before depreciation and amortization, partially mitigated by lower income taxes and, to a lesser extent, the decrease in financial expenses. On a per share basis, adjusted net earnings from continuing operations decreased by 20.0%, from \$0.10 to \$0.08, respectively.

### **Net Earnings from Discontinued Operations**

Net earnings from discontinued operations decreased by \$21.8 million, or 42.0%, from \$51.9 million in the first quarter of fiscal year 2025 to \$30.1 million in the first quarter of fiscal year 2026. This decrease is mainly due to the gain on the sale of the industrial packaging activities in the first quarter of fiscal year 2025 and transaction costs for the sale of the Packaging Sector activities incurred in the first quarter of fiscal year 2026, partially mitigated by the decrease in depreciation and amortization expense for assets held for sale and lower income taxes. On a per share basis, net earnings attributable to shareholders of the Corporation from discontinued operations decreased by 41.0%, from \$0.61 to \$0.36, respectively.

## ANALYSIS OF SECTOR RESULTS - FIRST QUARTER

(Unaudited)

Table #4:

(in millions of dollars)	Retail Services and Printing	Other	Consolidated results - Continuing operations	Packaging - Discontinued operations	Total
<b>Revenues - First quarter of 2025 - Restated</b>	<b>\$242.3</b>	<b>\$15.4</b>	<b>\$257.7</b>	<b>\$387.8</b>	<b>\$645.5</b>
Business acquisition and disposal	11.4	—	11.4	—	11.4
Exchange rate effect	1.5	—	1.5	(2.6)	(1.1)
Organic growth (decline)	(6.7)	(0.4)	(7.1)	(0.8)	(7.9)
<b>Revenues - First quarter of 2026</b>	<b>\$248.5</b>	<b>\$15.0</b>	<b>\$263.5</b>	<b>\$384.4</b>	<b>\$647.9</b>
<b>Adjusted operating earnings before depreciation and amortization <sup>(1)</sup> - First quarter of 2025 - Restated</b>	<b>\$41.1</b>	<b>\$(0.8)</b>	<b>\$40.3</b>	<b>\$58.7</b>	<b>\$99.0</b>
Business acquisition and disposal	2.1	—	2.1	—	2.1
Exchange rate effect	1.5	—	1.5	(0.3)	1.2
Stock-based compensation	—	(2.3)	(2.3)	—	(2.3)
Organic growth (decline)	(5.1)	(3.4)	(8.5)	(5.9)	(14.4)
<b>Adjusted operating earnings before depreciation and amortization <sup>(1)</sup> - First quarter of 2026</b>	<b>\$39.6</b>	<b>\$(6.5)</b>	<b>\$33.1</b>	<b>\$52.5</b>	<b>\$85.6</b>

(1) Please refer to Table #3 in the "Reconciliation of Non-IFRS Financial Measures" section of this Management's Discussion and Analysis for adjusted data presented above.

### Retail Services and Printing Sector

Retail Services and Printing Sector revenues increased by \$6.2 million, or 2.6%, from \$242.3 million in the first quarter of fiscal year 2025 to \$248.5 million in the first quarter of fiscal year 2026. This increase is mostly attributable to our recent acquisitions and, to a lesser extent, the favourable exchange rate effect, partially mitigated by lower volume in in-store marketing activities, mainly due to a timing shift in sales, as well as in book and flyer printing activities, and by the impact of price concessions.

Adjusted operating earnings before depreciation and amortization decreased by \$1.5 million, or 3.6%, from \$41.1 million in the first quarter of fiscal year 2025 to \$39.6 million in the first quarter of fiscal year 2026. This decrease is mainly due to previously explained decrease in volume, partially offset by our recent acquisitions and the favourable exchange rate effect. The sector's adjusted operating earnings margin before depreciation and amortization decreased from 17.0% in the first quarter of fiscal year 2025 to 15.9% in the first quarter of fiscal year 2026, mainly as a result of the above-mentioned items.

### Other

Revenues decreased by \$0.4 million, or 2.6%, from \$15.4 million in the first quarter of fiscal year 2025 to \$15.0 million in the first quarter of fiscal year 2026. This decrease is due to lower volume in the Media Sector, mainly caused by the end of the contract related to SEAO, Quebec's electronic tendering system, offset by the decrease in inter-sector eliminations.

Adjusted operating earnings before depreciation and amortization decreased by \$5.7 million, from \$-0.8 million in the first quarter of fiscal year 2025 to \$-6.5 million in the first quarter of 2026. This decrease is mainly due to the unfavourable impact of incentive compensation reflecting, among others, the increase in share price.

### Packaging Sector - Discontinued Operations

Packaging Sector revenues decreased by \$3.4 million, or 0.9%, from \$387.8 million in the first quarter of fiscal year 2025 to \$384.4 million in the first quarter of fiscal year 2026. This decrease is mainly due to the unfavourable exchange rate effect as well as lower volume in one of our markets that more than offset higher volume in our other markets.

Adjusted operating earnings before depreciation and amortization decreased by \$6.2 million, or 10.6%, from \$58.7 million in the first quarter of fiscal year 2025 to \$52.5 million in the first quarter of fiscal year 2026. This decrease is mainly due to a less favourable product mix and, to a lesser extent, the unfavourable exchange rate effect. The sector's adjusted operating earnings margin before depreciation and amortization decreased from 15.1% in the first quarter of fiscal year 2025 to 13.7% in the first quarter of fiscal year 2026, mainly as a result of the above-mentioned items.

## DISCONTINUED OPERATIONS

### Sale of the Packaging Sector activities

On December 8, 2025, the Corporation announced that it had entered into an agreement to sell its Packaging Sector activities to ProAmpac Holdings Inc., subject to customary adjustments for debt and debt-like items, cash, and working capital. In this period of industry consolidation, this agreement will enable the Corporation to maximize shareholder value by acting decisively and from a position of strength. In addition, it will allow the Corporation to focus its resources on its growth strategy in the Retail Services and Printing Sector, notably in-store marketing activities and in the Media Sector. During the first quarter of fiscal year 2026, all the criteria for classification as held for sale were met, and the Packaging Sector activities are therefore reported as discontinued operations and the related assets and liabilities are presented as held for sale as at January 25, 2026.

On March 6, 2026, subsequent to the first quarter of fiscal year 2026, after receiving shareholder and regulatory approvals and meeting other customary closing conditions, the Corporation completed the sale of its Packaging Sector activities to ProAmpac Holdings inc. for a total purchase price of \$2.1 billion (US\$1.5 billion). This transaction should give rise to a total gain of approximately \$212.0 millions net of taxes and a provision for indemnification, subject to working capital and other adjustments. This gain includes cumulative translation differences of \$67.7 million as at January 25, 2026.

The following table presents net earnings and other comprehensive (loss) income from discontinued operations for the first quarter of fiscal year 2026 and the first quarter of fiscal year 2025:

**Table #6 :**

	Three months ended	
	January 25, 2026	January 26, 2025
Revenues	\$384.4	\$387.8
Operating expenses	331.7	329.1
Restructuring and other costs (revenues)	8.9	(47.5)
Depreciation and amortization	11.2	34.8
Net financial expenses <sup>(1)</sup>	(5.3)	(0.4)
Earnings before income taxes	37.9	71.8
Income taxes	7.8	19.9
<b>Net earnings from discontinued operations</b>	<b>30.1</b>	<b>51.9</b>
Other comprehensive (loss) income from discontinued operations	(21.6)	18.9
<b>Comprehensive income from discontinued operations</b>	<b>\$8.5</b>	<b>\$70.8</b>

<sup>(1)</sup> As at January 25, 2026, the Corporation held foreign exchange forward contracts that were not designated as part of hedging relationships. These contracts, whose notional amount totalled \$1.6 billion (US\$1.2 billion), are maturing by March 2026, have a fair value of \$3.6 million and generated unrealized gains of \$6.7 million.

