

For Immediate Release

Transcontinental Inc. Announces Results for the Second Quarter of Fiscal Year 2026

Highlights

- Revenues of \$269.2 million for the quarter ended April 26, 2026; operating earnings of \$14.1 million; and net earnings from continuing operations of \$4.3 million (\$0.05 per share).
- Adjusted operating earnings before depreciation and amortization⁽¹⁾ of \$45.4 million for the quarter ended April 26, 2026; adjusted operating earnings⁽¹⁾ of \$29.9 million; and adjusted net earnings from continuing operations⁽¹⁾ of \$16.0 million (0.19 \$ per share).
- Closing of the sale of the packaging activities on March 6, 2026, and payment of a special distribution of \$20.00 per share on March 20, 2026.
- Acquisition of PDI Group to accelerate the growth of in-store marketing activities.
- Subsequent to the closing of the second quarter of fiscal year 2026, sale of a warehouse located in Boucherville, Quebec, for a consideration of \$34.9 million.
- Signing of multi-year agreements with Postmedia and Glacier for additional newspaper printing volume.
- Nationwide rollout of raddar[®] planned for the week of June 15, 2026.
- Declaration of a quarterly dividend of \$0.05 per share.

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

Montréal, June 3, 2026 - Transcontinental Inc. (TSX: TCL.A TCL.B) announces its results for the second quarter of fiscal year 2026 ended April 26, 2026.

"Thanks to the initiatives implemented to increase profitability, we are on track for an improved financial performance in the second half of fiscal year 2026 and to meet our outlook of stable adjusted operating earnings before depreciation and amortization from continuing operations for fiscal year 2026 compared to fiscal year 2025," said Sam Bendavid, Chief Executive Officer of TC Transcontinental.

"As in the previous quarter, our acquisitions in in-store marketing activities, including the recent acquisition of PDI Group, enabled us to partially offset the slowdown in our traditional activities. Furthermore, the recently signed agreements with Postmedia and Glacier as well as our cost reduction initiatives will have a positive impact on our traditional activities starting in the third quarter. In addition, the nationwide rollout of raddar[®] planned for the week of June 15, 2026, bodes well for our future. Financial performance is improving, and I am very confident in the future of the business."

"The sale of our Boucherville warehouse on April 30, 2026, and the significant cash flows we expect to generate in the fourth quarter of fiscal year 2026 will enable us to reduce significantly our net indebtedness in the next two quarters," added Donald LeCavalier, Executive Vice President and Chief Financial Officer of TC Transcontinental.

Financial Highlights

| (for continuing operations, in millions of dollars, except per share amounts) | Q2-2026 | Q2-2025 Restated ⁽¹⁾ | Variation in % |
|---------------------------------------------------------------------------------|----------|------------------------------------|-------------------|
| Revenues | \$ 269.2 | \$ 283.3 | (5.0) % |
| Operating earnings before depreciation and amortization | 31.4 | 45.2 | (30.5) |
| Adjusted operating earnings before depreciation and amortization ⁽²⁾ | 45.4 | 46.2 | (1.7) |
| Operating earnings | 14.1 | 27.1 | (48.0) |
| Adjusted operating earnings ⁽²⁾ | 29.9 | 29.3 | 2.0 |
| Net earnings | 4.3 | 15.4 | (72.1) |
| Net earnings per share | 0.05 | 0.18 | (72.2) |
| Adjusted net earnings ⁽²⁾ | 16.0 | 17.0 | (5.9) |
| Adjusted net earnings per share ⁽²⁾ | 0.19 | 0.20 | (5.0) |

(1) Please refer to the "Discontinued Operations and Reclassification of Comparative Figures" section and Table #2 in the "Accounting Restatements" section of the Management 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 Second Quarter of Fiscal Year 2026

Revenues decreased by \$14.1 million, or 5.0%, from \$283.3 million in the second quarter of fiscal year 2025 to \$269.2 million in the second quarter of fiscal year 2026. This decrease is mostly due to lower volume in our two sectors, partially mitigated by our recent acquisitions and, to a lesser extent, the favourable exchange rate effect.

Operating earnings before depreciation and amortization decreased by \$13.8 million, or 30.5%, from \$45.2 million in the second quarter of fiscal year 2025 to \$31.4 million in the second quarter of fiscal year 2026. This decrease is mainly due to the increase in restructuring costs and lower volume in our two sectors, partially mitigated by the decrease in incentive compensation, our recent acquisitions, our cost reduction initiatives and, to a lesser extent, the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$0.8 million, or 1.7%, from \$46.2 million in the second quarter of fiscal year 2025 to \$45.4 million in the second quarter of fiscal year 2026. This decrease is mainly due to lower volume in our two sectors, mostly mitigated by the decrease in incentive compensation, our recent acquisitions, our cost reduction initiatives and the favourable exchange rate effect.

Net earnings from continuing operations decreased by \$11.1 million, or 72.1%, from \$15.4 million in the second quarter of fiscal year 2025 to \$4.3 million in the second quarter of fiscal year 2026. This decrease is mainly due to the previously explained decline in operating earnings before depreciation and amortization and the increase in financial expenses, partially mitigated by lower income taxes and, to a lesser extent, the decrease in depreciation and amortization. On a per share basis, net earnings from continuing operations decreased by 72.2%, from \$0.18 to \$0.05, respectively.

Adjusted net earnings from continuing operations decreased by \$1.0 million, or 5.9%, from \$17.0 million in the second quarter of fiscal year 2025 to \$16.0 million in the second quarter of fiscal year 2026. This decrease is mainly due to the increase in financial expenses and the previously explained decline in adjusted operating earnings before depreciation and amortization, partially mitigated by lower adjusted income taxes. On a per share basis, adjusted net earnings from continuing operations decreased by 5.0%, from \$0.20 to \$0.19, respectively.

Results for the First Six Months of Fiscal Year 2026

Revenues decreased by \$8.3 million, or 1.5%, from \$541.0 million in the first six months of fiscal year 2025 to \$532.7 million in the corresponding period of 2026. This decrease is mainly explained by lower volume in our two sectors, partially mitigated by our recent acquisitions and, to a lesser extent, the favourable exchange rate effect.

Operating earnings before depreciation and amortization decreased by \$24.4 million, or 29.8%, from \$81.9 million in the first six months of fiscal year 2025 to \$57.5 million in the corresponding period of 2026. This decrease is mainly due to lower volume in our two sectors, the increase in restructuring and other costs and the recognition of an asset impairment charge, partially mitigated by our recent acquisition and the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$8.0 million, or 9.2%, from \$86.5 million in the first six months of fiscal year 2025 to \$78.5 million in the corresponding period of 2026. This decrease is mainly due to lower volume in our two sectors, partially mitigated by our recent acquisitions, the favourable exchange rate effect and the decrease in incentive compensation.

Net earnings from continuing operations decreased by \$16.1 million, or 79.7%, from \$20.2 million in the first six months of fiscal year 2025 to \$4.1 million in the corresponding period of 2026. This decrease is mainly due to the previously explained decline in operating earnings before depreciation and amortization and the increase in financial expenses, partially mitigated by lower income taxes and, to a lesser extent, the decrease in depreciation and amortization. On a per share basis, net earnings attributable to shareholders of the Corporation from continuing operations decreased by 79.2%, from \$0.24 to \$0.05, respectively.

Adjusted net earnings from continuing operations decreased by \$2.5 million, or 9.9%, from \$25.2 million in the first six months of fiscal year 2025 to \$22.7 million in the corresponding period of 2026. This decrease is mainly due to the previously explained decline in adjusted operating earnings before depreciation and amortization and the increase in financial expenses, partially mitigated by lower adjusted income taxes. On a per share basis, adjusted net earnings from continuing operations decreased by 10.0%, from \$0.30 to \$0.27, respectively.

For more detailed financial information, please see the Management's Discussion and Analysis for the second quarter of fiscal year 2026 ended April 26, 2026, as well as the financial statements in the "Investors" section of our website at www.tc.tc.

Outlook

The closing of the sale of our Packaging Business represents a key milestone for TC Transcontinental. This transaction allows us to focus our resources on our growth strategy, in particular in in-store marketing and educational publishing activities.

For fiscal year 2026, 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, following the positive impact of cost reduction initiatives, 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. Over the next few quarters, this should enable us to reduce net indebtedness under two times adjusted operating earnings before depreciation and amortization for fiscal year 2026 while investing in our growth.

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 second quarter ended April 26, 2026.

| Terms Used | Definitions |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Adjusted operating earnings before depreciation and amortization | Operating earnings before depreciation and amortization 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 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. |
| 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. |

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 and 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 - Second quarter and cumulative

| | Three months ended | | Six months ended | |
|-------------------------------------------------------------------------------------|--------------------|----------------------------|------------------|----------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 | April 27, 2025 Restated |
| (in millions of dollars) | | | | |
| Operating earnings | \$14.1 | \$27.1 | \$22.3 | \$45.9 |
| Excluding | | | | |
| Restructuring and other costs | 14.0 | 1.0 | 17.5 | 4.6 |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 1.8 | 1.2 | 4.1 | 2.2 |
| Impairment of assets | — | — | 3.5 | — |
| Adjusted operating earnings | \$29.9 | \$29.3 | \$47.4 | \$52.7 |
| Depreciation and amortization ⁽²⁾ | 15.5 | 16.9 | 31.1 | 33.8 |
| Adjusted operating earnings before depreciation and amortization | \$45.4 | \$46.2 | \$78.5 | \$86.5 |

(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 - Second quarter and cumulative for the Retail Services and Printing Sector

| | Three months ended | | Six months ended | |
|-------------------------------------------------------------------------------------|--------------------|----------------------------|----------------------------|----------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 Restated | April 27, 2025 Restated |
| (in millions of dollars) | | | | |
| Operating earnings | \$25.0 | \$38.6 | \$47.9 | \$67.0 |
| Excluding | | | | |
| Restructuring and other costs | 6.7 | 1.0 | 9.1 | 4.1 |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 1.3 | 0.6 | 3.4 | 1.2 |
| Impairment of assets | — | — | 3.5 | — |
| Adjusted operating earnings | \$33.0 | \$40.2 | \$63.9 | \$72.3 |
| Depreciation and amortization ⁽²⁾ | 8.1 | 9.1 | 15.9 | 18.1 |
| Adjusted operating earnings before depreciation and amortization | \$41.1 | \$49.3 | \$79.8 | \$90.4 |

(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 - Second quarter and cumulative for the Books and Education Sector

| (in millions of dollars) | Three months ended | | Six months ended | |
|-------------------------------------------------------------------------------------|--------------------|----------------------------|----------------------------|----------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 Restated | April 27, 2025 Restated |
| Operating earnings | \$0.1 | \$0.3 | \$1.1 | \$0.3 |
| Excluding | | | | |
| Restructuring and other costs | 0.1 | 0.2 | 0.1 | 0.2 |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 0.5 | 0.6 | 0.7 | 1.0 |
| Adjusted operating earnings | \$0.7 | \$1.1 | \$1.9 | \$1.5 |
| Depreciation and amortization ⁽²⁾ | 6.3 | 6.4 | 13.0 | 13.1 |
| Adjusted operating earnings before depreciation and amortization | \$7.0 | \$7.5 | \$14.9 | \$14.6 |

(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 - Second quarter and cumulative for head office

| (in millions of dollars) | Three months ended | | Six months ended | |
|---------------------------------------------------------------------|--------------------|----------------------------|----------------------------|----------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 Restated | April 27, 2025 Restated |
| Operating loss | \$(11.0) | \$(11.8) | \$(26.7) | \$(21.4) |
| Excluding | | | | |
| Restructuring and other costs (revenues) | 7.2 | (0.2) | 8.3 | 0.3 |
| Adjusted operating loss | \$(3.8) | \$(12.0) | \$(18.4) | \$(21.1) |
| Depreciation and amortization | 1.1 | 1.4 | 2.2 | 2.6 |
| Adjusted operating loss before depreciation and amortization | \$(2.7) | \$(10.6) | \$(16.2) | \$(18.5) |

Reconciliation of net earnings from continuing operations - Second quarter and cumulative

| (in millions of dollars, except per share amounts) | Three months ended | | Six months ended | |
|-------------------------------------------------------------------------------------|--------------------|----------------------------|------------------|----------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 | April 27, 2025 Restated |
| Net earnings | \$4.3 | \$15.4 | \$4.1 | \$20.2 |
| Excluding | | | | |
| Restructuring and other costs | 14.0 | 1.0 | 17.5 | 4.6 |
| Tax on restructuring and other costs | (3.6) | (0.3) | (4.5) | (1.2) |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 1.8 | 1.2 | 4.1 | 2.2 |
| Tax on amortization of intangible assets arising from business combinations | (0.5) | (0.3) | (1.1) | (0.6) |
| Impairment of assets | — | — | 3.5 | — |
| Tax on impairment of assets | — | — | (0.9) | — |
| Adjusted net earnings | \$16.0 | \$17.0 | \$22.7 | \$25.2 |
| Net earnings attributable to shareholders of the Corporation per share | \$0.05 | \$0.18 | \$0.05 | \$0.24 |
| Adjusted net earnings per share | \$0.19 | \$0.20 | \$0.27 | \$0.30 |
| Weighted average number of shares outstanding | 83.6 | 83.6 | 83.6 | 83.9 |

(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 April 26, 2026 | As at October 26, 2025 |
|-----------------------------------------------------------------------------------|----------------------|------------------------|
| (for continuing operations, in millions of dollars, except for ratios) | | Restated |
| Long-term debt | \$105.8 | \$417.6 |
| Current portion of long-term debt | 250.5 | 253.2 |
| Lease liabilities | 74.2 | 91.1 |
| Current portion of lease liabilities | 14.4 | 25.5 |
| Cash | (8.8) | (47.0) |
| Net indebtedness | \$436.1 | \$740.4 |
| Adjusted operating earnings before depreciation and amortization (last 12 months) | \$203.9 | \$211.9 |
| Net indebtedness ratio | 2.14x | 3.49x |

Dividend

The Corporation's Board of Directors declared a quarterly dividend of \$0.05 per share on Class A Subordinate Voting Shares and Class B Shares. This dividend is payable on July 20, 2026, to shareholders of record at the close of business on June 29, 2026.

Additional information

Conference Call

Upon releasing its results for the second quarter of fiscal year 2026, the Corporation will hold a conference call for the financial community on June 4, 2026, at 8:00 a.m. The dial-in numbers are 1-289-514-5100 or 1-800-717-1738. Media may hear the call in listen-only mode or tune in to the simultaneous audio broadcast on TC Transcontinental's website, which will then be archived for 30 days. For media requests or interviews, please contact Nora Labbe, Advisor, Corporate Communications of TC Transcontinental, at 514-451-8434.

Profile

Founded 50 years ago and 4,200 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. For more information, please visit 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, bad debts from certain customers, import and export controls, duties, tariffs or taxes, exchange rate fluctuations, increase in market interest rates with respect to its 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 June 3, 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 June 3, 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 second quarter ended April 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the second quarter ended April 26, 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 second quarter ended April 26, 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.

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 second quarter ended April 26, 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 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 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. |
| 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. |

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 June 3, 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 June 3, 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 4,200 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. For more information, please visit www.tc.tc.

