TRANSCONTINENTAL

Press Release

For Immediate Release

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

Highlights

- Revenues of $306.0 million for the quarter ended July 26, 2026; operating earnings of $66.9 million; and net earnings from continuing operations of $36.9 million ($0.44 per share).
- Adjusted operating earnings before depreciation and amortization(1) of $60.9 million for the quarter ended July 26, 2026; adjusted operating earnings(1) of $43.6 million; and adjusted net earnings from continuing operations(1) of $27.1 million (0.32 $ per share).
- Successful nationwide rollout of raddar®.
- Sale of two buildings for a net consideration of $36.5 million.

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

Montréal, September 9, 2026 - Transcontinental Inc. (TSX: TCL.A TCL.B) announces its results for the third quarter of fiscal year 2026 ended July 26, 2026.

"We had anticipated improved performance for the second half of our fiscal year, and our results for the third quarter live up to expectations with an increase in adjusted operating earnings before depreciation and amortization," said Sam Bendavid, Chief Executive Officer of TC Transcontinental. "In this continuity, I am confident that we will end fiscal year 2026 with results that meet our financial outlook."

"In the Retail Services and Printing Sector, our acquisitions in in-store marketing activities enabled us to generate growth despite the slowdown in our traditional activities. In addition, the increase in volume, combined with the initiatives implemented to increase profitability, enhanced the financial performance of our in-store marketing and specialty activities. Furthermore, the successful nationwide rollout of raddar®, which occurred in mid-June, had a positive impact on revenues for the quarter."

"In the Books and Education Sector, revenues decreased slightly, mainly as a result of last year's solid performance and a shift in orders to the fourth quarter of fiscal 2026."

"The significant cash flows we expect to generate in the fourth quarter of fiscal year 2026 will enable us to reduce significantly net indebtedness by the end of the fiscal year," added Donald LeCavalier, Executive Vice President and Chief Financial Officer of TC Transcontinental. "Our financial position is solid and gives us the flexibility we need to pursue our growth strategy."

Financial Highlights

(for continuing operations, in millions of dollars, except per share amounts)	Q3-2026	Q3-2025 Restated [1]	Variation in %
Revenues	$306.0	$294.9	3.8 %
Operating earnings before depreciation and amortization	85.7	47.2	81.6
Adjusted operating earnings before depreciation and amortization [2]	60.9	58.5	4.1
Operating earnings	66.9	29.5	126.8
Adjusted operating earnings [2]	43.6	41.7	4.6
Net earnings	36.9	13.0	183.8
Net earnings per share	0.44	0.16	175.0
Adjusted net earnings [2]	27.1	22.2	22.1
Adjusted net earnings per share [2]	0.32	0.27	18.5

(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 Third Quarter of Fiscal Year 2026

Revenues increased by $11.1 million, or 3.8%, from $294.9 million in the third quarter of fiscal year 2025 to $306.0 million in the third quarter of fiscal year 2026. This increase is mostly attributable to our recent acquisitions, partially offset by lower volume in our two sectors and, to a lesser extent, the unfavourable exchange rate effect.

Operating earnings before depreciation and amortization increased by $38.5 million, or 81.6%, from $47.2 million in the third quarter of fiscal year 2025 to $85.7 million in the third quarter of fiscal year 2026. This increase is mainly attributable to the decrease in restructuring and other costs (revenues) related to the net gains on the sale of two buildings, the decline in asset impairment charges, our recent acquisitions and our cost reductions initiatives, partially offset by lower volume in our two sectors and, to a lesser extent, the unfavourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization increased by $2.4 million, or 4.1%, from $58.5 million in the third quarter of fiscal year 2025 to $60.9 million in the third quarter of fiscal year 2026. This increase is mainly attributable to our recent acquisitions and our cost reduction initiatives, partially offset by lower volume in our two sectors and the unfavourable exchange rate effect.