The following table presents cash flows from discontinued operations for the first quarter of fiscal year 2026 and the first quarter of fiscal year 2025:

**Table #7 :**

	Three months ended	
	January 25, 2026	January 26, 2025
Cash flows from operating activities	\$ 13.2	\$ 26.7
Cash flows from investing activities	(8.9)	120.7
Cash flows from financing activities	(3.8)	(3.4)
<b>Net cash flows from discontinued operations</b>	<b>\$ 0.5</b>	<b>\$ 144.0</b>

The following table presents assets and liabilities held for sale as remeasured at the foreign exchange rate prevailing at the end of the period:

**Table #8:**

	As at January 25, 2026
<b>Current assets</b>	
Accounts receivable	\$ 226.0
Income taxes receivable	17.9
Inventories	272.6
Prepaid expenses and other current assets	5.1
Property, plant and equipment <sup>(1)</sup>	588.1
Right-of-use assets	50.6
Intangible assets	191.2
Goodwill	771.0
Deferred taxes <sup>(1)</sup>	6.0
Other assets	25.1
<b>Assets held for sale</b>	<b>\$ 2,153.6</b>
<b>Current liabilities</b>	
Accounts payable and accrued liabilities	\$ 140.2
Income taxes payable	14.6
Deferred revenues and deposits	0.1
Long-term debt	1.1
Lease liabilities	53.7
Deferred taxes	27.3
Other liabilities	15.2
<b>Liabilities held for sale</b>	<b>\$ 252.2</b>
<b>Assets held for sale net of liabilities held for sale</b>	<b>\$ 1,901.4</b>

<sup>(1)</sup> In addition to the assets of the Packaging Sector, Property, plant and equipment and Deferred taxes include buildings of the Other Sector amounting to \$12.0 million.

## SUMMARY OF QUARTERLY RESULTS

(Unaudited)

Table #9 summarizes selected restated 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 #9:**

	2026	2025 - Restated			2024 - Restated			
(for continuing operations, in millions of dollars, unless otherwise indicated and per share amounts)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	\$ 263.5	\$ 317.1	\$ 294.9	\$ 283.3	\$ 257.7	\$ 334.9	\$ 283.7	\$ 272.1
Operating earnings before depreciation and amortization	26.1	59.8	47.2	45.2	36.7	68.5	59.8	21.6
Adjusted operating earnings before depreciation and amortization <sup>(1)</sup>	33.1	66.9	58.5	46.2	40.3	77.4	56.9	39.0
Adjusted operating earnings margin before depreciation and amortization <sup>(1)</sup>	12.6%	21.1%	19.8%	16.3%	15.6%	23.1%	20.1%	14.3%
Operating earnings	\$ 8.2	\$ 42.2	\$ 29.5	\$ 27.1	\$ 18.8	\$ 49.8	\$ 40.9	\$ 1.4
Adjusted operating earnings <sup>(1)</sup>	17.5	50.3	41.7	29.3	23.4	59.7	39.2	20.4
Adjusted operating earnings margin <sup>(1)</sup>	6.6%	15.9%	14.1%	10.3%	9.1%	17.8%	13.8%	7.5%
Net earnings (loss)	\$ (0.2)	\$ 29.2	\$ 13.0	\$ 15.4	\$ 4.8	\$ 36.1	\$ 21.8	\$ (10.2)
Net earnings per share	—	0.35	0.16	0.18	0.06	0.43	0.25	(0.12)
Adjusted net earnings <sup>(1)</sup>	6.7	32.4	22.2	17.0	8.2	43.5	16.9	4.0
Adjusted net earnings per share <sup>(1)</sup>	0.08	0.39	0.27	0.20	0.10	0.51	0.20	0.05
Adjusted net earnings as a % of the fiscal year	—%	41%	28%	21%	10%	64%	25%	6%

(1) Please refer to Table #3 in the "Reconciliation of Non-IFRS Financial Measures" section of this Management's Discussion and Analysis for adjusted data presented above.

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; and
- The impact of inflation on costs.

## FINANCIAL POSITION, LIQUIDITY AND CAPITAL STRUCTURE

(Unaudited)

**Table #10:**

(in millions of dollars)	Three months ended	
	January 25, 2026	January 26, 2025 Restated <sup>(1)</sup>
<b>Operating activities</b>		
Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid	\$28.3	\$39.0
Changes in non-cash operating items	(10.8)	(36.4)
Income taxes paid	(6.7)	(5.6)
Cash flows from operating activities of continuing operations	\$10.8	\$(3.0)
<b>Investing activities</b>		
Business combinations, net of acquired cash	\$(0.2)	\$—
Acquisitions of property, plant and equipment	(5.1)	(3.6)
Disposals of property, plant and equipment and other	0.6	0.1
Increase in intangible assets	(6.8)	(7.2)
Cash flows from investing activities of continuing operations	\$(11.5)	\$(10.7)
<b>Financing activities</b>		
Reimbursement of long-term debt	\$(0.6)	\$(0.5)
Net increase in credit facilities	28.0	—
Financial expenses paid on long-term debt and credit facilities	(7.7)	(8.2)
Repayment of principal on lease liabilities	(3.6)	(3.4)
Interest paid on lease liabilities	(0.4)	(0.5)
Dividends	(18.8)	(18.9)
Shares repurchased	—	(16.3)
Cash flows from financing activities of continuing operations	\$(3.1)	\$(47.8)
Effect of exchange rate changes on cash denominated in foreign currencies	(0.7)	5.4
Net change in cash from continuing operations	\$(4.5)	\$(56.1)
Net change in cash from discontinued operations	0.5 \$	144.0 \$

<sup>(1)</sup> Certain comparative figures have been reclassified to conform to the presentation adopted in the period.

**Table #11:**

<b>Financial position</b>	<b>As at January 25, 2026</b>	<b>As at October 26, 2025</b>
(in millions of dollars, except ratios)		Restated
Net indebtedness <sup>(1)</sup>	<b>\$709.2</b>	\$740.4
Net indebtedness ratio <sup>(1)</sup>	<b>3.46x</b>	3.49x
Adjusted net indebtedness <sup>(1)</sup>	<b>764.0 \$</b>	\$740.4
Adjusted net indebtedness ratio <sup>(1)</sup>	<b>1.69x</b>	1.59x
Credit rating		
DBRS	<b>BBB (low)</b>	BBB (low)
Outlook	<b>Negative</b>	Stable
Standard and Poor's	<b>BBB-</b>	BBB-
Outlook	<b>Negative</b>	Stable
<b>Consolidated Statements of Financial Position</b>	<b>As at January 25, 2026</b>	<b>As at October 26, 2025</b>
(in millions of dollars)		Restated
Current assets	<b>\$2,512.7</b>	\$932.0
Current liabilities	<b>753.6</b>	731.9
Total assets	<b>3,273.8</b>	3,340.8
Total liabilities	<b>1,372.0</b>	1,430.7

(1) Please refer to Table #3 in the "Reconciliation of Non-IFRS Financial Measures" section of this Management's Discussion and Analysis for adjusted data presented above.

## ANALYSIS OF CASH FLOWS - FIRST QUARTER

### Cash Flows from Continuing Operating Activities

Cash flows from continuing operating activities increased from a cash outflow of \$3.0 million in the first quarter of fiscal year 2025 to a cash inflow of \$10.8 million in the first quarter of fiscal year 2026. This increase is mainly explained by the favourable change in working capital, in particular inventories related to continuing operations.