HIGHLIGHTS

Table #1:

| (for continuing operations, in millions of dollars, except per share amounts) | Q2-2026 | Q2-2025 Restated ⁽¹⁾ | Variation in % |
|---------------------------------------------------------------------------------|---------|------------------------------------|-------------------|
| Revenues | \$269.2 | \$283.3 | (5.0)% |
| Operating earnings before depreciation and amortization | 31.4 | 45.2 | (30.5) |
| Adjusted operating earnings before depreciation and amortization ⁽²⁾ | 45.4 | 46.2 | (1.7) |
| Operating earnings | 14.1 | 27.1 | (48.0) |
| Adjusted operating earnings ⁽²⁾ | 29.9 | 29.3 | 2.0 |
| Net earnings | 4.3 | 15.4 | (72.1) |
| Net earnings per share | 0.05 | 0.18 | (72.2) |
| Adjusted net earnings ⁽²⁾ | 16.0 | 17.0 | (5.9) |
| Adjusted net earnings per share ⁽²⁾ | 0.19 | 0.20 | (5.0) |

(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 \$269.2 million for the quarter ended April 26, 2026; operating earnings of \$14.1 million; and net earnings from continuing operations of \$4.3 million (\$0.05 per share).
- Adjusted operating earnings before depreciation and amortization of \$45.4 million for the quarter ended April 26, 2026; adjusted operating earnings of \$29.9 million; and adjusted net earnings from continuing operations of \$16.0 million (\$0.19 per share).
- Closing of the sale of the packaging activities on March 6, 2026, and payment of a special distribution of \$20.00 per share on March 20, 2026.
- Acquisition of PDI Group to accelerate the growth of in-store marketing activities.
- Subsequent to the closing of the second quarter of fiscal year 2026, sale of a warehouse located in Boucherville, Quebec, for a consideration of \$34.9 million.
- Signing of multi-year agreements with Postmedia and Glacier for additional newspaper printing volume.
- Nationwide rollout of raddar[®] planned for the week of June 15, 2026.
- Declaration of a quarterly dividend of \$0.05 per share.

HIGHLIGHTS OF THE SECOND QUARTER OF FISCAL YEAR 2026

Business disposal

On March 6, 2026, the Corporation completed the sale of its Packaging Sector activities to ProAmpac Holdings Inc. In this period of industry consolidation, this transaction enabled the Corporation to maximize shareholder value by acting decisively and from a position of strength. In addition, it allows the Corporation to focus its resources on its growth strategy, in particular in in-store marketing and educational publishing activities.

Acquisition of Phipps Dickson Integra Group inc.

On March 31, 2026, the Corporation acquired all the shares of Phipps Dickson Integra Group Inc. ("PDI Group"), a company based in Kirkland and Laval, Quebec, which provides integrated commercial printing, large-format signage and in-store marketing services solutions. This acquisition strengthens the Corporation's ability to offer integrated in-store marketing solutions from design through production and distribution. The transaction was completed for a total consideration of \$21.0 million, subject to adjustments.

DISCONTINUED OPERATIONS AND RECLASSIFICATION OF COMPARATIVE FIGURES

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. 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 six months of fiscal year 2026, the Corporation revised the accounting treatment of digital revenues for the Book and Education Sector and volume discounts for the Retail Services and Printing Sector. The Corporation applied these treatments retrospectively, and the corresponding figures for the second quarter and the first six months of fiscal year 2025 have been adjusted to reflect these changes, which had a favourable impact of \$1.5 million and \$2.5 million, respectively, 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 October 26, 2025 | | As at 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 |

| (in millions of dollars) | Three months ended | | | Six months ended | | |
|--------------------------|--------------------|-------------|-------------------------|-------------------|-------------|-------------------------|
| | April 27, 2025 | Restatement | Restated ⁽¹⁾ | April 27, 2025 | Restatement | Restated ⁽¹⁾ |
| Revenues | \$ 684.1 | \$ 1.7 | \$ 685.8 | \$ 1,327.1 | \$ 4.2 | \$ 1,331.3 |
| Operating expenses | 575.6 | (0.3) | 575.3 | 1,121.1 | 0.7 | 1,121.8 |
| Income taxes | 8.1 | 0.5 | 8.6 | 31.8 | 1.0 | 32.8 |
| Net earnings | 34.0 | 1.5 | 35.5 | 89.7 | 2.5 | 92.2 |

⁽¹⁾ Amounts reported represent total amounts before the reclassification of discontinued operations.

SEGMENTED INFORMATION

During the second quarter of fiscal year 2026, in connection with the changes in the organizational structure and following the sale of the Packaging Sector activities, the Corporation's operating segments have been changed and are now aggregated and presented by management into two separate sectors: the Retail Services and Printing Sector and the Books and Education Sector. Comparative figures have been reclassified to conform to the presentation adopted in the second quarter of fiscal year 2026.

Retail Services and Printing Sector

The Retail Services and Printing Sector provides an integrated service offering for retailers, including content and business intelligence solutions, marketing solutions, including print and digital flyers, as well as in-store marketing and specialized products. It also offers an array of innovative print solutions for newspapers. This sector has approximately 3,100 employees across 16 operating sites.

Books and Education Sector

The Books and Education Sector offers an array of print solutions for magazines and 4-colour books as well as educational and specialized publishing services in print and digital formats and book distribution services. It has close to 800 employees across 3 operating sites.

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 and 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 - Second quarter and cumulative

| (in millions of dollars) | Three months ended | | Six months ended | |
|-------------------------------------------------------------------------------------|--------------------|----------------------------|----------------------------|----------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 Restated | April 27, 2025 Restated |
| Operating earnings | \$14.1 | \$27.1 | \$22.3 | \$45.9 |
| Excluding | | | | |
| Restructuring and other costs | 14.0 | 1.0 | 17.5 | 4.6 |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 1.8 | 1.2 | 4.1 | 2.2 |
| Impairment of assets | — | — | 3.5 | — |
| Adjusted operating earnings | \$29.9 | \$29.3 | \$47.4 | \$52.7 |
| Depreciation and amortization ⁽²⁾ | 15.5 | 16.9 | 31.1 | 33.8 |
| Adjusted operating earnings before depreciation and amortization | \$45.4 | \$46.2 | \$78.5 | \$86.5 |

(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 - Second quarter and cumulative for the Retail Services and Printing Sector

| (in millions of dollars) | Three months ended | | Six months ended | |
|-------------------------------------------------------------------------------------|--------------------|----------------------------|----------------------------|----------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 Restated | April 27, 2025 Restated |
| Operating earnings | \$25.0 | \$38.6 | \$47.9 | \$67.0 |
| Excluding | | | | |
| Restructuring and other costs | 6.7 | 1.0 | 9.1 | 4.1 |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 1.3 | 0.6 | 3.4 | 1.2 |
| Impairment of assets | — | — | 3.5 | — |
| Adjusted operating earnings | \$33.0 | \$40.2 | \$63.9 | \$72.3 |
| Depreciation and amortization ⁽²⁾ | 8.1 | 9.1 | 15.9 | 18.1 |
| Adjusted operating earnings before depreciation and amortization | \$41.1 | \$49.3 | \$79.8 | \$90.4 |

(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 - Second quarter and cumulative for the Books and Education Sector

| (in millions of dollars) | Three months ended | | Six months ended | |
|-------------------------------------------------------------------------------------|--------------------|----------------------------|----------------------------|----------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 Restated | April 27, 2025 Restated |
| Operating earnings | \$0.1 | \$0.3 | \$1.1 | \$0.3 |
| Excluding | | | | |
| Restructuring and other costs | 0.1 | 0.2 | 0.1 | 0.2 |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 0.5 | 0.6 | 0.7 | 1.0 |
| Adjusted operating earnings | \$0.7 | \$1.1 | \$1.9 | \$1.5 |
| Depreciation and amortization ⁽²⁾ | 6.3 | 6.4 | 13.0 | 13.1 |
| Adjusted operating earnings before depreciation and amortization | \$7.0 | \$7.5 | \$14.9 | \$14.6 |

(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 - Second quarter and cumulative for head office

| (in millions of dollars) | Three months ended | | Six months ended | |
|---------------------------------------------------------------------|--------------------|----------------------------|----------------------------|----------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 Restated | April 27, 2025 Restated |
| Operating loss | \$(11.0) | \$(11.8) | \$(26.7) | \$(21.4) |
| Excluding | | | | |
| Restructuring and other costs (revenues) | 7.2 | (0.2) | 8.3 | 0.3 |
| Adjusted operating loss | \$(3.8) | \$(12.0) | \$(18.4) | \$(21.1) |
| Depreciation and amortization | 1.1 | 1.4 | 2.2 | 2.6 |
| Adjusted operating loss before depreciation and amortization | \$(2.7) | \$(10.6) | \$(16.2) | \$(18.5) |

Reconciliation of operating earnings from continuing operations - Last eight quarters

| (in millions of dollars) | 2026 | | 2025 - Restated | | | | 2024 - Restated | |
|-------------------------------------------------------------------------------------|---------------|--------|-----------------|--------|---------------|--------|-----------------|--------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Operating earnings | \$14.1 | \$8.2 | \$42.2 | \$29.5 | \$27.1 | \$18.8 | \$49.8 | \$40.9 |
| Excluding | | | | | | | | |
| Restructuring and other costs (revenues) | 14.0 | 3.5 | 3.3 | 5.6 | 1.0 | 3.6 | 5.6 | (2.9) |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 1.8 | 2.3 | 1.0 | 0.9 | 1.2 | 1.0 | 1.0 | 1.2 |
| Impairment of assets | — | 3.5 | 3.8 | 5.7 | — | — | 3.3 | — |
| Adjusted operating earnings | \$29.9 | \$17.5 | \$50.3 | \$41.7 | \$29.3 | \$23.4 | \$59.7 | \$39.2 |
| Depreciation and amortization ⁽²⁾ | 15.5 | 15.6 | 16.6 | 16.8 | 16.9 | 16.9 | 17.7 | 17.7 |
| Adjusted operating earnings before depreciation and amortization | \$45.4 | \$33.1 | \$66.9 | \$58.5 | \$46.2 | \$40.3 | \$77.4 | \$56.9 |

(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 - Second quarter and cumulative

| | Three months ended | | Six months ended | |
|-------------------------------------------------------------------------------------|--------------------|----------------|------------------|----------------|
| | April 26, 2026 | April 27, 2025 | April 26, 2026 | April 27, 2025 |
| (in millions of dollars, except per share amounts) | | Restated | | Restated |
| Net earnings | \$4.3 | \$15.4 | \$4.1 | \$20.2 |
| Excluding | | | | |
| Restructuring and other costs | 14.0 | 1.0 | 17.5 | 4.6 |
| Tax on restructuring and other costs | (3.6) | (0.3) | (4.5) | (1.2) |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 1.8 | 1.2 | 4.1 | 2.2 |
| Tax on amortization of intangible assets arising from business combinations | (0.5) | (0.3) | (1.1) | (0.6) |
| Impairment of assets | — | — | 3.5 | — |
| Tax on impairment of assets | — | — | (0.9) | — |
| Adjusted net earnings | \$16.0 | \$17.0 | \$22.7 | \$25.2 |
| Net earnings attributable to shareholders of the Corporation per share | \$0.05 | \$0.18 | \$0.05 | \$0.24 |
| Adjusted net earnings per share | \$0.19 | \$0.20 | \$0.27 | \$0.30 |
| Weighted average number of shares outstanding | 83.6 | 83.6 | 83.6 | 83.9 |

(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 | |
|-------------------------------------------------------------------------------------|---------------|---------|-----------------|--------|---------------|--------|-----------------|--------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| (in millions of dollars, except per share amounts) | | | | | | | | |
| Net earnings (loss) | \$4.3 | (\$0.2) | \$29.2 | \$13.0 | \$15.4 | \$4.8 | \$36.1 | \$21.8 |
| Excluding | | | | | | | | |
| Restructuring and other costs (revenues) | 14.0 | 3.5 | 3.3 | 5.6 | 1.0 | 3.6 | 5.6 | (2.9) |
| Recovery (tax) on restructuring and other costs (revenues) | (3.6) | (0.9) | (3.7) | (1.3) | (0.3) | (0.9) | (1.4) | 0.5 |
| Amortization of intangible assets arising from business combinations ⁽¹⁾ | 1.8 | 2.3 | 1.0 | 0.9 | 1.2 | 1.0 | 1.0 | 1.2 |
| Tax on amortization of intangible assets arising from business combinations | (0.5) | (0.6) | (0.2) | (0.2) | (0.3) | (0.3) | (0.3) | (0.3) |
| Impairment of assets | — | 3.5 | 3.8 | 5.7 | — | — | 3.3 | — |
| Tax on impairment of assets | — | (0.9) | (1.0) | (1.5) | — | — | (0.8) | — |
| Recognition of previous years tax assets of an acquired company | — | — | — | — | — | — | — | (3.4) |
| Adjusted net earnings | \$16.0 | \$6.7 | \$32.4 | \$22.2 | \$17.0 | \$8.2 | \$43.5 | \$16.9 |
| Net earnings attributable to shareholders of the Corporation per share | \$0.05 | \$— | \$0.35 | \$0.16 | \$0.18 | \$0.06 | \$0.43 | \$0.25 |
| Adjusted net earnings per share | \$0.19 | \$0.08 | \$0.39 | \$0.27 | \$0.20 | \$0.10 | \$0.51 | \$0.20 |
| Weighted average number of shares outstanding | 83.6 | 83.6 | 83.6 | 83.6 | 83.6 | 84.2 | 84.8 | 86.4 |

(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 April 26, 2026 | As at October 26, 2025 |
|-----------------------------------------------------------------------------------|----------------------|------------------------|
| (for continuing operations, in millions of dollars, except ratios) | | Restated |
| Long-term debt | \$105.8 | \$417.6 |
| Current portion of long-term debt | 250.5 | 253.2 |
| Lease liabilities | 74.2 | 91.1 |
| Current portion of lease liabilities | 14.4 | 25.5 |
| Cash | (8.8) | (47.0) |
| Net indebtedness | \$436.1 | \$740.4 |
| Adjusted operating earnings before depreciation and amortization (last 12 months) | \$203.9 | \$211.9 |
| Net indebtedness ratio | 2.14x | 3.49x |

ANALYSIS OF CONSOLIDATED RESULTS - SECOND QUARTER OF FISCAL YEAR 2026

Revenues

Revenues decreased by \$14.1 million, or 5.0%, from \$283.3 million in the second quarter of fiscal year 2025 to \$269.2 million in the second quarter of fiscal year 2026. This decrease is mostly due to lower volume in our two sectors, partially mitigated by our recent acquisitions and, to a lesser extent, the favourable exchange rate effect. A more detailed analysis of revenues is presented in the section "Analysis of Sector Results - Second Quarter of Fiscal Year 2026".

Operating and Other Expenses

Operating expenses decreased by \$13.3 million, or 5.6%, in the second quarter of fiscal year 2026 compared to the corresponding period of 2025. This decrease is mostly attributable to lower volume in our two sectors, cost reduction initiatives in the Retail Services and Printing Sector and the decrease in incentive compensation, partially offset by our recent acquisitions.

Restructuring costs increased by \$13.0 million, from \$1.0 million in the second quarter of fiscal year 2025 to \$14.0 million in the second quarter of fiscal year 2026. This increase is due to the rise in workforce reduction costs at head office following the sale of the Packaging Sector activities, incremental workforce reduction costs in the Retail Services and Printing Sector, to the increase in costs related to restructuring and, business integration costs.

Operating Earnings before Depreciation and Amortization

Operating earnings before depreciation and amortization decreased by \$13.8 million, or 30.5%, from \$45.2 million in the second quarter of fiscal year 2025 to \$31.4 million in the second quarter of fiscal year 2026. This decrease is mainly due to the increase in restructuring costs and lower volume in our two sectors, partially mitigated by the decrease in incentive compensation, our recent acquisitions, our cost reduction initiatives and, to a lesser extent, the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$0.8 million, or 1.7%, from \$46.2 million in the second quarter of fiscal year 2025 to \$45.4 million in the second quarter of fiscal year 2026. This decrease is mainly due to lower volume in our two sectors, mostly mitigated by the decrease in incentive compensation, our recent acquisitions, our cost reduction initiatives 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 - Second Quarter of Fiscal Year 2026".

Depreciation and Amortization

Depreciation and amortization decreased by \$0.8 million, from \$18.1 million in the second quarter of fiscal year 2025 to \$17.3 million in the second quarter of fiscal year 2026. This decrease is mainly attributable to the end of the depreciation period for some items of property, plant and equipment, partially offset by the depreciation and amortization of property, plant and equipment and intangible assets from our recent acquisitions.

Net Financial Expenses

Net financial expenses increased by \$2.2 million, from \$7.7 million in the second quarter of fiscal year 2025 to \$9.9 million in the second quarter of fiscal year 2026. This unfavourable change is mainly explained by the exchange rate effect, partially offset by the decrease in net indebtedness.

Income Taxes

Income taxes decreased by \$4.1 million, from an expense of \$4.0 million in the second quarter of fiscal year 2025 to a recovery of \$0.1 million in the second quarter of fiscal year 2026. This decrease is mainly attributable to the decline in earnings before income taxes.

Adjusted income taxes decreased by \$0.6 million, from \$4.6 million in the second quarter of fiscal year 2025, for an effective tax rate of 21.3%, to \$4.0 million in the second quarter of fiscal year 2026, for an effective tax rate of 20.0%. This decrease in the effective tax rate is mainly attributable to differences between the accounting and fiscal treatment that had a favorable impact in 2026, partially offset by prior year adjustments that had an unfavourable impact in second quarter of fiscal year 2026 compared to the corresponding period of 2025.

Net Earnings from Continuing Operations

Net earnings from continuing operations decreased by \$11.1 million, or 72.1%, from \$15.4 million in the second quarter of fiscal year 2025 to \$4.3 million in the second quarter of fiscal year 2026. This decrease is mainly due to the previously explained decline in operating earnings before depreciation and amortization and the increase in financial expenses, partially mitigated by lower income taxes and, to a lesser extent, the decrease in depreciation and amortization. On a per share basis, net earnings attributable to shareholders of the Corporation from continuing operations decreased by 72.2 %, from \$0.18 to \$0.05, respectively.

Adjusted net earnings from continuing operations decreased by \$1.0 million, or 5.9%, from \$17.0 million in the second quarter of fiscal year 2025 to \$16.0 million in the second quarter of fiscal year 2026. This decrease is mainly due to the increase in financial expenses and the previously explained decline in adjusted operating earnings before depreciation and amortization, partially mitigated by lower adjusted income taxes. On a per share basis, adjusted net earnings from continuing operations decreased by 5.0%, from \$0.20 to \$0.19, respectively.

Net Earnings from Discontinued Operations

Net earnings from discontinued operations increased by \$201.8 million, from \$20.1 million in the second quarter of fiscal year 2025 to \$221.9 million in the second quarter of fiscal year 2026. This increase is mainly attributable to the recognition of the gain on the sale of the Packaging Sector. On a per share basis, net earnings attributable to shareholders of the Corporation from discontinued operations increased from \$0.24 to \$2.65, respectively.

ANALYSIS OF CONSOLIDATED RESULTS - CUMULATIVE FOR FISCAL YEAR 2026

Revenues

Revenues decreased by \$8.3 million, or 1.5%, from \$541.0 million in the first six months of fiscal year 2025 to \$532.7 million in the corresponding period of 2026. This decrease is mainly explained by lower volume in our two sectors, partially mitigated by our recent acquisitions and the favourable exchange rate effect. A more detailed analysis of revenues is presented in the section "Analysis of Sector Results - Cumulative for Fiscal Year 2026".

Operating and Other Expenses

Operating expenses decreased by \$0.3 million, or 0.1%, from \$454.5 million in the first six months of fiscal year 2025 to \$454.2 million in the corresponding period of 2026. This decrease results from lower volume in our two sectors and cost reduction initiatives in the Retail Services and Printing Sector, mostly offset by our recent acquisitions.

Restructuring and other costs increased by \$12.9 million, from \$4.6 million in the first six months of fiscal year 2025 to \$17.5 million in the corresponding period of 2026. This increase is mainly due to the rise in workforce reduction costs at head office, following the sale of the Packaging Sector activities, incremental workforce reduction costs in the Retail Services and Printing Sector, other costs related to restructuring and, business integration costs, partially mitigated by decrease in costs incurred in relation with the labour conflict at Canada Post.

In the first six months of fiscal year 2026, an asset impairment charge of \$3.5 million was recognized as a result of the revision of estimates for the expected future economic benefits of equipment in the Retail Services and Printing Sector. In the first six months of fiscal year 2025, no impairment charges had been recognized.

Operating Earnings before Depreciation and Amortization

Operating earnings before depreciation and amortization decreased by \$24.4 million, or 29.8%, from \$81.9 million in the first six months of fiscal year 2025 to \$57.5 million in the corresponding period of 2026. This decrease is mainly due to lower volume in our two sectors, the increase in restructuring and other costs and the recognition of an asset impairment charge, partially mitigated by our recent acquisition and the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$8.0 million, or 9.2%, from \$86.5 million in the first six months of fiscal year 2025 to \$78.5 million in the corresponding period of 2026. This decrease is mainly due to lower volume in our two sectors, partially mitigated by our recent acquisitions, the favourable exchange rate effect and the decrease in incentive compensation. A more detailed analysis of adjusted operating earnings before depreciation and amortization is presented in the section "Analysis of Sector Results - Cumulative for Fiscal Year 2026".

Depreciation and Amortization

Depreciation and amortization decreased by \$0.8 million, from \$36.0 million in the first six months of fiscal year 2025 to \$35.2 million in the corresponding period of 2026. This decrease is mainly attributable to the end of the depreciation period for some items of property, plant and equipment, partially offset by the depreciation and amortization of property, plant and equipment and intangible assets from our recent acquisitions.

Net Financial Expenses

Net financial expenses increased by \$1.8 million, from \$17.4 million in the first six months of fiscal year 2025 to \$19.2 million in the corresponding period of 2026. This unfavourable change is mainly explained by the exchange rate effect and the decrease in interest income, partially mitigated by the decrease in net indebtedness.

Income Taxes

Income taxes decreased by \$9.3 million, from income taxes of \$8.3 million in the first six months of fiscal year 2025 to a recovery of \$1.0 million in the corresponding period of 2026. This decrease is mainly attributable to the decline in earnings before taxes and to favorable differences between the accounting and tax treatment.

Adjusted income taxes decreased by \$4.6 million, from \$10.1 million in the first six months of fiscal year 2025, for an effective tax rate of 28.6%, to \$5.5 million in the corresponding period of 2026, for an effective tax rate of 19.5%. The decrease in the effective tax rate is mainly attributable to differences between the accounting and tax treatment as well as prior years adjustments that had a favourable impact the first six months of fiscal year 2026.

Net Earnings from continuing operations

Net earnings from continuing operations decreased by \$16.1 million, or 79.7%, from \$20.2 million in the first six months of fiscal year 2025 to \$4.1 million in the corresponding period of 2026. This decrease is mainly due to the previously explained decline in operating earnings before depreciation and amortization and the increase in financial expenses, partially mitigated by lower income taxes and, to a lesser extent, the decrease in depreciation and amortization. On a per share basis, net earnings attributable to shareholders of the Corporation from continuing operations decreased by 79.2%, from \$0.24 to \$0.05, respectively.

Adjusted net earnings from continuing operations decreased by \$2.5 million, or 9.9%, from \$25.2 million in the first six months of fiscal year 2025 to \$22.7 million in the corresponding period of 2026. This decrease is mainly due to the previously explained decline in adjusted operating earnings before depreciation and amortization and the increase in financial expenses, partially mitigated by lower adjusted income taxes. On a per share basis, adjusted net earnings from continuing operations decreased by 10.0%, from \$0.30 to \$0.27, respectively.

Net Earnings from Discontinued Operations

Net earnings from discontinued operation increased by \$180.0 million, from \$72.0 million the first six months of fiscal year 2025 to \$252.0 million in the corresponding period in 2026. This increase is mainly attributable to the recognition of the gain on the sale of the Packaging Sector. On a per share basis, net earnings attributable to shareholders of the Corporation from discontinued operations increased from \$0.86 to \$3.01, respectively.

ANALYSIS OF SECTOR RESULTS - SECOND QUARTER OF FISCAL YEAR 2026

(Unaudited)

Table #4:

| (in millions of dollars) | Retail Services and Printing | Books and Education | Head Office and Inter-sector Eliminations | Consolidated results - Continuing operations |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------|-------------------------------------------|----------------------------------------------|
| Revenues - Second quarter of 2025 - Restated | \$228.2 | \$55.9 | (\$0.8) | \$283.3 |
| Business acquisition | 15.1 | — | — | 15.1 |
| Exchange rate effect | (0.7) | 1.5 | — | 0.8 |
| Organic growth (decline) | (23.1) | (7.3) | 0.4 | (30.0) |
| Revenues - Second quarter of 2026 | \$219.5 | \$50.1 | (\$0.4) | \$269.2 |
| Adjusted operating earnings before depreciation and amortization ⁽¹⁾ - Second quarter of 2025 - Restated | \$49.3 | \$7.5 | (\$10.6) | \$46.2 |
| Business acquisition | 2.5 | — | — | 2.5 |
| Exchange rate effect | (0.2) | 1.8 | 0.1 | 1.7 |
| Stock-based compensation | — | — | 3.6 | 3.6 |
| Organic growth (decline) | (10.5) | (2.3) | 4.2 | (8.6) |
| Adjusted operating earnings before depreciation and amortization ⁽¹⁾ - Second quarter of 2026 | \$41.1 | \$7.0 | (\$2.7) | \$45.4 |

(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 decreased by \$8.7 million, or 3.8%, from \$228.2 million in the second quarter of fiscal year 2025 to \$219.5 million in the second quarter of fiscal year 2026. This decrease is largely due to lower volume, mostly in flyer printing activities, partially mitigated by our recent acquisitions.

Adjusted operating earnings before depreciation and amortization decreased by \$8.2 million, or 16.6%, from \$49.3 million in the second quarter of fiscal year 2025 to \$41.1 million in the second quarter of fiscal year 2026. This decrease is mainly due to the previously explained drop in volume, partially mitigated by our recent acquisitions and our cost reduction initiatives. The sector's adjusted operating earnings margin before depreciation and amortization decreased from 21.6% in the second quarter of fiscal year 2025 to 18.7% in the second quarter of fiscal year 2026, mainly as a result of the above-mentioned items.

Books and Education Sector

Books and Education Sector revenues decreased by \$5.8 million, or 10.4%, from \$55.9 million in the second quarter of fiscal year 2025 to \$50.1 million in the second quarter of fiscal year 2026. This decrease is mainly due to lower volume in book printing activities, resulting in particular from the non-renewal of a contract compared to the corresponding period of the prior year and the end of the contract related to SEAO, Quebec's electronic tendering system, partially mitigated by the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$0.5 million, or 6.7%, from \$7.5 million in the second quarter of fiscal year 2025 to \$7.0 million in the second quarter of fiscal year 2026. This decrease is due to the previously explained lower volume in book printing activities and an increase in distribution costs and overhead in the Education segment, mostly mitigated by the favourable exchange rate effect. The sector's adjusted operating earnings margin before depreciation and amortization increased from 13.4% in the second quarter of fiscal year 2025 to 14.0% in the second quarter of fiscal year 2026, mainly as a result of the above-mentioned items.

Head Office and Inter-sector Eliminations

Inter-sector eliminations decreased by \$0.4 million, from \$-0.8 million in the second quarter of fiscal year 2025 to \$-0.4 million in the second quarter of fiscal year 2026.

Adjusted operating earnings before depreciation and amortization increased by \$7.9 million, from \$-10.6 million in the second quarter of fiscal year 2025 to \$-2.7 million in the second quarter of fiscal year 2026. This increase is mainly attributable to the decrease in incentive compensation and administrative expenses.

ANALYSIS OF SECTOR RESULTS - CUMULATIVE FOR FISCAL YEAR 2026

(Unaudited)

Table #5 :

| (in millions of dollars) | Retail Services and Printing | Books and Education | Head Office and Inter-sector Eliminations | Consolidated results - Continuing operations |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------|-------------------------------------------|----------------------------------------------|
| Revenues - Six months ended April 27, 2025 - Restated | \$435.0 | \$107.4 | (\$1.4) | \$541.0 |
| Business acquisition and disposal | 26.5 | — | — | 26.5 |
| Exchange rate effect | (0.8) | 3.1 | — | 2.3 |
| Organic growth (decline) | (27.8) | (9.6) | 0.3 | (37.1) |
| Revenues - Six months ended April 26, 2026 | \$432.9 | \$100.9 | (\$1.1) | \$532.7 |
| Adjusted operating earnings before depreciation and amortization ⁽¹⁾ - Six months ended April 27, 2025 - Restated | \$90.4 | \$14.6 | (\$18.5) | \$86.5 |
| Business acquisition and disposal | 4.6 | — | — | 4.6 |
| Exchange rate effect | (0.3) | 3.4 | 0.1 | 3.2 |
| Stock-based compensation | — | — | 1.3 | 1.3 |
| Organic growth (decline) | (14.9) | (3.1) | 0.9 | (17.1) |
| Adjusted operating earnings before depreciation and amortization ⁽¹⁾ - Six months ended April 26, 2026 | \$79.8 | \$14.9 | (\$16.2) | \$78.5 |

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

Retail Services and Printing Sector

Retail Services and Printing Sector revenues decreased by \$2.1 million, or 0.5%, from \$435.0 million in the first six months of fiscal year 2025 to \$432.9 million in the corresponding period of 2026. This decrease is mostly due to lower volume, mainly in flyer printing activities, and, to a lesser extent, the favourable exchange rate effect, partially mitigated by our recent acquisitions.

Adjusted operating earnings before depreciation and amortization decreased by \$10.6 million, or 11.7%, from \$90.4 million in the first six months of fiscal year 2025 to \$79.8 million in the corresponding period of 2026. This decrease is mainly due to the previously explained drop in volume, partially mitigated by our cost reduction initiatives and our recent acquisitions. The sector's adjusted operating earnings margin before depreciation and amortization decreased from 20.8% in the first six months of fiscal year 2025 to 18.4% in the corresponding period of 2026, mainly as a result of the above-mentioned items.