### Cash Flows from Continuing Investing Activities

Cash flows from continuing investing activities went from a cash outflow of \$10.7 million in the first quarter of fiscal year 2025 to a cash outflow of \$11.5 million in the first quarter of fiscal year 2026. This change is mainly attributable to increase in acquisitions of property, plant and equipment.

### Cash Flows from Continuing Financing Activities

Cash flows from financing activities went from a cash outflow of \$47.8 million in the first quarter of fiscal year 2025 to a cash outflow of \$3.1 million in the first quarter of fiscal year 2026. This change is mostly attributable to borrowings on credit facilities and the fact that no shares were repurchased in the first quarter of fiscal year of 2026.

## Debt Instruments

The Corporation has a credit facility amounting to \$400.0 million or the U.S. dollar equivalent, which matures in February 2030. 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%.

On March 6, 2026, subsequent to the first quarter of fiscal year 2026 and the closing of the sale of the Packaging Sector activities, the maximum amount of the credit facility is reduced to \$35.0 million. On July 13, 2026, once the Corporation will have repaid the unsecured notes (issued in 2021), the amount will be \$200.0 million and the maturity date will be four years, maturing in March 2030. The applicable interest rate for this credit facility will be CORRA plus approximately 2.55%.

The Corporation has another credit facility with a maximum amount of US\$15.0 million (\$20.6 million), which matures in March 2026. The applicable interest rate for this credit facility is SOFR plus 1.350%. On March 6, 2026, subsequent to the first quarter of fiscal year 2026 and the closing of the sale of the Packaging Sector activities, this credit facility is cancelled.

As at January 25, 2026, an amount of \$28.0 million was drawn on the credit facilities and the unused amount under the credit facilities was \$392.6 million.

As at January 25, 2026, the floating-rate portion of the Corporation's long-term debt represented approximately 26.8% of total debt.

## Repayment of Term Loans

On March 6, 2026, subsequent to the first quarter of fiscal year 2026, the Corporation repaid early the balance of the U.S. dollar term loan (issued in 2021) of \$157.0 million, which was maturing on June 14, 2028, as well as the balance of the U.S. dollar term loan (extended in 2022) of \$154.2 million, which was maturing on June 30, 2027.

## Net Indebtedness

Net indebtedness decreased from \$740.4 million as at October 26, 2025 to \$709.2 million as at January 25, 2026. This decrease is explained by the net decrease in lease liabilities related to the reclassification as liabilities held for sale, partially mitigated by investments in property, plant and equipment and intangible assets and the unfavourable change in working capital. As a result, the net indebtedness ratio stood at 3.46x as at January 25, 2026 compared to 3.49x as at October 26, 2025.

Adjusted net indebtedness increased from \$740.4 million as at October 26, 2025 to \$764.0 million as at January 25, 2026. This increase is explained by investments in property, plant and equipment and intangible assets and the unfavourable change in working capital. As a result, the adjusted net indebtedness ratio stood at 1.69x as at January 25, 2026 compared to 1.59x as at October 26, 2025.

## ANALYSIS OF FINANCIAL POSITION - FIRST QUARTER

(Unaudited)

Table #12 presents, for assets and liabilities, the change due to the reclassification as assets and liabilities held for sale, the impact of the accounting restatements and the remaining changes for the first quarter of fiscal year 2026.

**Table #12**

(in millions of dollars)	As at October 26, 2025	Reclassification - Assets and liabilities held for sale	Restatements	Changes - First quarter of fiscal year 2026	As at January 25, 2026
<b>Assets</b>					
Accounts receivable	\$ 468.1	\$ (226.0)	\$ —	\$ (55.1)	\$ 187.0
Income taxes receivable	7.2	(17.9)	—	18.5	7.8
Inventories	378.4	(272.6)	(5.7)	(5.1)	95.0
Prepaid expenses and other current assets	25.0	(5.1)	—	6.4	26.3
Assets held for sale	12.0	2,141.6	—	—	2,153.6
Property, plant and equipment	725.5	(579.7)	—	(15.2)	130.6
Right-of-use assets	98.5	(50.6)	—	1.8	49.7
Intangible assets	328.0	(191.2)	—	(10.2)	126.6
Goodwill	1,179.5	(771.0)	—	(12.3)	396.2
Deferred taxes	47.3	(2.4)	—	(3.2)	41.7
Other assets	30.0	(25.1)	—	11.4	16.3
<b>Liabilities</b>					
Accounts payable and accrued liabilities	435.2	(140.2)	—	(83.4)	211.6
Income taxes payable	3.5	(14.6)	—	12.9	1.8
Deferred revenues and deposits	8.5	(0.1)	6.0	9.3	23.7
Current portion of long-term debt	253.2	(0.8)	—	(0.2)	252.2
Current portion of lease liabilities	25.5	(12.4)	—	(1.0)	12.1
Liabilities held for sale	—	252.2	—	—	252.2
Long-term debt	417.6	(0.3)	—	21.0	438.3
Lease liabilities	91.1	(41.3)	—	(0.2)	49.6
Deferred taxes	72.1	(27.3)	(3.0)	(0.1)	41.7
Other liabilities	121.0	(15.2)	—	(10.3)	95.5

### Accounts Receivable

Accounts receivable decreased by \$281.1 million, from \$468.1 million as at October 26, 2025 to \$187.0 million as at January 25, 2026. This decrease is mostly attributable to the reclassification of assets as held for sale as well as lower volume in the Retail Services and Printing and Other sectors.

### Accounts Payable and Accrued Liabilities

Accounts payables and accrued liabilities decreased by \$223.6 million, from \$435.2 million as at October 26, 2025 to \$211.6 million as at January 25, 2026. This decrease is mostly attributable to the reclassification of liabilities as held for sale and timing differences in payments.

## CAPITAL STRUCTURE

### Share Capital

Table #13:

Shares Issued and Outstanding	As at January 25, 2026	As at March 6, 2026
Class A (Subordinate Voting Shares)	74,112,647	74,112,647
Class B (Multiple Voting Shares)	9,506,272	9,506,272
<b>Total Class A and Class B</b>	<b>83,618,919</b>	<b>83,618,919</b>

During the first quarter of fiscal year 2026, the Corporation had no share repurchase program in effect.

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 quarter of fiscal year 2025, the Corporation had 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, had been applied against retained earnings.

Following the sale of the packaging activities completed on March 6, 2026, and subject to the approval of some changes by the shareholders of the Corporation at the Annual and Special meeting of shareholders to be held on March 10, 2026, the Corporation intends to declare a special distribution of \$20.00 per share on Class A Subordinate Voting Shares and Class B Shares.

## 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 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").

In accordance with the provisions of Regulation 52-109, management has limited the scope of its design of the Corporation's disclosure controls and procedures and ICFR to exclude the controls, policies and procedures of the acquired entities, namely Mirazed and Intergraphics. This exclusion is accepted by the Autorité des marchés financiers ("AMF") during the first year after the acquisition of a business to give a corporation time to integrate the acquisition.

During the first three months of fiscal year 2026, Mirazed and Intergraphics generated revenues of \$9.2 millions, or 3.5% of the Corporation's consolidated revenues.