Books and Education Sector

Books and Education Sector revenues decreased by \$6.5 million, or 6.1%, from \$107.4 million in the first six months of fiscal year 2025 to \$100.9 million in the corresponding period of 2026. This decrease is mainly due to lower volume in book printing activities, resulting in particular from the non-renewal of a contract compared to the corresponding period of the prior year and the end of the contract related to SEAO, Quebec's electronic tendering system, partially mitigated by the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization increased by \$0.3 million, or 2.1%, from \$14.6 million in the the first six months of fiscal year 2025 to \$14.9 million in the corresponding period of 2026. This increase is attributable to the favourable exchange rate effect, mostly offset by the lower volume in book printing activities. The sector's adjusted operating earnings margin before depreciation and amortization increased from 13.6% in the first six months of fiscal year 2025 to 14.8% in the corresponding period of 2026, mainly as a result of the above-mentioned factors.

Head Office and Inter-sector Eliminations

Inter-sector eliminations decreased by \$0.3 million, from \$-1.4 million in the first six months of fiscal year 2025 to \$-1.1 million in the corresponding period of 2026.

Adjusted operating earnings before depreciation and amortization increased by \$2.3 million, from \$-18.5 million in the first six months of fiscal year 2025 to \$-16.2 million in the corresponding period of 2026. This increase is attributable to the decrease in incentive compensation and a decline in several administrative expenses.

SALE OF THE PACKAGING SECTOR ACTIVITIES

For the sale of the packaging sector activities, the Corporation received a consideration of \$2.1 billion (US\$1.5 billion), less transaction costs incurred, subject to final working capital adjustments. The Corporation expects that these adjustments will be finalized during fiscal year 2026.

Tableau #6:

| | Business disposal |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Consideration received | \$2,134.9 |
| Transaction costs ⁽¹⁾ | (42.8) |
| Estimated consideration receivable for working capital adjustments | 12.0 |
| Total consideration | 2,104.1 |
| Net assets sold | (1,975.0) |
| Accumulated net exchange gains from the translation of the financial statements of foreign operations, net of the hedge of the net investment, reclassified to net earnings | 64.7 |
| Provision for contingencies | (13.9) |
| Non-controlling interests | 6.2 |
| Gain on business disposal, net of income taxes of nil on the gain | \$186.1 |

⁽¹⁾ Transaction costs include an amount of \$10.5 million recognized during fiscal year 2025.

The following table presents net earnings from discontinued operations for the second quarter and the first six months of fiscal years 2026 and 2025 :

Table #7:

| | Three months ended | | Six months ended | |
|----------------------------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | April 26, 2026 | April 27, 2025 | April 26, 2026 | April 27, 2025 |
| Revenues | \$176.2 | \$402.5 | \$560.6 | \$790.3 |
| Operating expenses | 146.4 | 338.2 | 478.1 | 667.3 |
| Restructuring and other costs (revenues) ⁽¹⁾ | 2.5 | 3.0 | 2.6 | (44.5) |
| Depreciation and amortization | — | 35.3 | 11.2 | 70.1 |
| Net financial expenses ⁽²⁾ | 2.3 | 1.3 | (3.0) | 0.9 |
| Earnings before income taxes | 25.0 | 24.7 | 71.7 | 96.5 |
| Income taxes | 8.5 | 4.6 | 16.3 | 24.5 |
| Net earnings from discontinued operations, net of the gain | 16.5 | 20.1 | 55.4 | 72.0 |
| Gain on business disposal, net of income taxes of nil on the gain ⁽³⁾ | 205.4 | — | 196.6 | — |
| Net earnings from discontinued operations | \$221.9 | \$20.1 | \$252.0 | \$72.0 |

⁽¹⁾ For the second quarter and the first six months of fiscal year 2025, this line item includes the loss (gain) on the sale of the industrial packaging activities of \$0.3 million and \$46.0 million, respectively.

⁽²⁾ 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), matured in March 2026 and generated gains of \$3.2 million, for a total of \$6.6 million recognized during the first six months of fiscal year 2026.

⁽³⁾ Transaction costs recognized in the second quarter and the first six months of fiscal year 2026 were \$23.5 million and \$32.3 million, respectively.

The following table presents cash flows from discontinued operations for the second quarter and the first six months of fiscal years 2026 and 2025:

Table #8:

| | Three months ended | | Six months ended | |
|-----------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | April 26, 2026 | April 27, 2025 | April 26, 2026 | April 27, 2025 |
| Cash flows from operating activities of discontinued operations | (\$36.3) | \$28.0 | (\$23.1) | \$54.7 |
| Cash flows from investing activities of discontinued operations | 2,078.6 | (11.2) | 2,069.7 | 109.5 |
| Cash flows from financing activities of discontinued operations | (1.9) | (3.5) | (5.7) | (6.9) |
| Net change in cash from discontinued operations | \$2,040.4 | \$13.3 | \$2,040.9 | \$157.3 |

The following table presents the carrying amount of assets sold and liabilities transferred as remeasured at the foreign exchange rate prevailing on transaction date:

Table #9:

| | As at April 26, 2026 |
|-------------------------------------------|----------------------------|
| Current assets | |
| Cash disposed | \$48.9 |
| Accounts receivable | 229.8 |
| Income taxes receivable | 20.6 |
| Inventories | 279.7 |
| Prepaid expenses and other current assets | 7.4 |
| Property, plant and equipment | 582.9 |
| Right-of-use assets | 50.6 |
| Intangible assets | 190.9 |
| Goodwill | 768.9 |
| Deferred taxes | 2.7 |
| Other assets | 25.5 |
| Assets sold | \$2,207.9 |
| Current liabilities | |
| Accounts payable and accrued liabilities | \$121.3 |
| Income taxes payable | 10.5 |
| Deferred revenues and deposits | 0.2 |
| Long-term debt | 0.6 |
| Lease liabilities | 52.3 |
| Deferred taxes | 32.8 |
| Other liabilities | 15.2 |
| Liabilities transferred | \$232.9 |
| Net assets sold | \$1,975.0 |

SUMMARY OF QUARTERLY RESULTS

(Unaudited)

Table #10 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 #10:

| (for continuing operations, in millions of dollars, unless otherwise indicated and per share amounts) | 2026 | | 2025 - Restated | | | | 2024 - Restated | |
|-------------------------------------------------------------------------------------------------------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Revenues | \$ 269.2 | \$ 263.5 | \$ 317.1 | \$ 294.9 | \$ 283.3 | \$ 257.7 | \$ 334.9 | \$ 283.7 |
| Operating earnings before depreciation and amortization | 31.4 | 26.1 | 59.8 | 47.2 | 45.2 | 36.7 | 68.5 | 59.8 |
| Adjusted operating earnings before depreciation and amortization ⁽¹⁾ | 45.4 | 33.1 | 66.9 | 58.5 | 46.2 | 40.3 | 77.4 | 56.9 |
| Adjusted operating earnings margin before depreciation and amortization ⁽¹⁾ | 16.9% | 12.6% | 21.1% | 19.8% | 16.3% | 15.6% | 23.1% | 20.1% |
| Operating earnings | \$ 14.1 | \$ 8.2 | \$ 42.2 | \$ 29.5 | \$ 27.1 | \$ 18.8 | \$ 49.8 | \$ 40.9 |
| Adjusted operating earnings ⁽¹⁾ | 29.9 | 17.5 | 50.3 | 41.7 | 29.3 | 23.4 | 59.7 | 39.2 |
| Adjusted operating earnings margin ⁽¹⁾ | 11.1% | 6.6% | 15.9% | 14.1% | 10.3% | 9.1% | 17.8% | 13.8% |
| Net earnings (loss) | \$ 4.3 | \$ (0.2) | \$ 29.2 | \$ 13.0 | \$ 15.4 | \$ 4.8 | \$ 36.1 | \$ 21.8 |
| Net earnings per share | 0.05 | — | 0.35 | 0.16 | 0.18 | 0.06 | 0.43 | 0.25 |
| Adjusted net earnings ⁽¹⁾ | 16.0 | 6.7 | 32.4 | 22.2 | 17.0 | 8.2 | 43.5 | 16.9 |
| Adjusted net earnings per share ⁽¹⁾ | 0.19 | 0.08 | 0.39 | 0.27 | 0.20 | 0.10 | 0.51 | 0.20 |
| Adjusted net earnings as a % of the fiscal year | —% | —% | 41% | 28% | 21% | 10% | 64% | 25% |

⁽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 #11:

| (in millions of dollars) | Three months ended | | Six months ended | |
|---------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------|--------------------|-------------------------------------------|
| | April 26, 2026 | April 27, 2025 Restated ⁽¹⁾ | April 26, 2026 | April 27, 2025 Restated ⁽¹⁾ |
| Operating activities | | | | |
| Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid | \$32.8 | \$44.8 | \$61.1 | \$83.8 |
| Changes in non-cash operating items | (56.3) | 10.7 | (67.1) | (25.7) |
| Income taxes paid | (5.9) | (3.3) | (12.6) | (8.9) |
| Cash flows from operating activities of continuing operations | \$(29.4) | \$52.2 | \$(18.6) | \$49.2 |
| Investing activities | | | | |
| Business combinations, net of acquired cash | \$(17.3) | \$— | \$(17.5) | \$— |
| Acquisitions of property, plant and equipment | (5.2) | (4.2) | (10.3) | (7.8) |
| Disposals of property, plant and equipment and other | — | — | 0.6 | 0.1 |
| Increase in intangible assets | (7.7) | (9.1) | (14.5) | (16.3) |
| Cash flows from investing activities of continuing operations | \$(30.2) | \$(13.3) | \$(41.7) | \$(24.0) |
| Financing activities | | | | |
| Reimbursement of long-term debt | \$(308.3) | \$(200.5) | \$(308.9) | \$(201.0) |
| Net (decrease) increase in credit facilities | (22.0) | 65.0 | 6.0 | 65.0 |
| Settlement of cross-currency swaps | (0.2) | (25.9) | (0.2) | (25.9) |
| Financial expenses paid on long-term debt and credit facilities | (7.3) | (14.8) | (15.0) | (23.0) |
| Repayment of principal on lease liabilities | (3.3) | (3.2) | (6.9) | (6.6) |
| Interest paid on lease liabilities | (0.5) | (0.4) | (0.9) | (0.9) |
| Dividends | (1,153.6) | (102.4) | (1,172.4) | (121.3) |
| Reduction of stated capital | (518.8) | — | (518.8) | — |
| Shares repurchased | — | — | — | (16.3) |
| Cash flows from financing activities of continuing operations | \$(2,014.0) | \$(282.2) | \$(2,017.1) | \$(330.0) |
| Effect of exchange rate changes on cash denominated in foreign currencies | (1.0) | 0.1 | (1.7) | 5.5 |
| Net change in cash from continuing operations | \$(2,074.6) | \$(243.2) | \$(2,079.1) | \$(299.3) |
| Net change in cash from discontinued operations | \$2,040.4 | \$13.3 | \$2,040.9 | \$157.3 |

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

Table #12:

| Financial position (in millions of dollars, except ratios) | As at April 26, 2026 | As at October 26, 2025 Restated |
|----------------------------------------------------------------------------------|-----------------------------|-------------------------------------------|
| Net indebtedness ⁽¹⁾ | \$436.1 | \$740.4 |
| Net indebtedness ratio ⁽¹⁾ | 2.14x | 3.49x |
| Credit rating | | |
| DBRS | BB (high) | BBB (low) |
| Outlook | Stable | Stable |
| Standard and Poor's | BB | BBB- |
| Outlook | Stable | Stable |
| Consolidated Statements of Financial Position (in millions of dollars) | As at April 26, 2026 | As at October 26, 2025 Restated |
| Current assets | \$405.8 | \$932.0 |
| Current liabilities | 514.2 | 731.9 |
| Total assets | 1,201.9 | 3,340.8 |
| Total liabilities | 815.1 | 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 - SECOND QUARTER OF FISCAL YEAR 2026

Cash Flows from Continuing Operating Activities

Cash flows from continuing operating activities decreased from a cash inflow of \$52.2 million in the second quarter of fiscal year 2025 to a cash outflow of \$29.4 million in the second quarter of fiscal year 2026. This decrease is mainly explained by the unfavourable change in working capital, in particular accounts payable and accrued liabilities.

Cash Flows from Continuing Investing Activities

Cash flows from continuing investing activities decreased from a cash outflow of \$13.3 million in the second quarter of fiscal year 2025 to a cash outflow of \$30.2 million in the second quarter of fiscal year 2026. This change is mainly attributable to the acquisition of PDI Group and an increase in acquisitions of property, plant and equipment, partially mitigated by a lower increase in intangible assets.

Cash Flows from Continuing Financing Activities

Cash flows from financing activities decreased from a cash outflow of \$282.2 million in the second quarter of fiscal year 2025 to a cash outflow of \$2,014.0 million in the second quarter of fiscal year 2026. This change is mostly attributable to the payment of the special distribution including the reduction of stated capital, the increase in reimbursements of long-term debt and the net decrease in borrowings on the credit facility, partially offset by effects of swaps contract settlements.

Debt Instruments

On March 6, 2026, subsequent to the closing of the sale of the Packaging Sector activities, the credit facility previously amounting to \$400.0 million was renegotiated and reduced to \$35.0 million or the U.S. dollar equivalent. The maturity date will be in four years, in March 2030. Once the Corporation will have repaid the unsecured notes (issued in 2021) and provided the required securities, the amount will be increased to \$200.0 million. The applicable interest rate on the credit facility is based on the indebtedness level of the Corporation which, based on the indebtedness level for the previous quarter, would be the Canadian Overnight Repo Rate Average ("CORRA") plus 2.545% for one-month periods or plus 2.571% for three-month periods, or the Secured Overnight Financing Rate ("SOFR") plus 2.350%, or the Canadian prime rate or the U.S. prime rate plus 1.250%.

The Corporation expects to issue, on July 13, 2026, a secured term loan of \$100.0 million. The applicable interest rate on this loan will be based on the Corporation's indebtedness level which, based on the indebtedness level for the previous quarter, would be CORRA plus 2.545% for one-month periods or plus 2.571% for three-month periods. The loan will be repayable over three years, and the Corporation will use the borrowed funds to repay the unsecured notes (issued in 2021).

On March 6, 2026, subsequent to the closing of the sale of the Packaging Sector activities, the Corporation cancelled the credit facility with a maximum amount of \$20.4 million (US\$15.0 million), which was maturing in March 2026.

As at April 26, 2026, \$6.0 million were drawn on the credit facility and the unused amount under the credit facility was \$29.0 million.

As at April 26, 2026, the majority of the Corporation's long-term debt was bearing interest at fixed rates.

Repayment of Term Loans

On March 6, 2026, subsequent to the closing of the sale of the Packaging Sector activities, the Corporation repaid early the balance of the U.S. dollar term loan (issued in 2021) of \$155.5 million (US\$114.6 million), which was maturing on June 14, 2028, as well as the balance of the U.S. dollar term loan (extended in 2022) of \$152.6 million (US\$112.5 million), which was maturing on June 30, 2027. On April 24, 2026, following the repayment of the U.S. term loan (renewed in 2022), the Corporation settled a floating-to-fixed interest rate swap for a consideration received of \$0.2 million.