Additional information about these acquisitions is presented in the following table:

**Table #14:**

(in millions of dollars)	Mirazed and Intergraphics
<b>Statement of Financial Position</b>	<b>As at January 25 , 2026</b>
Current assets	<b>\$16.0</b>
Non-current assets	<b>61.1</b>
Current liabilities	<b>5.1</b>
Non-current liabilities	<b>19.3</b>
<b>Statement of Earnings</b>	<b>Three months ended January 25, 2026</b>
Revenues	<b>\$9.2</b>
Operating earnings before depreciation and amortization	<b>1.7</b>
Operating earnings	<b>1.1</b>

During the first quarter ended January 25, 2026, except for the above-mentioned facts, 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.

## OUTLOOK

The closing of the sale of our Packaging Business represents a key milestone for TC Transcontinental. This transaction will allow us to focus our resources on our Retail Services & Printing and Educational Publishing activities.

We anticipate lower volume in our traditional activities, including book printing which experienced very high growth in fiscal year 2025. This decrease should be partially offset by growth in our in-store marketing activities, including the positive impact of acquisitions.

At the consolidated level, we expect adjusted operating earnings before depreciation and amortization from continuing operations for fiscal year 2026 to remain stable compared to fiscal year 2025.

Lastly, we expect to continue generating significant cash flows from operating activities, which will enable us to continue to reduce net indebtedness while investing in our growth. We also expect our adjusted net indebtedness ratio to increase over the next two quarters before improving in the fourth quarter of fiscal year 2026.

On behalf of Management,

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

March 10, 2026



## Condensed Interim Consolidated Financial Statements

For the three-month periods ended January 25, 2026 and January 26, 2025

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## CONSOLIDATED STATEMENTS OF EARNINGS

Unaudited

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

	Notes	Three months ended	
		January 25, 2026	January 26, 2025 Restated <sup>(1)</sup>
Revenues	4	\$ 263.5	\$ 257.7
Operating expenses	5	230.4	217.4
Restructuring and other costs	6	3.5	3.6
Impairment of assets	6	3.5	—
Operating earnings before depreciation and amortization		26.1	36.7
Depreciation and amortization	7	17.9	17.9
Operating earnings		8.2	18.8
Net financial expenses	8	9.3	9.7
(Loss) earnings before income taxes		(1.1)	9.1
Income taxes (recovery)	9	(0.9)	4.3
Net (loss) earnings from continuing operations		(0.2)	4.8
Net earnings from discontinued operations	3	30.1	51.9
<b>Net earnings</b>		<b>29.9</b>	<b>56.7</b>
Non-controlling interests <sup>(2)</sup>		0.2	0.1
<b>Net earnings attributable to shareholders of the Corporation</b>		<b>\$ 29.7</b>	<b>\$ 56.6</b>
Net earnings attributable to shareholders of the Corporation per share - basic and diluted			
Continuing operations		\$ —	\$ 0.06
Discontinued operations		0.36	0.61
		<b>\$ 0.36</b>	<b>\$ 0.67</b>
Weighted average number of shares outstanding - basic and diluted (in millions)	12	83.6	84.2

<sup>(1)</sup> Please see Note 2 for a description of the items restated during the period.

<sup>(2)</sup> Non-controlling interests are all attributable to discontinued operations.

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

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited  
(in millions of Canadian dollars)

	Note	Three months ended	
		January 25, 2026	January 26, 2025 Restated <sup>(1)</sup>
<b>Net earnings</b>		<b>\$ 29.9</b>	<b>\$ 56.7</b>
<b>Other comprehensive (loss) income</b>			
<b>Items that may be subsequently reclassified to net earnings</b>			
<b>Net change related to cash flow hedges</b>			
Net change in the fair value of designated derivatives - foreign exchange risk		6.0	(10.0)
Net change in the fair value of designated derivatives - interest rate risk		0.6	1.4
Reclassification of the net change in the fair value of designated derivatives recognized in net earnings during the period		0.4	2.0
Related income taxes (recovery)		1.8	(1.8)
	14	5.2	(4.8)
<b>Cumulative translation differences</b>			
Net unrealized exchange (losses) gains on the translation of the financial statements of foreign operations		(31.0)	54.1
Reclassification to net earnings of net exchange gains on the translation of the financial statements of foreign operations during the period		—	(8.2)
Net gains (losses) on hedge of the net investment in foreign operations		8.3	(24.4)
Related income taxes		0.6	1.5
	14	(23.3)	20.0
<b>Items that will not be reclassified to net earnings</b>			
<b>Changes related to defined benefit plans</b>			
Actuarial (losses) gains on defined benefit plans		(1.8)	0.6
Related income taxes (recovery)		(0.5)	0.1
	14	(1.3)	0.5
<b>Other comprehensive (loss) income</b>	14	<b>(19.4)</b>	<b>15.7</b>
<b>Comprehensive income</b>		<b>\$ 10.5</b>	<b>\$ 72.4</b>
Comprehensive income from continuing operations		\$ 2.0	\$ 1.6
Comprehensive income from discontinued operations		8.5	70.8

<sup>(1)</sup> Please see Note 2 for a description of the items restated during the period.

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
<b>Balance as at October 26, 2025 - As reported</b>		\$ 611.4	\$ 0.9	\$ 1,258.3	\$ 42.3	\$ 1,912.9	\$ 5.9	\$ 1,918.8
<b>Restatement</b>	2	—	—	(8.7)	—	(8.7)	—	(8.7)
<b>Balance as at October 26, 2025 - Restated</b>		611.4	0.9	1,249.6	42.3	1,904.2	5.9	1,910.1
<b>Net earnings</b>		—	—	29.7	—	29.7	0.2	29.9
<b>Other comprehensive loss</b>	14	—	—	—	(19.4)	(19.4)	—	(19.4)
<b>Shareholders' contributions and distributions to shareholders</b>								
Dividends	12	—	—	(18.8)	—	(18.8)	—	(18.8)
<b>Balance as at January 25, 2026</b>		\$ 611.4	\$ 0.9	\$ 1,260.5	\$ 22.9	\$ 1,895.7	\$ 6.1	\$ 1,901.8
<b>Balance as at October 27, 2024 - As reported</b>		\$ 619.2	\$ 0.9	\$ 1,237.5	\$ 51.7	\$ 1,909.3	\$ 5.5	\$ 1,914.8
<b>Restatement</b>	2	—	—	(8.3)	—	(8.3)	—	(8.3)
<b>Balance as at October 27, 2024 - Restated</b>		619.2	0.9	1,229.2	51.7	1,901.0	5.5	1,906.5
<b>Net earnings - Restated</b>	2	—	—	56.6	—	56.6	0.1	56.7
<b>Other comprehensive income</b>	14	—	—	—	15.7	15.7	—	15.7
<b>Shareholders' contributions and distributions to shareholders</b>								
Share repurchases and related income taxes	12	(7.8)	—	8.8	—	1.0	—	1.0
Dividends	12	—	—	(18.9)	—	(18.9)	—	(18.9)
<b>Balance as at January 26, 2025 - Restated</b>		\$ 611.4	\$ 0.9	\$ 1,275.7	\$ 67.4	\$ 1,955.4	\$ 5.6	\$ 1,961.0

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 January 25, 2026	As at October 26, 2025 Restated <sup>(1)</sup>
<b>Current assets</b>			
Cash		\$ 43.0	\$ 47.0
Accounts receivable		187.0	468.1
Income taxes receivable		7.8	7.2
Inventories		95.0	372.7
Prepaid expenses and other current assets		26.3	25.0
Assets held for sale	3	2,153.6	12.0
		2,512.7	932.0
<b>Property, plant and equipment</b>			
		130.6	725.5
<b>Right-of-use assets</b>			
		49.7	98.5
<b>Intangible assets</b>			
		126.6	328.0
<b>Goodwill</b>			
		396.2	1,179.5
<b>Deferred taxes</b>			
		41.7	47.3
<b>Other assets</b>			
		16.3	30.0
		\$ 3,273.8	\$ 3,340.8
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 211.6	\$ 435.2
Income taxes payable		1.8	3.5
Deferred revenues and deposits		23.7	14.5
Current portion of long-term debt	10	252.2	253.2
Current portion of lease liabilities		12.1	25.5
Liabilities held for sale	3	252.2	—
		753.6	731.9
<b>Long-term debt</b>			
	10	438.3	417.6
<b>Lease liabilities</b>			
		49.6	91.1
<b>Deferred taxes</b>			
		35.0	69.1
<b>Other liabilities</b>			
	11	95.5	121.0
		1,372.0	1,430.7
<b>Equity</b>			
Share capital	12	611.4	611.4
Contributed surplus		0.9	0.9
Retained earnings		1,260.5	1,249.6
Accumulated other comprehensive income	14	22.9	42.3
Attributable to shareholders of the Corporation		1,895.7	1,904.2
Non-controlling interests		6.1	5.9
		1,901.8	1,910.1
		\$ 3,273.8	\$ 3,340.8

<sup>(1)</sup> Please see Note 2 for a description of the items restated during the period.

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	
		January 25, 2026	January 26, 2025 Restated <sup>(1)</sup>
<b>Operating activities</b>			
Net earnings		\$ 29.9	\$ 56.7
Less : Net earnings from discontinued operations		30.1	51.9
Net (loss) earnings from continuing operations		\$ (0.2)	\$ 4.8
Adjustments to reconcile net earnings and cash flows from operating activities:			
Impairment of assets	6	3.5	—
Depreciation and amortization	7	17.9	17.9
Financial expenses on long-term debt and lease liabilities	8	8.1	11.7
Net gains on disposal of assets		(0.4)	(0.2)
(Recovery) Income taxes	9	(0.9)	4.3
Net foreign exchange differences and other		0.3	0.5
Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid		28.3	39.0
Changes in non-cash operating items		(10.8)	(36.4)
Income taxes paid		(6.7)	(5.6)
Cash flows from operating activities of continuing operations		10.8	(3.0)
<b>Investing activities</b>			
Business combinations, net of acquired cash		(0.2)	—
Acquisitions of property, plant and equipment		(5.1)	(3.6)
Disposals of property, plant and equipment and other		0.6	0.1
Increase in intangible assets		(6.8)	(7.2)
Cash flows from investing activities of continuing operations		(11.5)	(10.7)
<b>Financing activities</b>			
Reimbursement of long-term debt		(0.6)	(0.5)
Net increase in credit facilities		28.0	—
Financial expenses paid on long-term debt and credit facilities		(7.7)	(8.2)
Repayment of principal on lease liabilities		(3.6)	(3.4)
Interest paid on lease liabilities		(0.4)	(0.5)
Dividends	12	(18.8)	(18.9)
Shares repurchased	12	—	(16.3)
Cash flows from financing activities of continuing operations		(3.1)	(47.8)
Effect of exchange rate changes on cash denominated in foreign currencies		(0.7)	5.4
Net change in cash from continuing operations		(4.5)	(56.1)
Net change in cash from discontinued operations	3	0.5	144.0
Cash at beginning of the period		47.0	185.2
Cash at end of period		\$ 43.0	\$ 273.1
<b>Non-cash investing activities</b>			
Net change in capital asset acquisitions financed by accounts payable		\$ (2.4)	\$ (0.5)

<sup>(1)</sup> Please see Note 2 for a description of the items restated during the period.

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

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

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## 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 Canadian retail marketing services company, Canada's largest printer and the Canadian leader in French-language educational publishing and mainly conducts business in Canada. Until the sale of the Packaging Sector activities, which mainly operated in the United States, Canada, Latin America and the United Kingdom, the Corporation was also a North American leader in flexible packaging. The Corporation's main activities are described in Note 4 "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 March 10, 2026.

## 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 26, 2025, except for the following, and should be read in conjunction with them.

### a) Discontinued operations and assets and liabilities held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is considered as highly probable. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, employee benefit assets and financial assets that are specifically exempt from this measurement requirement.

A disposal group qualifies as a discontinued operation if it is a component of an entity that was disposed of or is classified as held for sale and it represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The classification as discontinued operation occurs at the earliest of the date of disposal or the date when the operation meets the criteria to be classified as held for sale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Consolidated Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Consolidated Statement of Financial Position.

Non-current assets, including those that are part of a disposal group, are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Discontinued operations are excluded from the earnings from continuing operations and are presented as a single amount of net earnings from discontinued operations in the Consolidated Statement of Earnings and a single amount of other comprehensive income from discontinued operations in the Consolidated Statement of Comprehensive Income.

When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Earnings, Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows are reclassified as if the operation had been discontinued from the beginning of the comparative year.

### b) Comparative figures

Comparative amounts in the Consolidated Statement of Earnings, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flows and related Notes have been reclassified as a result of the Packaging Sector being reported as discontinued operations, as described in Note 3 "Discontinued operations." In addition, some comparative figures have been reclassified to conform to the presentation adopted during the current period.

### c) Accounting restatements

During the three-month period ended January 25, 2026, the Corporation revised the accounting treatment of digital revenues for the Media Sector and volume discounts for the Retail Services and Printing Sector. The Corporation applied these treatments retrospectively, and the corresponding figures for the three-month period ended January 26, 2025 have been adjusted to reflect these changes, which had a favourable impact of \$1.0 million on previously reported net earnings. These restatements had a negligible impact on the opening balances as at October 27, 2024.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### c) Accounting restatements (continued)

The following table presents, only for the applicable line items, the previously reported figures, the restatements and the restated figures :

	As at		As at	
	October 26, 2025		October 26, 2025	
	As reported	Restatement	Restated	
Inventories	\$ 378.4	\$ (5.7)	\$ 372.7	
Deferred revenues and deposits	8.5	6.0	14.5	
Deferred taxes	72.1	(3.0)	69.1	
Retained earnings	1,258.3	(8.7)	1,249.6	

  

	Three months ended		
	January 26, 2025		January 26, 2025
	As reported	Restatement	Restated <sup>(1)</sup>
Revenues	\$ 643.0	\$ 2.5	\$ 645.5
Operating expenses	545.5	1.0	546.5
Income taxes	23.7	0.5	24.2
Net earnings	55.7	1.0	56.7

<sup>(1)</sup> Amounts reported represent total amounts before the reclassification of discontinued operations.

### 3 DISCONTINUED OPERATIONS

#### Sale of the Packaging Sector activities

On December 8, 2025, the Corporation announced that it had entered into an agreement to sell its Packaging Sector activities to ProAmpac Holdings Inc., subject to customary adjustments for debt and debt-like items, cash, and working capital. In this period of industry consolidation, this agreement will enable the Corporation to maximize shareholder value by acting decisively and from a position of strength. In addition, it will allow the Corporation to focus its resources on its growth strategy in the Retail Services and Printing Sector, notably in-store marketing activities and in the Media Sector. During the three-month period ended January 25, 2026, all the criteria for classification as held for sale were met, the Packaging Sector activities are reported as discontinued operations and the related assets and liabilities are presented as held for sale as at January 25, 2026.