Net Indebtedness

Net indebtedness went from \$740.4 million as at October 26, 2025 to \$436.1 million as at April 26, 2026. This decrease is explained by the consideration received for the sale of the Packaging Sector activities, partially offset by the payment of the special distribution, including the reduction of stated capital, and investments in property, plant and equipment and intangible assets. As a result, the net indebtedness ratio stood at 2.14x as at April 26, 2026 compared to 3.49x as at October 26, 2025.

FINANCIAL POSITION - SECOND QUARTER

(Unaudited)

Table #13 presents, for assets and liabilities, the change due to the disposal of assets and liabilities as a result of the sale of the Packaging Sector activities, the impact of the accounting restatements and the remaining changes for the second quarter of fiscal year 2026.

Table #13:

| (in millions of dollars) | As at October 26, 2025 | Assets and liabilities disposed of | Continued operations | | As at April 26, 2026 |
|-------------------------------------------|---------------------------|------------------------------------------|----------------------|---------|-------------------------|
| | | | Restatements | Changes | |
| Assets | | | | | |
| Accounts receivable | \$ 468.1 | \$ (229.8) | \$ — | \$ 4.5 | \$ 242.8 |
| Income taxes receivable | 7.2 | (20.6) | — | 26.1 | 12.7 |
| Inventories | 378.4 | (279.7) | (5.7) | 17.6 | 110.6 |
| Prepaid expenses and other current assets | 25.0 | (7.4) | — | 1.3 | 18.9 |
| Assets held for sale | 12.0 | — | — | — | 12.0 |
| Property, plant and equipment | 725.5 | (582.9) | — | (7.0) | 135.6 |
| Right-of-use assets | 98.5 | (50.6) | — | 27.4 | 75.3 |
| Intangible assets | 328.0 | (190.9) | — | (13.0) | 124.1 |
| Goodwill | 1,179.5 | (768.9) | — | (9.0) | 401.6 |
| Deferred taxes | 47.3 | (2.7) | — | (0.9) | 43.7 |
| Other assets | 30.0 | (25.5) | — | 11.3 | 15.8 |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | 433.9 | (121.3) | — | (98.3) | 214.3 |
| Provisions | 1.3 | — | — | 16.7 | 18.0 |
| Income taxes payable | 3.5 | (10.5) | — | 9.8 | 2.8 |
| Deferred revenues and deposits | 8.5 | (0.2) | 6.0 | (0.1) | 14.2 |
| Current portion of long-term debt | 253.2 | (0.6) | — | (2.1) | 250.5 |
| Current portion of lease liabilities | 25.5 | (12.2) | — | 1.1 | 14.4 |
| Long-term debt | 417.6 | — | — | (311.8) | 105.8 |
| Lease liabilities | 91.1 | (40.1) | — | 23.2 | 74.2 |
| Deferred taxes | 72.1 | (32.8) | (3.0) | (0.4) | 35.9 |
| Other liabilities | 121.0 | (15.2) | — | (20.8) | 85.0 |

ANALYSIS OF FINANCIAL POSITION - SECOND QUARTER OF FISCAL YEAR

Right-of-use Assets

Right-of-use assets decreased by \$23.2 million, from \$98.5 million as at October 26, 2025 to \$75.3 million as at April 26, 2026. This decrease is mostly attributable to the disposal of the Packaging Sector's right-of-use assets, partially mitigated by the addition of a right-of-use asset and the right-of-use assets of our recent acquisition.

Accounts Payable and Accrued Liabilities

Accounts payables and accrued liabilities decreased by \$219.6 million, from \$433.9 million as at October 26, 2025 to \$214.3 million as at April 26, 2026. This decrease is mostly attributable to the disposal of the Packaging Sector's accounts payable and accrued liabilities and timing differences in payments.

Lease Liabilities

Lease obligations decreased by \$16.9 million, from \$91.1 million as at October 26, 2025 to \$74.2 million as at April 26, 2026. This decrease is mostly attributable to the disposal of the Packaging Sector's lease obligations, partially mitigated by the addition of a new lease and the leases of our recent acquisition.

CAPITAL STRUCTURE

Share Capital

Table #14:

| Shares Issued and Outstanding | As at April 26, 2026 | As at May 29, 2026 |
|-------------------------------------|----------------------|--------------------|
| Class A (Subordinate Voting Shares) | 74,112,647 | 74,112,647 |
| Class B (Multiple Voting Shares) | 9,506,272 | 9,506,272 |
| Total Class A and Class B | 83,618,919 | 83,618,919 |

During second 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 second 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.

A special distribution of \$20.00 per share was declared and paid to the holders of Class A Subordinate Voting Shares and Class B Shares in the second quarter of fiscal year 2026. For Class A Subordinate Voting Shares, this distribution includes a reduction of stated capital of \$7.00 per share and a cash dividend of \$13.00 per share for the remainder of the distribution.

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 PDI Group, 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 six months of fiscal year 2026, PDI Group generated revenues of \$2.6 million, or 0.5% of the Corporation's consolidated revenues.

During the first six months of fiscal year 2026, Mirazed and Intergraphics generated revenues of \$20.3 million, or 3.8% of the Corporation's consolidated revenues.

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

Table #15:

| (In millions of dollars) | PDI Group | Mirazed and Intergraphics |
|---------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Statement of Financial Position | As at April 26, 2026 | As at April 26, 2026 |
| Current assets | \$14.8 | \$19.9 |
| Non-current assets | 20.4 | 57.1 |
| Current liabilities | 7.4 | 6.6 |
| Non-current liabilities | 7.9 | 18.9 |
| Statement of Earnings | Six months ended April 26, 2026 | Six months ended April 26, 2026 |
| Revenues | \$2.6 | \$20.3 |
| Operating earnings before depreciation and amortization | 0.2 | 3.9 |
| Operating earnings | 0.1 | 2.6 |

During the second quarter ended April 26, 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.

SUBSEQUENT EVENT

On April 30, 2026, subsequent to the second quarter of fiscal year 2026, the Corporation sold a warehouse located in Boucherville, Quebec, to Placements Carrousel inc., the parent company of Emballages Carrousel whose head office is in Boucherville, for a consideration of \$34.9 million.

OUTLOOK

The closing of the sale of our Packaging Business represents a key milestone for TC Transcontinental. This transaction allows us to focus our resources on our growth strategy, in particular in in-store marketing and educational publishing activities.

For fiscal year 2026, 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, following the positive impact of cost reduction initiatives, 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. Over the next few quarters, this should enable us to reduce net indebtedness under two times adjusted operating earnings before depreciation and amortization for fiscal year 2026 while investing in our growth.

On behalf of Management,

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

June 3, 2026



Condensed Interim Consolidated Financial Statements

For the six-month periods ended April 26, 2026 and April 27, 2025

CONSOLIDATED STATEMENTS OF EARNINGS

Unaudited

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

| | Notes | Three months ended | | Six months ended | |
|--------------------------------------------------------------------------------------------|-------|--------------------|----------------------------------------------|-------------------|----------------------------------------------|
| | | April 26, 2026 | April 27, 2025 Restated ⁽¹⁾ | April 26, 2026 | April 27, 2025 Restated ⁽¹⁾ |
| Revenues | 4 | \$ 269.2 | \$ 283.3 | \$ 532.7 | \$ 541.0 |
| Operating expenses | 6 | 223.8 | 237.1 | 454.2 | 454.5 |
| Restructuring and other costs | 7 | 14.0 | 1.0 | 17.5 | 4.6 |
| Impairment of assets | 7 | — | — | 3.5 | — |
| Operating earnings before depreciation and amortization | | 31.4 | 45.2 | 57.5 | 81.9 |
| Depreciation and amortization | 8 | 17.3 | 18.1 | 35.2 | 36.0 |
| Operating earnings | | 14.1 | 27.1 | 22.3 | 45.9 |
| Net financial expenses | 9 | 9.9 | 7.7 | 19.2 | 17.4 |
| Earnings before income taxes | | 4.2 | 19.4 | 3.1 | 28.5 |
| (Recovery) income taxes | 10 | (0.1) | 4.0 | (1.0) | 8.3 |
| Net earnings from continuing operations | | 4.3 | 15.4 | 4.1 | 20.2 |
| Net earnings from discontinued operations | 3 | 221.9 | 20.1 | 252.0 | 72.0 |
| Net earnings | | 226.2 | 35.5 | 256.1 | 92.2 |
| Non-controlling interests ⁽²⁾ | | 0.1 | 0.2 | 0.3 | 0.3 |
| Net earnings attributable to shareholders of the Corporation | | \$ 226.1 | \$ 35.3 | \$ 255.8 | \$ 91.9 |
| Net earnings attributable to shareholders of the Corporation per share - basic and diluted | | | | | |
| Continuing operations | | \$ 0.05 | \$ 0.18 | \$ 0.05 | \$ 0.24 |
| Discontinued operations | | 2.65 | 0.24 | 3.01 | 0.86 |
| | | \$ 2.70 | \$ 0.42 | \$ 3.06 | \$ 1.10 |
| Weighted average number of shares outstanding - basic and diluted (in millions) | 13 | 83.6 | 83.6 | 83.6 | 83.9 |

⁽¹⁾ Please see Note 2 "Material accounting policies" for a description of the items restated during the period.

⁽²⁾ 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)

| | Notes | Three months ended | | Six months ended | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------------------|----------------------------------------------|-------------------|----------------------------------------------|
| | | April 26, 2026 | April 27, 2025 Restated ⁽¹⁾ | April 26, 2026 | April 27, 2025 Restated ⁽¹⁾ |
| Net earnings | | \$ 226.2 | \$ 35.5 | \$ 256.1 | \$ 92.2 |
| Other comprehensive loss | | | | | |
| Items that may be subsequently reclassified to net earnings | | | | | |
| Net change related to cash flow hedges | | | | | |
| Net change in the fair value of designated derivatives - foreign exchange risk | | 1.7 | 8.5 | 7.7 | (1.5) |
| Net change in the fair value of designated derivatives - interest rate risk | | 0.2 | (1.9) | 0.8 | (0.5) |
| Reclassification of the net change in the fair value of designated derivatives recognized in net earnings during the period | | (0.9) | 2.6 | (0.5) | 4.6 |
| Related income taxes | | 0.3 | 2.5 | 2.1 | 0.7 |
| | 15 | 0.7 | 6.7 | 5.9 | 1.9 |
| Cumulative translation differences | | | | | |
| Net unrealized exchange gains on the translation of the financial statements of foreign operations | | (4.8) | (54.9) | (35.8) | (0.8) |
| Net unrealized exchange losses on the translation of the financial statements of foreign operations reversed to net earnings during the current period | 3 | (84.8) | — | (84.8) | (8.2) |
| Net gains (losses) on hedge of the net investment in foreign operations | | 4.0 | 19.3 | 12.3 | (5.1) |
| Net gains on hedge of the net investment in foreign operation reversed to net earnings during the current period | 3 | 20.1 | — | 20.1 | — |
| Related (recovery) income taxes | | (1.5) | (1.0) | (0.9) | 0.5 |
| | 15 | (64.0) | (34.6) | (87.3) | (14.6) |
| Items that will not be reclassified to net earnings | | | | | |
| Changes related to defined benefit plans | | | | | |
| Actuarial gains (losses) on defined benefit plans | | 0.9 | (1.5) | (0.9) | (0.9) |
| Related income taxes (recovery) | | 0.2 | (0.3) | (0.3) | (0.2) |
| | 15 | 0.7 | (1.2) | (0.6) | (0.7) |
| Other comprehensive loss | 15 | (62.6) | (29.1) | (82.0) | (13.4) |
| Comprehensive income | | \$ 163.6 | \$ 6.4 | \$ 174.1 | \$ 78.8 |
| Comprehensive income from continuing operations | | \$ 7.4 | \$ 17.3 | \$ 9.4 | \$ 18.9 |
| Comprehensive income (loss) from discontinued operations | | 156.2 | (10.9) | 164.7 | 59.9 |

⁽¹⁾ Please see Note 2 "Material accounting policies" 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 (loss) | Total | Non-controlling interests | Total equity |
|----------------------------------------------------------------------|--------|---------------|---------------------|-------------------|-----------------------------------------------|------------|---------------------------|--------------|
| Balance as at October 26, 2025 - As reported | | \$ 611.4 | \$ 0.9 | \$ 1,258.3 | \$ 42.3 | \$ 1,912.9 | \$ 5.9 | \$ 1,918.8 |
| Restatement | 2 | — | — | (8.7) | — | (8.7) | — | (8.7) |
| Balance as at October 26, 2025 - Restated | | 611.4 | 0.9 | 1,249.6 | 42.3 | 1,904.2 | 5.9 | 1,910.1 |
| Net earnings | | — | — | 255.8 | — | 255.8 | 0.3 | 256.1 |
| Other comprehensive loss | 15 | — | — | — | (82.0) | (82.0) | — | (82.0) |
| Disposal of non-controlling interests | 3 | — | — | — | — | — | (6.2) | (6.2) |
| Reclassification of other comprehensive income | 3 & 15 | — | — | 9.5 | (9.5) | — | — | — |
| Shareholders' contributions and distributions to shareholders | | | | | | | | |
| Reduction of stated capital | 13 | (518.8) | — | — | — | (518.8) | — | (518.8) |
| Dividends | 13 | — | — | (1,172.4) | — | (1,172.4) | — | (1,172.4) |
| Balance as at April 26, 2026 | | \$ 92.6 | \$ 0.9 | \$ 342.5 | \$ (49.2) | \$ 386.8 | \$ — | \$ 386.8 |
| Balance as at October 27, 2024 - As reported | | \$ 619.2 | \$ 0.9 | \$ 1,237.5 | \$ 51.7 | \$ 1,909.3 | \$ 5.5 | \$ 1,914.8 |
| Restatement | 2 | — | — | (8.3) | — | (8.3) | — | (8.3) |
| Balance as at October 27, 2024 - Restated | | 619.2 | 0.9 | 1,229.2 | 51.7 | 1,901.0 | 5.5 | 1,906.5 |
| Net earnings - Restated | 2 | — | — | 91.9 | — | 91.9 | 0.3 | 92.2 |
| Other comprehensive loss | 15 | — | — | — | (13.4) | (13.4) | — | (13.4) |
| Shareholders' contributions and distributions to shareholders | | | | | | | | |
| Share repurchases and related income taxes | 13 | (7.8) | — | 8.8 | — | 1.0 | — | 1.0 |
| Dividends | 13 | — | — | (121.3) | — | (121.3) | — | (121.3) |
| Balance as at April 27, 2025 - Restated | | \$ 611.4 | \$ 0.9 | \$ 1,208.6 | \$ 38.3 | \$ 1,859.2 | \$ 5.8 | \$ 1,865.0 |

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 April 26, 2026 | As at October 26, 2025 Restated ⁽¹⁾ |
|-------------------------------------------------|-------|----------------------------|---------------------------------------------------------|
| Current assets | | | |
| Cash | | \$ 8.8 | \$ 47.0 |
| Accounts receivable | | 242.8 | 468.1 |
| Income taxes receivable | | 12.7 | 7.2 |
| Inventories | | 110.6 | 372.7 |
| Prepaid expenses and other current assets | | 18.9 | 25.0 |
| Assets held for sale | | 12.0 | 12.0 |
| | | 405.8 | 932.0 |
| Property, plant and equipment | | | |
| | | 135.6 | 725.5 |
| Right-of-use assets | | 75.3 | 98.5 |
| Intangible assets | | 124.1 | 328.0 |
| Goodwill | | 401.6 | 1,179.5 |
| Deferred taxes | | 43.7 | 47.3 |
| Other assets | | 15.8 | 30.0 |
| | | \$ 1,201.9 | \$ 3,340.8 |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 214.3 | \$ 433.9 |
| Provisions | | 18.0 | 1.3 |
| Income taxes payable | | 2.8 | 3.5 |
| Deferred revenues and deposits | | 14.2 | 14.5 |
| Current portion of long-term debt | 11 | 250.5 | 253.2 |
| Current portion of lease liabilities | | 14.4 | 25.5 |
| | | 514.2 | 731.9 |
| Long-term debt | 11 | 105.8 | 417.6 |
| Lease liabilities | | 74.2 | 91.1 |
| Deferred taxes | | 35.9 | 69.1 |
| Other liabilities | 12 | 85.0 | 121.0 |
| | | 815.1 | 1,430.7 |
| Equity | | | |
| Share capital | 13 | 92.6 | 611.4 |
| Contributed surplus | | 0.9 | 0.9 |
| Retained earnings | | 342.5 | 1,249.6 |
| Accumulated other comprehensive (loss) income | 15 | (49.2) | 42.3 |
| Attributable to shareholders of the Corporation | | 386.8 | 1,904.2 |
| Non-controlling interests | | — | 5.9 |
| | | 386.8 | 1,910.1 |
| | | \$ 1,201.9 | \$ 3,340.8 |

⁽¹⁾ Please see Note 2 "Material accounting policies" 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 | | Six months ended | |
|---------------------------------------------------------------------------------------------------------------|-------|--------------------|----------------------------------------------|-------------------|----------------------------------------------|
| | | April 26, 2026 | April 27, 2025 Restated ⁽¹⁾ | April 26, 2026 | April 27, 2025 Restated ⁽¹⁾ |
| Operating activities | | | | | |
| Net earnings | | \$ 226.2 | \$ 35.5 | \$ 256.1 | \$ 92.2 |
| Less : Net earnings from discontinued operations | | 221.9 | 20.1 | 252.0 | 72.0 |
| Net earnings from continuing operations | | \$ 4.3 | \$ 15.4 | \$ 4.1 | \$ 20.2 |
| Adjustments to reconcile net earnings and cash flows from operating activities: | | | | | |
| Impairment of assets | 7 | — | — | 3.5 | — |
| Depreciation and amortization | 8 | 17.3 | 18.1 | 35.2 | 36.0 |
| Financial expenses on long-term debt and lease liabilities | 9 | 6.8 | 8.3 | 14.9 | 20.0 |
| Net losses (gains) on disposal of assets | | 0.1 | 0.1 | (0.3) | (0.1) |
| (Recovery) income taxes | 10 | (0.1) | 4.0 | (1.0) | 8.3 |
| Net foreign exchange differences and other | | 4.4 | (1.1) | 4.7 | (0.6) |
| Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid | | 32.8 | 44.8 | 61.1 | 83.8 |
| Changes in non-cash operating items | | (56.3) | 10.7 | (67.1) | (25.7) |
| Income taxes paid | | (5.9) | (3.3) | (12.6) | (8.9) |
| Cash flows from operating activities of continuing operations | | (29.4) | 52.2 | (18.6) | 49.2 |
| Investing activities | | | | | |
| Business combinations, net of acquired cash | 5 | (17.3) | — | (17.5) | — |
| Acquisitions of property, plant and equipment | | (5.2) | (4.2) | (10.3) | (7.8) |
| Disposals of property, plant and equipment and other | | — | — | 0.6 | 0.1 |
| Increase in intangible assets | | (7.7) | (9.1) | (14.5) | (16.3) |
| Cash flows from investing activities of continuing operations | | (30.2) | (13.3) | (41.7) | (24.0) |
| Financing activities | | | | | |
| Reimbursement of long-term debt | 11 | (308.3) | (200.5) | (308.9) | (201.0) |
| Net (decrease) increase in credit facilities | | (22.0) | 65.0 | 6.0 | 65.0 |
| Settlement of cross-currency swaps | 16 | (0.2) | (25.9) | (0.2) | (25.9) |
| Financial expenses paid on long-term debt and credit facilities | | (7.3) | (14.8) | (15.0) | (23.0) |
| Repayment of principal on lease liabilities | | (3.3) | (3.2) | (6.9) | (6.6) |
| Interest paid on lease liabilities | | (0.5) | (0.4) | (0.9) | (0.9) |
| Dividends | 13 | (1,153.6) | (102.4) | (1,172.4) | (121.3) |
| Reduction of stated capital | 13 | (518.8) | — | (518.8) | — |
| Shares repurchased | 13 | — | — | — | (16.3) |
| Cash flows from financing activities of continuing operations | | (2,014.0) | (282.2) | (2,017.1) | (330.0) |
| Effect of exchange rate changes on cash denominated in foreign currencies | | (1.0) | 0.1 | (1.7) | 5.5 |
| Net change in cash from continuing operations | | (2,074.6) | (243.2) | (2,079.1) | (299.3) |
| Net change in cash from discontinued operations | 3 | 2,040.4 | 13.3 | 2,040.9 | 157.3 |
| Cash at beginning of the period | | 43.0 | 273.1 | 47.0 | 185.2 |
| Cash at end of period | | \$ 8.8 | \$ 43.2 | \$ 8.8 | \$ 43.2 |
| Non-cash investing activities | | | | | |
| Net change in capital asset acquisitions financed by accounts payable | | \$ 0.8 | \$ (0.5) | \$ (1.6) | \$ (3.3) |

⁽¹⁾ Please see Note 2 "Material accounting policies" 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)

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. 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, while those of the Books and Education Sector are influenced by book purchases in line with the beginning of the school year during the third and fourth quarters.

The Corporation's Board of Directors approved these condensed interim consolidated financial statements on June 3, 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

A group that is sold qualifies as a discontinued operation if 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.

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 (loss) 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 "Business disposal". In addition, some comparative figures have been reclassified to conform to the presentation adopted during the current period.

c) Accounting restatements

During the six-month period ended April 26, 2026, the Corporation revised the accounting treatment of digital revenues for the Books and Education 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 and six-month periods ended April 27, 2025 have been adjusted to reflect these changes, which had a favourable impact of \$1.5 million and \$2.5 million, respectively, 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 October 26, 2025 | | As at October 26, 2025 | |
|--------------------------------|------------------------------|-------------|------------------------------|----------|
| | As reported | Restatement | Restated | Restated |
| Inventories | \$ 378.4 | \$ (5.7) | \$ 372.7 | \$ 372.7 |
| Deferred revenues and deposits | 8.5 | 6.0 | 14.5 | 14.5 |
| Deferred taxes | 72.1 | (3.0) | 69.1 | 69.1 |
| Retained earnings | 1,258.3 | (8.7) | 1,249.6 | 1,249.6 |

| | Three months ended | | | Six months ended | | |
|--------------------|--------------------|-------------------|-------------------------|-------------------|-------------------|-------------------------|
| | April 27, 2025 | April 27, 2025 | April 27, 2025 | April 27, 2025 | April 27, 2025 | April 27, 2025 |
| | As reported | Restatement | Restated ⁽¹⁾ | As reported | Restatement | Restated ⁽¹⁾ |
| Revenues | \$ 684.1 | \$ 1.7 | \$ 685.8 | \$ 1,327.1 | \$ 4.2 | \$ 1,331.3 |
| Operating expenses | 575.6 | (0.3) | 575.3 | 1,121.1 | 0.7 | 1,121.8 |
| Income taxes | 8.1 | 0.5 | 8.6 | 31.8 | 1.0 | 32.8 |
| Net earnings | 34.0 | 1.5 | 35.5 | 89.7 | 2.5 | 92.2 |

⁽¹⁾ Amounts reported represent total amounts before the reclassification of discontinued operations.

3 BUSINESS DISPOSAL

Sale of the Packaging Sector activities

On March 6, 2026, the Corporation completed the sale of its Packaging Sector activities to ProAmpac Holdings Inc. In this period of industry consolidation, this transaction enabled the Corporation to maximize shareholder value by acting decisively and from a position of strength. In addition, it allows the Corporation to focus its resources on its growth strategy in particular in in-store marketing and educational publishing activities.

For this sale transaction, the Corporation received a consideration of \$2.1 billion (US\$1.5 billion), less transaction costs incurred and subject to final working capital adjustments. The Corporation expects that these adjustments will be finalized during fiscal year 2026.

| | Business disposal |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Consideration received | \$ 2,134.9 |
| Transaction costs ⁽¹⁾ | (42.8) |
| Estimated consideration receivable for working capital adjustments | 12.0 |
| Total consideration | 2,104.1 |
| Net assets sold | (1,975.0) |
| Accumulated net exchange gains from the translation of the financial statements of foreign operations, net of the hedge of the net investment, reclassified to net earnings | 64.7 |
| Provision for contingencies | (13.9) |
| Non-controlling interests | 6.2 |
| Gain on business disposal, net of income taxes of nil on the gain | \$ 186.1 |

⁽¹⁾ Transaction costs include an amount of \$10.5 million recognized during fiscal year 2025.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

3 BUSINESS DISPOSAL (CONTINUED)

The following table presents net earnings from discontinued operations for the three-month and six-month periods ended April 26, 2026 and April 27, 2025:

| | Three months ended | | Six months ended | |
|----------------------------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | April 26, 2026 | April 27, 2025 | April 26, 2026 | April 27, 2025 |
| Revenues | \$ 176.2 | \$ 402.5 | \$ 560.6 | \$ 790.3 |
| Operating expenses | 146.4 | 338.2 | 478.1 | 667.3 |
| Restructuring and other costs (revenues) ⁽¹⁾ | 2.5 | 3.0 | 2.6 | (44.5) |
| Depreciation and amortization | — | 35.3 | 11.2 | 70.1 |
| Net financial expenses (income) ⁽²⁾ | 2.3 | 1.3 | (3.0) | 0.9 |
| Earnings before income taxes | 25.0 | 24.7 | 71.7 | 96.5 |
| Income taxes | 8.5 | 4.6 | 16.3 | 24.5 |
| Net earnings from discontinued operations, net of the gain | 16.5 | 20.1 | 55.4 | 72.0 |
| Gain on business disposal, net of income taxes of nil on the gain ⁽³⁾ | 205.4 | — | 196.6 | — |
| Net earnings from discontinued operations | \$ 221.9 | \$ 20.1 | \$ 252.0 | \$ 72.0 |

⁽¹⁾ For the three-month and six-month periods ended April 27, 2025, this line item includes the loss (the gain) on the sale of the industrial packaging activities of \$0.3 million and \$46.0 million, respectively.

⁽²⁾ 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), matured in March 2026 and generated gains of \$3.2 million, for a total of \$6.6 million recognized during the six-month period ended April 26, 2026.

⁽³⁾ Transaction costs recognized during the three-month and six-month periods ended April 26, 2026 were \$23.5 million and \$32.3 million, respectively.

The following table presents cash flows from discontinued operations for the three-month and six-month periods ended April 26, 2026 and April 27, 2025:

| | Three months ended | | Six months ended | |
|-----------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | April 26, 2026 | April 27, 2025 | April 26, 2026 | April 27, 2025 |
| Cash flows from operating activities of discontinued operations | \$ (36.3) | \$ 28.0 | \$ (23.1) | \$ 54.7 |
| Cash flows from investing activities of discontinued operations | 2,078.6 | (11.2) | 2,069.7 | 109.5 |
| Cash flows from financing activities of discontinued operations | (1.9) | (3.5) | (5.7) | (6.9) |
| Net change in cash from discontinued operations | \$ 2,040.4 | \$ 13.3 | \$ 2,040.9 | \$ 157.3 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

3 BUSINESS DISPOSAL (CONTINUED)

The following table presents the carrying amount of assets sold and liabilities transferred as remeasured at the foreign exchange rate prevailing on the transaction date:

| | As at April 26, 2026 |
|-------------------------------------------|----------------------------|
| Current assets | |
| Cash disposed | \$ 48.9 |
| Accounts receivable | 229.8 |
| Income taxes receivable | 20.6 |
| Inventories | 279.7 |
| Prepaid expenses and other current assets | 7.4 |
| Property, plant and equipment | 582.9 |
| Right-of-use assets | 50.6 |
| Intangible assets | 190.9 |
| Goodwill | 768.9 |
| Deferred taxes | 2.7 |
| Other assets | 25.5 |
| Assets sold | \$ 2,207.9 |
| Current liabilities | |
| Accounts payable and accrued liabilities | \$ 121.3 |
| Income taxes payable | 10.5 |
| Deferred revenues and deposits | 0.2 |
| Long-term debt | 0.6 |
| Lease liabilities | 52.3 |
| Deferred taxes | 32.8 |
| Other liabilities | 15.2 |
| Liabilities transferred | \$ 232.9 |
| Net assets sold | \$ 1,975.0 |

4 SEGMENTED INFORMATION

During the three-month period ended April 26, 2026, in connection with the changes in the organizational structure and following the sale of the Packaging Sector activities (Note 3 "Business disposal"), the Corporation's operating segments have been changed and are now aggregated and presented by management into two separate sectors: the Retail Services and Printing Sector and the Books and Education Sector. In addition, the Corporation modified the breakdown of revenues by groups of products to provide more relevant and consistent financial information. For the Retail Services and Printing Sector, the Corporation breaks down revenues into the three groups. Revenues from specialized products are now aggregated with revenues from in-store marketing activities, as they are similar in nature. For the Books and Education Sector, the Book Printing Group operations and revenues, which were previously reported in the Retail Services and Printing Sector, are now reported in this sector, as their products are similar in nature. Eliminations within one single sector are presented against the revenues of the relevant sector. Comparative figures for the three-month and six-month periods ended April 27, 2025 have been reclassified to conform to the presentation adopted in the current period.

The Retail Services and Printing Sector provides an integrated service offering for retailers, including content and business intelligence solutions, marketing solutions, including print and digital flyers, as well as in-store marketing and specialized products. It also offers an array of innovative print solutions for newspapers. Its facilities are located in Canada.

The Books and Education Sector offers an array of print solutions for magazines and 4-colour books as well as educational and specialized publishing services in print and digital formats and book distribution services. Its facilities are located in Canada.