On March 6, 2026, subsequent to the three-month period ended January 25, 2026, after receiving shareholder and regulatory approvals and meeting other customary closing conditions, the Corporation completed the sale of its Packaging Sector activities to ProAmpac Holdings inc. for a total purchase price of \$2.1 billion (US\$1.5 billion). This transaction should give rise to a total gain of approximately \$212.0 million net of taxes and a provision for an indemnification, subject to working capital and other adjustments. This gain includes cumulative translation differences of \$67.7 million included in Accumulated other comprehensive income as at January 25, 2026.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

### 3 DISCONTINUED OPERATIONS (CONTINUED)

The following table presents net earnings and other comprehensive (loss) income from discontinued operations for the three-month periods ended January 25, 2026 and January 26, 2025:

	Three months ended	
	January 25, 2026	January 26, 2025
Revenues	\$ 384.4	\$ 387.8
Operating expenses	331.7	329.1
Restructuring and other costs (revenues)	8.9	(47.5)
Depreciation and amortization	11.2	34.8
Net financial expenses <sup>(1)</sup>	(5.3)	(0.4)
Earnings before income taxes	37.9	71.8
Income taxes	7.8	19.9
<b>Net earnings from discontinued operations</b>	<b>30.1</b>	<b>51.9</b>
Other comprehensive (loss) income from discontinued operations	(21.6)	18.9
<b>Comprehensive income from discontinued operations</b>	<b>\$ 8.5</b>	<b>\$ 70.8</b>

<sup>(1)</sup> As at January 25, 2026, the Corporation held foreign exchange forward contracts that were not designated as part of hedging relationships. These contracts, whose notional amount totalled \$1.6 billion (US\$1.2 billion), are maturing by March 2026, have a fair value of \$3.6 million and generated unrealized gains of \$6.7 million.

The following table presents cash flows from discontinued operations for the three-month periods ended January 25, 2026 and January 26, 2025:

	Three months ended	
	January 25, 2026	January 26, 2025
Cash flows from operating activities	\$ 13.2	\$ 26.7
Cash flows from investing activities	(8.9)	120.7
Cash flows from financing activities	(3.8)	(3.4)
<b>Net cash flows from discontinued operations</b>	<b>\$ 0.5</b>	<b>\$ 144.0</b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

### 3 DISCONTINUED OPERATIONS (CONTINUED)

The following table presents assets and liabilities held for sale as remeasured at the foreign exchange rate prevailing at the end of the period:

	As at January 25, 2026
<b>Current assets</b>	
Accounts receivable	\$ 226.0
Income taxes receivable	17.9
Inventories	272.6
Prepaid expenses and other current assets	5.1
Property, plant and equipment <sup>(1)</sup>	588.1
Right-of-use assets	50.6
Intangible assets	191.2
Goodwill	771.0
Deferred taxes <sup>(1)</sup>	6.0
Other assets	25.1
<b>Assets held for sale</b>	<b>\$ 2,153.6</b>
<b>Current liabilities</b>	
Accounts payable and accrued liabilities	\$ 140.2
Income taxes payable	14.6
Deferred revenues and deposits	0.1
Long-term debt	1.1
Lease liabilities	53.7
Deferred taxes	27.3
Other liabilities	15.2
<b>Liabilities held for sale</b>	<b>\$ 252.2</b>
<b>Assets held for sale net of liabilities held for sale</b>	<b>\$ 1,901.4</b>

<sup>(1)</sup> In addition to the assets of the Packaging Sector, Property, plant and equipment and Deferred taxes include buildings of the Other Sector amounting to \$12.0 million.

### 4 SEGMENTED INFORMATION

The Corporation's operating segments are aggregated by management into three separate sectors: Retail Services and Printing, Media, and Packaging. During the three-month period ended January 25, 2026, the Packaging Sector activities are reported as discontinued operations. For more information, see Note 3 "Discontinued operations."

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 the carrying amount.

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.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

### 4 SEGMENTED INFORMATION (CONTINUED)

The following table presents the various sectoral components of the Consolidated Statements of Earnings:

	Retail Services and Printing	Other	Consolidated results - Continuing operations	Packaging - Discontinued operations	Total
<b>For the three-month period ended January 25, 2026</b>					
Revenues	\$ 248.5	\$ 15.0	\$ 263.5	\$ 384.4	\$ 647.9
Operating expenses	208.9	21.5	230.4	331.7	562.1
Restructuring and other costs	2.4	1.1	3.5	8.9	12.4
Impairment of assets	3.5	—	3.5	—	3.5
Operating earnings before depreciation and amortization	33.7	(7.6)	26.1	43.8	69.9
Depreciation and amortization	11.4	6.5	17.9	11.2	29.1
Operating earnings <sup>(1)</sup>	\$ 22.3	\$ (14.1)	\$ 8.2	\$ 32.6	\$ 40.8
Adjusted operating earnings before depreciation and amortization <sup>(2)</sup>	\$ 39.6	\$ (6.5)	\$ 33.1	\$ 52.5	\$ 85.6
Adjusted operating earnings <sup>(1) &amp; (2)</sup>	30.3	(12.8)	17.5	45.6	63.1
Realized losses on non-designated foreign exchange contracts <sup>(2)</sup>	—	—	—	(0.2)	(0.2)
Amortization of intangible assets arising from business combinations <sup>(2)</sup>	2.1	0.2	2.3	4.3	6.6
Acquisitions of non-current assets <sup>(3)</sup>	4.2	5.5	9.7	8.9	18.6

<sup>(1)</sup> 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.

<sup>(2)</sup> The Corporation's officers mainly use adjusted operating earnings before depreciation and amortization to make decisions and assess the performance of sectors. These earnings, like adjusted operating earnings, include realized gains 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 and the depreciation of assets, if applicable. Adjusted operating earnings also excludes amortization of intangible assets arising from business combinations, which include customer relationships, educational book titles, non-compete agreements, trade names with finite useful lives and rights of first refusal.

<sup>(3)</sup> 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.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

### 4 SEGMENTED INFORMATION (CONTINUED)

The following table presents the various sectoral components of the Consolidated Statements of Earnings:

For the three month period ended January 26, 2025 - Restated	Retail Services and Printing	Other	Consolidated results - Continuing operations	Packaging - Discontinued operations	Total
Revenues <sup>(1)</sup>	\$ 242.3	\$ 15.4	\$ 257.7	\$ 387.8	\$ 645.5
Operating expenses <sup>(1)</sup>	201.2	16.2	217.4	329.1	546.5
Restructuring and other costs (revenues) <sup>(1)</sup>	3.1	0.5	3.6	(47.5)	(43.9)
Operating earnings before depreciation and amortization	38.0	(1.3)	36.7	106.2	142.9
Depreciation and amortization	11.1	6.8	17.9	34.8	52.7
Operating earnings <sup>(2)</sup>	\$ 26.9	\$ (8.1)	\$ 18.8	\$ 71.4	\$ 90.2
Adjusted operating earnings before depreciation and amortization <sup>(3)</sup>	\$ 41.1	\$ (0.8)	\$ 40.3	\$ 58.7	\$ 99.0
Adjusted operating earnings <sup>(2) &amp; (3)</sup>	30.6	(7.2)	23.4	37.7	61.1
Amortization of intangible assets arising from business combinations <sup>(3)</sup>	0.6	0.4	1.0	13.8	14.8
Acquisitions of non-current assets <sup>(4)</sup>	3.4	6.8	10.2	11.4	21.6

<sup>(1)</sup> The information for the three-month period ended January 26, 2025 has been restated to give effect to the accounting restatements described in Note 2. For the three-month period ended January 26, 2025, revenues of \$1.6 million and operating expenses of \$1.3 million have been reclassified to the revenues and operating expenses of the Retail Services and Printing Sector. These revenues and operating expenses were previously presented in the revenues and operating expenses of the Packaging Sector. For the three-month period ended January 26, 2025, revenues of \$2.3 million have been reclassified to the restructuring and other costs (revenues) of the Packaging Sector. These revenues were previously presented in the restructuring and other costs (revenues) of the Other Sector.

<sup>(2)</sup> 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.

<sup>(3)</sup> The Corporation's officers mainly use adjusted operating earnings before depreciation and amortization to make decisions and assess the performance of sectors. These earnings, like adjusted operating earnings, include realized gains 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 include customer relationships, educational book titles, non-compete agreements, trade names with finite useful lives and rights of first refusal.

<sup>(4)</sup> 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.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

### 4 SEGMENTED INFORMATION (CONTINUED)

#### Additional information on revenues

The table below presents information on revenues from continuing operations by sector:

	Three months ended	
	January 25, 2026	January 26, 2025 Restated
<b>Retail Services and Printing <sup>(1)</sup></b>		
Marketing and media solutions <sup>(2)</sup>	\$ 90.5	\$ 91.3
In-store marketing solutions	56.4	47.8
Magazines and books	38.4	40.2
Specialized solutions	24.8	23.4
Newspapers	19.3	20.0
Content solutions	19.1	19.6
	<b>248.5</b>	<b>242.3</b>
<b>Media <sup>(1)</sup></b>	<b>17.6</b>	<b>18.8</b>
<b>Inter-sector sales <sup>(3)</sup></b>	<b>(2.6)</b>	<b>(3.4)</b>
	<b>\$ 263.5</b>	<b>\$ 257.7</b>

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

<sup>(2)</sup> Revenues from marketing and media solutions include printing services and distribution of flyers.

<sup>(3)</sup> Inter-sector sales are mostly eliminations of internal sales of the Retail Services and Printing Sector to the Media Sector.

#### Assets by sector

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

	As at	As at
	January 25, 2026	October 26, 2025 Restated
Packaging	\$ 2,141.6	\$ 2,170.0
Retail Services and Printing	817.5	849.6
Other <sup>(1)</sup>	314.7	321.2
	<b>\$ 3,273.8</b>	<b>\$ 3,340.8</b>

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

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

### 5 OPERATING EXPENSES

	Three months ended	
	January 25, 2026	January 26, 2025 Restated
Employee-related costs	\$ 101.5	\$ 94.5
Supply chain and logistics <sup>(1)</sup>	114.8	111.1
Other goods and services <sup>(2)</sup>	14.1	11.8
	<b>\$ 230.4</b>	<b>\$ 217.4</b>

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

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

### 6 RESTRUCTURING AND OTHER COSTS

	Three months ended	
	January 25, 2026	January 26, 2025 Restated
Workforce reductions <sup>(1)</sup>	\$ 1.3	\$ 0.7
Costs related to plant closures and restructuring <sup>(2)</sup>	0.4	0.1
Business acquisition and integration costs <sup>(3)</sup>	0.5	—
Other elements <sup>(4)</sup>	1.3	2.8
	<b>\$ 3.5</b>	<b>\$ 3.6</b>

<sup>(1)</sup> Includes termination payments to employees as part of workforce restructuring in the Retail Services and Printing and Other sectors.

<sup>(2)</sup> 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 and Other sectors. 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.

<sup>(3)</sup> Includes mainly costs related to integrating acquired businesses.

<sup>(4)</sup> During the three-month periods ended January 25, 2026 and January 26, 2025, the amounts presented under this caption include mainly related costs of \$0.8 million and \$2.9 million, respectively, resulting from the labour conflicts at Canada Post.

#### Impairment of assets

During the three-month period ended January 25, 2026, impairment charges of \$3.5 million were recognized following the revision of the estimated future economic benefits of equipment in the Retail Services and Printing Sector as part of restructuring initiatives.

### 7 DEPRECIATION AND AMORTIZATION

	Three months ended	
	January 25, 2026	January 26, 2025 Restated
Property, plant and equipment	\$ 6.7	\$ 8.6
Right-of-use assets	2.8	2.5
Intangible assets	8.4	6.8
	<b>\$ 17.9</b>	<b>\$ 17.9</b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

### 8 NET FINANCIAL EXPENSES

	Three months ended	
	January 25, 2026	January 26, 2025 Restated
Financial expenses on long-term debt	\$ 7.7	\$ 11.2
Interest on lease liabilities	0.4	0.5
Net interest on defined benefit asset and liability	0.8	0.7
Other expenses (income)	0.7	(2.3)
Net foreign exchange gains	(0.3)	(0.4)
	\$ 9.3	\$ 9.7

### 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	
	January 25, 2026	January 26, 2025 Restated
Earnings before income taxes	\$ (1.1)	\$ 9.1
Canadian statutory tax rate <sup>(1)</sup>	26.5%	26.5%
Income taxes at the statutory tax rate	(0.3)	2.4
Effect of differences in tax rates and additional income taxes in other jurisdictions	(0.1)	0.7
Income taxes on non-deductible expenses and non-taxable revenues	1.0	1.4
Adjustment for previous years' balances	(1.6)	(0.1)
Other	0.1	(0.1)
Income taxes at the effective tax rate	\$ (0.9)	\$ 4.3
Income taxes before the following items:	\$ 1.5	\$ 5.5
Income tax recovery on amortization of intangible assets arising from business combinations	(0.6)	(0.3)
Income tax recovery on impairment of assets	(0.9)	—
Income tax recovery on restructuring and other costs	(0.9)	(0.9)
Income taxes at the effective tax rate	\$ (0.9)	\$ 4.3

<sup>(1)</sup> The Corporation's applicable tax rate corresponds to the combined Canadian tax rates applicable in the provinces where the Corporation operates.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

### 10 LONG-TERM DEBT

	Effective interest rate as at January 25, 2026	Maturity	As at January 25, 2026	As at October 26, 2025
Unsecured notes (issued in 2021)	2.41%	July 13, 2026	\$ 250.0	\$ 250.0
U.S. dollar term loan (issued in 2021)	5.75	June 14, 2028	157.0	160.8
U.S. dollar term loan (extended in 2022)	5.57	June 30, 2027	154.2	157.4
Unified Debenture	4.84	February 1, 2028	100.0	100.0
Credit facilities		2026-2030	28.0	—
Other loans		2026-2031	2.4	3.9
			\$ 691.6	\$ 672.1
Issuance costs on long-term debt at amortized cost			(1.1)	(1.3)
<b>Total long-term debt</b>			<b>\$ 690.5</b>	<b>\$ 670.8</b>
Current portion of long-term debt			\$ 252.2	\$ 253.2
Non-current portion of long-term debt			\$ 438.3	\$ 417.6

#### Credit facilities

The Corporation has a credit facility amounting to \$400.0 million or the U.S. dollar equivalent, which matures in February 2030. 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%.

On March 6, 2026, subsequent to the three-month period ended January 25, 2026 and the closing of the sale of the Packaging Sector activities, the maximum amount of the credit facility is reduced to \$35.0 million. On July 13, 2026, once the Corporation will have repaid the unsecured notes (issued in 2021), the amount will be \$200.0 million and the maturity date will be four years, maturing in March 2030. The applicable interest rate for this credit facility will be CORRA plus approximately 2.55%.

The Corporation has another credit facility with a maximum amount of US\$15.0 million (\$20.6 million), which matures in March 2026. The applicable interest rate for this credit facility is SOFR plus 1.350%. On March 6, 2026, subsequent to the three-month period ended January 25, 2026 and the closing of the sale of the Packaging Sector activities, this credit facility is cancelled.

As at January 25, 2026, \$28.0 million were drawn on the credit facilities and the unused amount under the credit facilities was \$392.6 million.

The Corporation must comply with certain restrictive covenants, including maintaining certain financial ratios. During the three-month period ended January 25, 2026, the Corporation has not been in default under any covenants.