The Corporation's inter-sector sales are recognized at agreed transfer prices, which approximate fair value. Transactions other than sales are recognized at the carrying amount.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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4 SEGMENTED INFORMATION (CONTINUED)

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

| | Retail Services and Printing | Books and Education | Head office and inter-sector eliminations | Consolidated results - Continuing operations |
|-------------------------------------------------------------------------------------|------------------------------------|------------------------|-------------------------------------------------|-------------------------------------------------------|
| For the three-month period ended April 26, 2026 | | | | |
| Revenues | \$ 219.5 | \$ 50.1 | \$ (0.4) | \$ 269.2 |
| Operating expenses | 178.4 | 43.1 | 2.3 | 223.8 |
| Restructuring and other costs | 6.7 | 0.1 | 7.2 | 14.0 |
| Operating earnings before depreciation and amortization | 34.4 | 6.9 | (9.9) | 31.4 |
| Depreciation and amortization | 9.4 | 6.8 | 1.1 | 17.3 |
| Operating earnings ⁽²⁾ | \$ 25.0 | \$ 0.1 | \$ (11.0) | \$ 14.1 |
| Adjusted operating earnings before depreciation and amortization ⁽³⁾ | \$ 41.1 | \$ 7.0 | \$ (2.7) | \$ 45.4 |
| Adjusted operating earnings ^{(2) & (3)} | 33.0 | 0.7 | (3.8) | 29.9 |
| Amortization of intangible assets arising from business combinations ⁽³⁾ | 1.3 | 0.5 | — | 1.8 |
| Acquisitions of non-current assets ⁽⁴⁾ | 4.7 | 8.8 | 0.9 | 14.4 |
| For the three-month period ended April 27, 2025 - Restated | | | | |
| Revenues ⁽¹⁾ | \$ 228.2 | \$ 55.9 | \$ (0.8) | \$ 283.3 |
| Operating expenses ⁽¹⁾ | 178.9 | 48.4 | 9.8 | 237.1 |
| Restructuring and other costs (revenues) | 1.0 | 0.2 | (0.2) | 1.0 |
| Operating earnings before depreciation and amortization | 48.3 | 7.3 | (10.4) | 45.2 |
| Depreciation and amortization | 9.7 | 7.0 | 1.4 | 18.1 |
| Operating earnings ⁽²⁾ | \$ 38.6 | \$ 0.3 | \$ (11.8) | \$ 27.1 |
| Adjusted operating earnings before depreciation and amortization ⁽³⁾ | \$ 49.3 | \$ 7.5 | \$ (10.6) | \$ 46.2 |
| Adjusted operating earnings ^{(2) & (3)} | 40.2 | 1.1 | (12.0) | 29.3 |
| Amortization of intangible assets arising from business combinations ⁽³⁾ | 0.6 | 0.6 | — | 1.2 |
| Acquisitions of non-current assets ⁽⁴⁾ | 4.5 | 7.9 | 0.9 | 13.3 |

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

4 SEGMENTED INFORMATION (CONTINUED)

| | Retail Services and Printing | Books and Education | Head office and inter-sector eliminations | Consolidated results - Continuing operations |
|-------------------------------------------------------------------------------------|------------------------------------|------------------------|-------------------------------------------------|-------------------------------------------------------|
| For the six-month period ended April 26, 2026 | | | | |
| Revenues | \$ 432.9 | \$ 100.9 | \$ (1.1) | \$ 532.7 |
| Operating expenses | 353.1 | 86.0 | 15.1 | 454.2 |
| Restructuring and other costs | 9.1 | 0.1 | 8.3 | 17.5 |
| Impairment of assets | 3.5 | — | — | 3.5 |
| Operating earnings before depreciation and amortization | 67.2 | 14.8 | (24.5) | 57.5 |
| Depreciation and amortization | 19.3 | 13.7 | 2.2 | 35.2 |
| Operating earnings ⁽²⁾ | \$ 47.9 | \$ 1.1 | \$ (26.7) | \$ 22.3 |
| Adjusted operating earnings before depreciation and amortization ⁽³⁾ | \$ 79.8 | \$ 14.9 | \$ (16.2) | \$ 78.5 |
| Adjusted operating earnings ^{(2) & (3)} | 63.9 | 1.9 | (18.4) | 47.4 |
| Amortization of intangible assets arising from business combinations ⁽³⁾ | 3.4 | 0.7 | — | 4.1 |
| Acquisitions of non-current assets ⁽⁴⁾ | 8.6 | 14.5 | 1.1 | 24.2 |

| | Retail Services and Printing | Books and Education | Head office and inter-sector eliminations | Consolidated results - Continuing operations |
|-------------------------------------------------------------------------------------|------------------------------------|------------------------|-------------------------------------------------|-------------------------------------------------------|
| For the six-month period ended April 27, 2025 - Restated | | | | |
| Revenues ⁽¹⁾ | \$ 435.0 | \$ 107.4 | \$ (1.4) | \$ 541.0 |
| Operating expenses ⁽¹⁾ | 344.6 | 92.8 | 17.1 | 454.5 |
| Restructuring and other costs | 4.1 | 0.2 | 0.3 | 4.6 |
| Operating earnings before depreciation and amortization | 86.3 | 14.4 | (18.8) | 81.9 |
| Depreciation and amortization | 19.3 | 14.1 | 2.6 | 36.0 |
| Operating earnings ⁽²⁾ | \$ 67.0 | \$ 0.3 | \$ (21.4) | \$ 45.9 |
| Adjusted operating earnings before depreciation and amortization ⁽³⁾ | \$ 90.4 | \$ 14.6 | \$ (18.5) | \$ 86.5 |
| Adjusted operating earnings ^{(2) & (3)} | 72.3 | 1.5 | (21.1) | 52.7 |
| Amortization of intangible assets arising from business combinations ⁽³⁾ | 1.2 | 1.0 | — | 2.2 |
| Acquisitions of non-current assets ⁽⁴⁾ | 7.9 | 14.1 | 1.5 | 23.5 |

⁽¹⁾ The information for the three-month and six-month periods ended April 27, 2025 are restated to give effect to the accounting restatements described in Note 2 "Material accounting policies".

⁽²⁾ 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.

⁽³⁾ The Corporation's officers mainly use adjusted operating earnings before depreciation and amortization to make decisions and assess the performance of sectors. 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.

⁽⁴⁾ 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.

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4 SEGMENTED INFORMATION (CONTINUED)

Additional information on revenues

The Retail Services and Printing Sector and the Books and Education Sector generate their revenues mainly in Canada. The table below presents revenues from continuing operations, by sector, allocated by types of products:

| | Three months ended | | Six months ended | |
|------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | April 26, 2026 | April 27, 2025 | April 26, 2026 | April 27, 2025 |
| | | Restated | Restated | Restated |
| Retail Services and Printing | | | | |
| Content and Business Intelligence Group | \$ 19.2 | \$ 20.7 | \$ 39.2 | \$ 41.0 |
| Marketing and Information Group ⁽¹⁾ | 106.1 | 127.5 | 222.6 | 245.9 |
| In-Store Marketing and Specialty Group | 94.2 | 80.0 | 171.1 | 148.1 |
| | 219.5 | 228.2 | 432.9 | 435.0 |
| Books and Education | | | | |
| TC Books and Education Group | 9.1 | 9.3 | 24.5 | 25.5 |
| Book Printing Group | 41.0 | 46.6 | 76.4 | 81.9 |
| | 50.1 | 55.9 | 100.9 | 107.4 |
| Inter-sector sales ⁽²⁾ | (0.4) | (0.8) | (1.1) | (1.4) |
| | \$ 269.2 | \$ 283.3 | \$ 532.7 | \$ 541.0 |

⁽¹⁾ Revenues from the Marketing & Information Group include flyer, newspaper and raddar® printing revenues.

⁽²⁾ Inter-sector sales are mainly eliminations of internal sales from the Retail Services and Printing Sector to the Books and Education Sector.

5 BUSINESS COMBINATIONS

Transaction for the six-month period ended April 26, 2026

Phipps Dickson Integria Group Inc.

On March 31, 2026, the Corporation acquired all the shares of Phipps Dickson Integria Group Inc. ("PDI Group"), a company based in Kirkland and Laval, Quebec, which provides integrated commercial printing, large-format signage and in-store marketing services solutions. This acquisition strengthens the Corporation's ability to offer integrated in-store marketing solutions from design, through production and distribution. The transaction was completed for a total consideration of \$21.0 million, subject to adjustments, including a purchase price holdback of \$2.0 million payable 18 months after the closing date of the transaction provided no compensation for damages is claimed by the Corporation during the reference period.

As at April 26, 2026, the accounting for the PDI Group business combination is not completed and is based on information available as of the date of these financial statements. The provisional accounting for this acquisition led to the recognition of a goodwill of \$7.9 million. The recognized goodwill is not deductible for tax purposes. The Corporation will complete the fair value measurement of the main items, including intangible assets and the determination of deferred income taxes, in the coming quarters.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

5 BUSINESS COMBINATIONS (CONTINUED)

The following table presents the fair value of the assets acquired and liabilities assumed, as at the acquisition date, as part of the acquisition of PDI Group:

| | Provisional allocation |
|---------------------------------------------------|---------------------------|
| Assets acquired | |
| Cash acquired | \$ 1.7 |
| Current assets | 10.9 |
| Property, plant and equipment | 5.9 |
| Right-of-use assets | 6.4 |
| Intangible assets | 0.2 |
| Goodwill | 7.9 |
| | \$ 33.0 |
| Liabilities assumed | |
| Accounts payable and accrued liabilities | \$ 4.3 |
| Lease liabilities (including the current portion) | 6.4 |
| Deferred taxes | 1.3 |
| | 12.0 |
| Identifiable net assets | \$ 21.0 |
| Total consideration | |
| Cash paid | \$ 19.0 |
| Short-term amount payable | 2.0 |
| | \$ 21.0 |

The Corporation's Consolidated Statement of Earnings for the six-month period ended April 26, 2026 includes the operating results of PDI Group since the acquisition date, namely additional revenues of \$2.6 million and net earnings of \$0.1 million, including adjustments related to the accounting of this acquisition and excluding transaction costs. If the Corporation had acquired this entity at the beginning of the six-month period ended April 26, 2026, revenues would have increased by an additional amount of \$15.6 million and net earnings would have increased by an additional amount of \$0.6 million.

Transaction of fiscal year 2025

Mirazed and Intergraphics

During the six-month period ended April 26, 2026, the Corporation revised its fair value estimate for the contingent consideration receivable based on the information received and adjusted the allocation of the purchase price equation resulting in a goodwill adjustment and bringing total goodwill to \$22.5 million. The accounting for the purchase equation remains provisional. The recognized goodwill is not deductible for tax purposes. The Corporation will complete the fair value measurement of the main items, including intangible assets and the determination of deferred income taxes, in the coming quarters.

6 OPERATING EXPENSES

| | Three months ended | | Six months ended | |
|---------------------------------------------------|--------------------|-------------------------------|-------------------|-------------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 | April 27, 2025 Restated |
| Employee-related costs ⁽¹⁾ | \$ 97.8 | \$ 98.4 | \$ 199.3 | \$ 192.9 |
| Supply chain and logistics ⁽²⁾ | 114.3 | 127.4 | 229.1 | 238.5 |
| Other goods and services ^{(1) & (3)} | 11.7 | 11.3 | 25.8 | 23.1 |
| | \$ 223.8 | \$ 237.1 | \$ 454.2 | \$ 454.5 |

⁽¹⁾ Includes fees from the transition services agreement entered into as part of the sale of the Packaging Sector.

⁽²⁾ Includes mainly production, other than employee-related costs, and distribution costs related to external suppliers.

⁽³⁾ Includes mainly promotion, advertising and telecommunications costs, office supplies, real estate expenses and professional fees.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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7 RESTRUCTURING AND OTHER COSTS

| | Three months ended | | Six months ended | |
|------------------------------------------------------------------|--------------------|-------------------------------|-------------------|-------------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 | April 27, 2025 Restated |
| Workforce reductions ⁽¹⁾ | \$ 12.6 | \$ 0.9 | \$ 13.9 | \$ 1.6 |
| Costs related to plant closures and restructuring ⁽²⁾ | 0.7 | 0.1 | 1.1 | 0.2 |
| Business acquisition and integration costs | 0.6 | — | 1.1 | — |
| Other elements ⁽³⁾ | 0.1 | — | 1.4 | 2.8 |
| | \$ 14.0 | \$ 1.0 | \$ 17.5 | \$ 4.6 |

⁽¹⁾ Includes termination payments to employees as part of workforce restructuring in the Retail Services and Printing Sector and at Head office.

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

⁽³⁾ During the six-month periods ended April 26, 2026 and April 27, 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 six-month period ended April 26, 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 a restructuring initiative.

8 DEPRECIATION AND AMORTIZATION

| | Three months ended | | Six months ended | |
|-------------------------------|--------------------|-------------------------------|-------------------|-------------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 | April 27, 2025 Restated |
| Property, plant and equipment | \$ 6.8 | \$ 8.8 | \$ 13.5 | \$ 17.4 |
| Right-of-use assets | 2.8 | 2.5 | 5.6 | 5.0 |
| Intangible assets | 7.7 | 6.8 | 16.1 | 13.6 |
| | \$ 17.3 | \$ 18.1 | \$ 35.2 | \$ 36.0 |

9 NET FINANCIAL EXPENSES

| | Three months ended | | Six months ended | |
|-----------------------------------------------------|--------------------|-------------------------------|-------------------|-------------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 | April 27, 2025 Restated |
| Financial expenses on long-term debt | \$ 6.3 | \$ 7.9 | \$ 14.0 | \$ 19.1 |
| Interest on lease liabilities | 0.5 | 0.4 | 0.9 | 0.9 |
| Net interest on defined benefit asset and liability | 0.8 | 0.7 | 1.6 | 1.4 |
| Other (income) expenses | (0.6) | (1.1) | 0.1 | (3.4) |
| Net foreign exchange losses (gains) | 2.9 | (0.2) | 2.6 | (0.6) |
| | \$ 9.9 | \$ 7.7 | \$ 19.2 | \$ 17.4 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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10 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 | | Six months ended | |
|------------------------------------------------------------------------------------------------|--------------------|-------------------------------|-------------------|-------------------------------|
| | April 26, 2026 | April 27, 2025 Restated | April 26, 2026 | April 27, 2025 Restated |
| Earnings before income taxes | \$ 4.2 | \$ 19.4 | \$ 3.1 | \$ 28.5 |
| Canadian statutory tax rate ⁽¹⁾ | 26.5% | 26.5% | 26.5% | 26.5% |
| Income taxes at the statutory tax rate | 1.1 | 5.1 | 0.8 | 7.6 |
| Effect of differences in tax rates and additional income taxes in other jurisdictions | 0.9 | (0.3) | 0.8 | 0.3 |
| Income taxes on non-deductible expenses and non-taxable revenues | (0.8) | (1.2) | 0.2 | 0.2 |
| Change in deferred tax assets on tax losses or temporary differences not previously recognized | (1.6) | — | (1.6) | — |
| Adjustment for previous years' balances | 0.4 | (0.7) | (1.2) | (0.8) |
| Other | (0.1) | 1.1 | — | 1.0 |
| Income taxes at the effective tax rate | \$ (0.1) | \$ 4.0 | \$ (1.0) | \$ 8.3 |
| Income taxes before the following items: | \$ 4.0 | \$ 4.6 | \$ 5.5 | \$ 10.1 |
| Income tax recovery on amortization of intangible assets arising from business combinations | (0.5) | (0.3) | (1.1) | (0.6) |
| Income tax recovery on impairment of assets | — | — | (0.9) | — |
| Income tax recovery on restructuring and other costs | (3.6) | (0.3) | (4.5) | (1.2) |
| Income taxes at the effective tax rate | \$ (0.1) | \$ 4.0 | \$ (1.0) | \$ 8.3 |

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

11 LONG-TERM DEBT

| | Effective interest rate as at April 26, 2026 | Maturity | As at | As at |
|----------------------------------------------------|----------------------------------------------------|------------------|-------------------|---------------------|
| | | | April 26, 2026 | October 26, 2025 |
| Unsecured notes (issued in 2021) | 2.41% | July 13, 2026 | \$ 250.0 | \$ 250.0 |
| Unified Debenture | 4.85 | February 1, 2028 | 100.0 | 100.0 |
| U.S. dollar term loan (issued in 2021) | | | — | 160.8 |
| U.S. dollar term loan (extended in 2022) | | | — | 157.4 |
| Credit facilities | | March 2030 | 6.0 | — |
| Other loans | | 2026-2031 | 2.3 | 3.9 |
| | | | \$ 358.3 | \$ 672.1 |
| Issuance costs on long-term debt at amortized cost | | | (2.0) | (1.3) |
| Total long-term debt | | | \$ 356.3 | \$ 670.8 |
| Current portion of long-term debt | | | \$ 250.5 | \$ 253.2 |
| Non-current portion of long-term debt | | | \$ 105.8 | \$ 417.6 |

Term loans

On March 6, 2026, subsequent to the closing of the sale of the Packaging Sector activities, the Corporation repaid early the balance of the U.S. dollar term loan (issued in 2021) of \$155.5 million (US\$114.6 million) which was maturing on June 14, 2028, as well as the balance of the U.S. dollar term loan (extended in 2022) of \$152.6 million (US\$112.5 million), which was maturing on June 30, 2027. On April 24, 2026, following the repayment of the U.S. term loan (renewed in 2022), the Corporation settled a floating-to-fixed interest rate swap for a consideration received of \$0.2 million.