#### Repayment of term loans

On March 6, 2026, subsequent to the three-month period ended January 25, 2026, the Corporation repaid early the balance of the U.S. dollar term loan (issued in 2021) of \$157.0 million, which was maturing on June 14, 2028, as well as the balance of the U.S. dollar term loan (extended in 2022) of \$154.2 million, which was maturing on June 30, 2027.

### 11 OTHER LIABILITIES

	Notes	As at January 25, 2026	As at October 26, 2025
Defined benefit liability		\$ 75.8	\$ 90.7
Stock-based compensation	13	12.2	18.2
Derivative financial instruments	15	2.5	6.9
Accrued liabilities and other liabilities		4.7	4.9
Long-term provisions		0.3	0.3
		\$ 95.5	\$ 121.0

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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### 12 SHARE CAPITAL

	Number of shares	Amount
<b>Class A Subordinate Voting Shares</b>		
Balance as at October 26, 2025	74,112,647	\$ 598.4
Shares repurchased and cancelled	—	—
Balance as at January 25, 2026	74,112,647	598.4
<b>Class B Shares</b>		
Balance as at October 26, 2025	9,506,272	13.0
Shares repurchased and cancelled	—	—
Balance as at January 25, 2026	9,506,272	13.0
	83,618,919	\$ 611.4

#### Repurchase of shares

During the three-month period ended January 25, 2026, the Corporation had no share repurchase program in effect.

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 January 26, 2025, the Corporation had 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, and the related taxes payable, 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, had been applied against retained earnings. The taxes payable on share repurchase are presented under Income taxes payable. As at January 26, 2025, the Corporation was under no obligation to repurchase its Class A Subordinate Voting Shares and Class B Shares.

#### Net earnings per share

For the three-month periods ended January 25, 2026 and January 26, 2025, there were no dilutive items.

#### Dividends

Dividends of \$0.225 per share were declared and paid to shareholders for each of the three-month periods ended January 25, 2026 and January 26, 2025.

Following the sale of the packaging activities completed on March 6, 2026, and subject to the approval of some changes by the shareholders of the Corporation at the Annual and Special meeting of shareholders to be held on March 10, 2026, the Corporation intends to declare a special distribution of \$20.00 per share on Class A Subordinate Voting Shares and Class B Shares.

### 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.

Subsequent to the closing of the sale of the Packaging Sector activities, the Corporation will terminate, effective March 18, 2026, the DSU plan for directors and will terminate the DSUs granted under the plan for officers. The vested DSUs will be paid out following the termination of the DSUs or DSU plan for directors in accordance with the terms of these plans.

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### 13 STOCK-BASED COMPENSATION (CONTINUED)

The following table presents the changes in the plans' status for the three-month period ended:

	Number of units	
	DSUs	RSUs
Balance as at October 26, 2025	953,695	1,600,049
Units granted	10,505	3,216
Units cancelled	(252)	(116,712)
Units paid	(5,723)	—
Dividends paid in units	9,287	10,452
Balance as at January 25, 2026	967,512	1,497,005

As at January 25, 2026, the liability related to the share unit plans was \$47.0 million, of which \$12.2 million was presented under Other liabilities (\$37.7 million as at October 26, 2025, of which \$18.2 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 January 25, 2026 and January 26, 2025 were \$9.4 million and \$4.7 million, respectively. Amounts of \$0.1 million and \$8.5 million were paid under these plans for the three-month periods ended January 25, 2026 and January 26, 2025, respectively.

#### 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 three-month period ended January 25, 2026, the Corporation held a 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 January 25, 2026 and January 26, 2025, 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 \$3.3 million and \$1.2 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
<b>Balance as at October 26, 2025</b>	\$ (5.2)	\$ (33.3)	\$ 119.8	\$ (39.0)	\$ 42.3
Net change in (losses) gains, net of income taxes	5.2	7.7	(31.0)	(1.3)	(19.4)
<b>Balance as at January 25, 2026</b>	\$ —	\$ (25.6)	\$ 88.8	\$ (40.3)	\$ 22.9
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	(4.8)	(25.9)	45.9	0.5	15.7
Balance as at January 26, 2025	\$ (7.8)	\$ (50.6)	\$ 160.8	\$ (35.0)	\$ 67.4

As at January 25, 2026, the amounts expected to be reclassified to net earnings in future years are as follows:

	2026	2027	2028	Total
Net change in the fair value of derivatives designated as cash flow hedges	\$ 0.1	\$ (0.5)	\$ 0.4	\$ —
Income taxes (recovery)	—	(0.1)	0.1	—
Net losses on hedge of the net investment in foreign operations, net of taxes	\$ (25.6)	\$ —	\$ —	\$ (25.6)
Cumulative translation differences on the translation of foreign operations	\$ 93.3	\$ —	\$ —	\$ 93.3
	\$ 67.8	\$ (0.4)	\$ 0.3	\$ 67.7

As at January 25, 2026, an amount of \$10.9 million of net changes in actuarial gains and losses of defined benefit plans, net of taxes, is expected to be reclassified to retained earnings.

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### 14 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (CONTINUED)

#### 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	
	January 25, 2026	January 26, 2025
Actuarial gains (losses) on obligation - change in discount rate	\$ 2.2	\$ (1.0)
Actuarial (losses) gains on plan assets - excluding interest income	(4.5)	1.6
Effect of the asset ceiling	0.5	—
Related (recovery) income taxes	(0.5)	0.1
	\$ (1.3)	\$ 0.5

Actuarial gains and losses on obligation recognized in the Statements of Comprehensive Income for the three-month period ended January 25, 2026 are explained by the change in the discount rate, which remained stable at 4.70% as at October 26, 2025 and as at January 25, 2026 in Canada, and increased from 5.10% as at October 26, 2025 to 5.40% as at January 25, 2026 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 three-month period ended January 25, 2026.

Actuarial gains and losses on obligation recognized in the Statements of Comprehensive Income for the three-month period ended January 26, 2025 are explained by the change in the discount rate, which decreased from 4.80% as at October 27, 2024 to 4.70% as at January 26, 2025 in Canada, and increased from 5.30% as at October 27, 2024 to 5.70% as at January 26, 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 higher than expected returns for the three-month period ended January 26, 2025.

### 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.

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### 15 FINANCIAL INSTRUMENTS (CONTINUED)

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

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

	Fair value hierarchy	As at January 25, 2026		As at October 26, 2025	
		Fair value	Carrying amount	Fair value	Carrying amount
<b>Prepaid expenses and other current assets</b>					
Foreign exchange forward contracts	Level 2	\$ 5.0	\$ 5.0	\$ 0.7	\$ 0.7
Total return swap	Level 2	4.2	4.2	0.9	0.9
<b>Other assets</b>					
Foreign exchange forward contracts	Level 2	2.7	2.7	2.5	2.5
<b>Accounts payable and accrued liabilities</b>					
Cross-currency fixed interest rate swaps	Level 2	(22.3)	(22.3)	(26.9)	(26.9)
Foreign exchange forward contracts	Level 2	(1.4)	(1.4)	(6.5)	(6.5)
<b>Long-term debt</b>					
Long-term debt	Level 2	(702.2)	(690.5)	(684.9)	(670.8)
<b>Other liabilities</b>					
Interest rate swaps	Level 2	—	—	(0.4)	(0.4)
Foreign exchange forward contract	Level 2	(2.5)	(2.5)	(6.5)	(6.5)

During the three-month periods ended January 25, 2026 and January 26, 2025, no financial instruments were transferred between Levels 1, 2 and 3.