The Corporation expects to issue, on July 13, 2026, a secured term loan of \$100.0 million. The applicable interest rate on this loan will be based on the Corporation's indebtedness level which, based on the indebtedness level for the previous quarter, would be the Canadian Overnight Repo Rate Average ("CORRA") plus 2.545% for one-month periods or plus 2.571% for three-month periods. The loan will be repayable over three years, and the Corporation will use the borrowed funds to repay the unsecured notes (issued in 2021).

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11 LONG-TERM DEBT (continued)

Credit facilities

On March 6, 2026, subsequent to the closing of the sale of the Packaging Sector activities, the credit facility previously amounting to \$400.0 million was renegotiated and reduced to \$35.0 million or the U.S. dollar equivalent. The maturity date will be in four years, in March 2030. Once the Corporation will have repaid the unsecured notes (issued in 2021) and provided the required securities, the amount will be increased to \$200.0 million. The applicable interest rate on the credit facility is based on the indebtedness level of the Corporation which, based on the indebtedness level for the previous quarter, would be CORRA plus 2.545% for one-month periods or plus 2.571% for three-month periods, or the Secured Overnight Financing Rate ("SOFR") plus 2.350%, or the Canadian prime rate or the U.S. prime rate plus 1.250%.

On March 6, 2026, subsequent to the closing of the sale of the Packaging Sector activities, the Corporation cancelled the credit facility with a maximum amount of \$20.4 million (US\$15.0 million), which was maturing in March 2026.

As at April 26, 2026, \$6.0 million were drawn on the credit facility and the unused amount under the credit facility was \$29.0 million.

The Corporation must comply with certain restrictive covenants, including maintaining certain financial ratios. During the six-month period ended April 26, 2026, the Corporation has not been in default under any covenants.

12 OTHER LIABILITIES

| | Notes | As at April 26, 2026 | As at October 26, 2025 |
|-------------------------------------------|-------|----------------------------|------------------------------|
| Defined benefit liability | | \$ 74.8 | \$ 90.7 |
| Stock-based compensation | 14 | 4.0 | 18.2 |
| Derivative financial instruments | 16 | 2.1 | 6.9 |
| Accrued liabilities and other liabilities | | 3.8 | 4.9 |
| Long-term provisions | | 0.3 | 0.3 |
| | | \$ 85.0 | \$ 121.0 |

13 SHARE CAPITAL

| | Number of shares | Amount |
|------------------------------------------|---------------------|----------|
| Class A Subordinate Voting Shares | | |
| Balance as at October 26, 2025 | 74,112,647 | \$ 598.4 |
| Reduction of stated capital | — | (518.8) |
| Shares repurchased and cancelled | — | — |
| Balance as at April 26, 2026 | 74,112,647 | 79.6 |
| Class B Shares | | |
| Balance as at October 26, 2025 | 9,506,272 | 13.0 |
| Shares repurchased and cancelled | — | — |
| Balance as at April 26, 2026 | 9,506,272 | 13.0 |
| | 83,618,919 | \$ 92.6 |

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13 SHARE CAPITAL (CONTINUED)

Repurchase of shares

During the six-month period ended April 26, 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 six-month period ended April 27, 2025, the Corporation repurchased and cancelled 934,434 Class A Subordinate Voting Shares at a weighted average price of \$17.38 and 3,600 Class B Shares at a weighted average price of \$17.27, for a total cash consideration of \$16.3 million. The excess of the total consideration over the carrying amount of the shares, amounting to \$8.5 million, 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 April 27, 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 six-month periods ended April 26, 2026 and April 27, 2025, there were no dilutive items.

Special distribution and dividends

A special distribution of \$20.00 per share was declared and paid to the holders of Class A Subordinate Voting Shares and Class B Shares for the three-month period ended April 26, 2026. For Class A Subordinate Voting Shares, this distribution includes a reduction of stated capital of \$7.00 per share and a cash dividend of \$13.00 per share for the remainder of the distribution.

Dividends of \$0.225 per share were declared and paid to shareholders for the six-month period ended April 26, 2026. Dividends of \$0.225 and \$0.450 per share had been declared and paid to shareholders for the three-month and six-month periods ended April 27, 2025, respectively. In addition, a special dividend of \$1.00 per share had been declared and paid to shareholders for the three-month period ended April 27, 2025.

14 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.

On March 18, 2026, subsequent to the closing of the sale of the Packaging Sector activities, the Corporation terminated the DSU plan for directors and the DSUs granted under the plan for officers. The vested DSUs were paid out following the termination of the DSUs or DSU plan for directors in accordance with the terms of these plans. Vested 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 following table presents the changes in the plans' status for the six-month period ended April 26, 2026:

| | Number of units | |
|--------------------------------|-----------------|-----------|
| | DSUs | RSUs |
| Balance as at October 26, 2025 | 953,695 | 1,600,049 |
| Units granted | 10,505 | 3,216 |
| Units cancelled | (65,350) | (401,365) |
| Units paid | (908,135) | (423,667) |
| Dividends paid in units | 9,285 | 10,452 |
| Balance as at April 26, 2026 | — | 788,685 |

As at April 26, 2026, the liability related to the share unit plans was \$13.9 million, of which \$4.0 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. As at April 26, 2026, the liability related to the share unit plans includes \$0.3 million, estimated on the anticipated monetary value for the potential implementation of a plan for its directors, which is presented under Accounts payable and accrued liabilities, and \$0.5 million, estimated on the anticipated monetary value for potential modifications to the RSU plan, which is presented under Other liabilities.

For continuing operations, expenses recorded in the Consolidated Statements of Earnings for the three-month periods ended April 26, 2026 and April 27, 2025 amounted to \$0.9 million and \$3.3 million, respectively. Expenses recorded in the Consolidated Statements of Earnings for the six-month periods ended April 26, 2026 and April 27, 2025 were \$9.3 million and \$7.4 million, respectively. Amounts of \$26.4 million and \$1.4 million were paid under these plans for the three-month periods ended April 26, 2026 and April 27, 2025, respectively. Amounts of \$26.4 million and \$8.8 million were paid under these plans for the six-month periods ended April 26, 2026 and April 27, 2025, respectively.

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14 STOCK-BASED COMPENSATION (CONTINUED)

For discontinued operations, amounts recognized in the Consolidated Statements of Earnings for the three-month periods ended April 26, 2026 and April 27, 2025 were a gain of \$2.0 million and an expense of \$0.7 million, respectively. Amounts recorded in the Consolidated Statements of Earnings for the six-month periods ended April 26, 2026 and April 27, 2025 were a gain of \$1.0 million and an expense of \$1.3 million, respectively. Amounts of \$5.6 million and nil were paid under these plans for the three-month periods ended April 26, 2026, and April 27, 2025, respectively. Amounts of \$5.7 million and \$1.1 million were paid under these plans for the six-month periods ended April 26, 2026, and April 27, 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 six-month period ended April 26, 2026, the Corporation extended by one year the contract covering 900,000 units at a weighted average price of \$18.61 per unit which will now expire on April 30, 2027.

During the three-month periods ended April 26, 2026, and April 27, 2025, amounts recognized in the consolidated statements of earnings under Operating expenses, corresponding to the change in fair value of the total return swap contract for the hedged units, before considering dividends received and interest paid, were expenses of \$16.3 million and \$0.4 million, respectively. During the six-month periods ended April 26, 2026, and April 27, 2025, amounts recognized in the consolidated statements of earnings under Operating expenses, corresponding to the change in fair value of the total return swap contract for the hedged units, before considering dividends received and interest paid, were an expense of \$13.0 million and a gain of \$0.8 million, respectively.

Amounts of \$17.9 million and \$0.9 million were received for the six-month periods ended April 26, 2026, and April 27, 2025, respectively, to give effect to the special distribution of March 20, 2026, and the special dividend of April 23, 2025. These amounts were recorded as a reduction of expenses in the statement of earnings.

15 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

| | Cash flow hedges | Net investment hedges | Cumulative translation differences | Actuarial gains and losses on defined benefit plans | Accumulated other comprehensive income (loss) |
|----------------------------------------------------------------------------|---------------------|-----------------------------|------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------|
| Balance as at October 26, 2025 | \$ (5.2) | \$ (33.3) | \$ 119.8 | \$ (39.0) | \$ 42.3 |
| Net change in (losses) gains, net of income taxes | 5.9 | 33.3 | (120.6) | (0.6) | (82.0) |
| Reclassification of other comprehensive income (loss) to retained earnings | — | — | — | (9.5) | (9.5) |
| Balance as at April 26, 2026 | \$ 0.7 | \$ — | \$ (0.8) | \$ (49.1) | \$ (49.2) |
| 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 | 1.9 | (5.6) | (9.0) | (0.7) | (13.4) |
| Balance as at April 27, 2025 | \$ (1.1) | \$ (30.3) | \$ 105.9 | \$ (36.2) | \$ 38.3 |

As at April 26, 2026, in connection with the sale of the Packaging Sector activities, an amount of \$9.5 million of actuarial gains and losses on defined benefit plans, net of taxes, was reclassified to retained earnings.

As at April 26, 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 | \$ (1.4) | \$ 0.3 | \$ (1.0) |
| (Recovery) income taxes | — | (0.4) | 0.1 | (0.3) |
| | \$ 0.1 | \$ (1.0) | \$ 0.2 | \$ (0.7) |

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15 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 | | Six months ended | |
|-------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | April 26, 2026 | April 27, 2025 | April 26, 2026 | April 27, 2025 |
| Actuarial gains on obligation - change in discount rate | \$ 3.7 | \$ 5.8 | \$ 5.9 | \$ 4.8 |
| Actuarial losses on plan assets - excluding interest income | (2.8) | (7.3) | (7.3) | (5.7) |
| Effect of the asset ceiling | — | — | 0.5 | — |
| Related income taxes (recovery) | 0.2 | (0.3) | (0.3) | (0.2) |
| | \$ 0.7 | \$ (1.2) | \$ (0.6) | \$ (0.7) |

Actuarial gains and losses on obligation recognized in the Statements of Comprehensive Income for the six-month period ended April 26, 2026 are explained by the change in the discount rate, which increased from 4.70% as at October 26, 2025 to 4.80% as at April 26, 2026 in Canada, and from 5.10% as at October 26, 2025 to 5.40% as at April 26, 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 six-month period ended April 26, 2026.

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

16 FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

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

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

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

The Corporation presents a fair value hierarchy with three levels that reflects the significance of inputs used in determining the fair value assessments.

The fair value of financial assets and liabilities classified in these three levels is evaluated as follows:

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

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16 FINANCIAL INSTRUMENTS (CONTINUED)

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

| | Fair value hierarchy | As at April 26, 2026 | | As at October 26, 2025 | |
|---------------------------------------------------------|----------------------|----------------------|-----------------|------------------------|-----------------|
| | | Fair value | Carrying amount | Fair value | Carrying amount |
| Prepaid expenses and other current assets | | | | | |
| Foreign exchange forward contracts | Level 2 | \$ 1.7 | \$ 1.7 | \$ 0.7 | \$ 0.7 |
| Total return swap | Level 2 | — | — | 0.9 | 0.9 |
| Other assets | | | | | |
| Foreign exchange forward contracts | Level 2 | 2.7 | 2.7 | 2.5 | 2.5 |
| Interest rate swaps ⁽¹⁾ | Level 2 | 0.2 | 0.2 | — | — |
| Accounts payable and accrued liabilities | | | | | |
| Cross-currency fixed interest rate swaps ⁽²⁾ | Level 2 | (22.8) | (22.8) | (26.9) | (26.9) |
| Total return swap | Level 2 | (12.1) | (12.1) | — | — |
| Foreign exchange forward contracts | Level 2 | (1.1) | (1.1) | (6.5) | (6.5) |
| Long-term debt | | | | | |
| Long-term debt | Level 2 | (361.9) | (356.3) | (684.9) | (670.8) |
| Other liabilities | | | | | |
| Interest rate swaps ⁽¹⁾ | Level 2 | — | — | (0.4) | (0.4) |
| Foreign exchange forward contract | Level 2 | (2.1) | (2.1) | (6.5) | (6.5) |

⁽¹⁾ The Corporation holds an interest rate swap with a notional amount of US\$56.3 million that converts the floating interest rate on the U.S. dollar term loan (extended in 2022) into a fixed interest rate. This contract is no longer designated as a hedging instrument in cash flow hedge relationship, and the change in fair value between March 6, 2026, and April 26, 2026 was recognized in net earnings from continuing operations.

⁽²⁾ These cross-currency fixed interest rate swaps (CAD/USD) of \$250.0 million (US\$200.4 million), which mature on July 13, 2026, are no longer designated as hedging instruments in a net investment hedge relationship following the sale of the Packaging Sector activities. The change in fair value between March 6, 2026 and April 26, 2026 was recognized in net earnings from continuing operations.

During the six-month periods ended April 26, 2026 and April 27, 2025, no financial instruments were transferred between Levels 1, 2 and 3.

17 SUBSEQUENT EVENT

On April 30, 2026, subsequent to the six-month period ended April 26, 2026, the Corporation sold a warehouse located in Boucherville, Quebec, to Placements Carrousel Inc., the parent company of Emballages Carrousel whose head office is in Boucherville, for a consideration of \$34.9 million.