Net earnings from continuing operations increased by $23.9 million, or 183.8%, from $13.0 million in the third quarter of fiscal year 2025 to $36.9 million in the third quarter of fiscal year 2026. This increase is mainly attributable to the previously explained increase in operating earnings before depreciation and amortization, partially offset by higher income taxes and the increase in financial expenses and, to a lesser extent, the increase in depreciation and amortization. On a per share basis, net earnings from continuing operations increased by 175.0%, from $0.16 to $0.44, respectively.

Adjusted net earnings from continuing operations increased by $4.9 million, or 22.1%, from $22.2 million in the third quarter of fiscal year 2025 to $27.1 million in the third quarter of fiscal year 2026. This increase is mainly attributable to the decrease in financial expenses excluding foreign exchange losses on non-designated financial instruments and the previously explained increase in adjusted operating earnings before depreciation and amortization, partially offset by higher adjusted income taxes. On a per share basis, adjusted net earnings from continuing operations increased by 18.5%, from $0.27 to $0.32, respectively.

Results for the First Nine Months of Fiscal Year 2026

Revenues increased by $2.8 million, or 0.3%, from $835.9 million in the first nine months of fiscal year 2025 to $838.7 million in the corresponding period of 2026. This increase is mainly explained by our recent acquisitions and the favourable exchange rate effect, mostly offset by lower volume in our two sectors.

Operating earnings before depreciation and amortization increased by $14.1 million, or 10.9%, from $129.1 million in the first nine months of fiscal year 2025 to $143.2 million in the corresponding period of 2026. This increase is mainly attributable to the decrease in restructuring and other costs (revenues), our recent acquisitions, the favourable exchange rate effect, the drop in asset impairment charges, our cost reduction initiatives and the decrease in incentive compensation, partially offset by lower volume in our two sectors.

Adjusted operating earnings before depreciation and amortization decreased by $5.6 million, or 3.9%, from $145.0 million in the first nine months of fiscal year 2025 to $139.4 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, our cost reduction initiatives and the decrease in incentive compensation.

Net earnings from continuing operations increased by $7.8 million, or 23.5%, from $33.2 million in the first nine months of fiscal year 2025 to $41.0 million in the corresponding period of 2026. This increase is mainly attributable to the previously explained rise in operating earnings before depreciation and amortization and lower income taxes, partially offset by the increase in financial expenses and, to a lesser extent, higher depreciation and amortization. On a per share basis, net earnings attributable to shareholders of the Corporation from continuing operations increased by 22.5%, from $0.40 to $0.49, respectively.

Adjusted net earnings from continuing operations increased by $2.4 million, or 5.1%, from $47.4 million in the first nine months of fiscal year 2025 to $49.8 million in the corresponding period of 2026. This increase is mainly attributable to the decrease in financial expenses excluding foreign exchange losses on non-designated financial instruments and lower adjusted income taxes, partially offset by the previously explained decline in adjusted operating earnings before depreciation and amortization. On a per share basis, adjusted net earnings from continuing operations increased by 5.3%, from $0.57 to $0.60, respectively.

For more detailed financial information, please see the Management's Discussion and Analysis for the third quarter of fiscal year 2026 ended July 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 and specialty 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 quarter, 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 third quarter ended July 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 and foreign exchange losses on non-designated financial instruments.
Adjusted net earnings	Net earnings (loss) from continuing operations before restructuring and other costs (revenues), amortization of intangible assets arising from business combinations, impairment of assets and foreign exchange losses on non-designated financial instruments, net of related income taxes. 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 - Third quarter and cumulative

	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025	**July 26, 2026**	July 27, 2025
(in millions of dollars)		Restated		Restated
Operating earnings	**$66.9**	$29.5	**$89.2**	$75.4
Excluding				
Restructuring and other costs (revenues)	**(24.8)**	5.6	**(7.3)**	10.2
Amortization of intangible assets arising from business combinations (1)	**1.5**	0.9	**5.6**	3.1
Impairment of assets	**—**	5.7	**3.5**	5.7
Adjusted operating earnings	**$43.6**	$41.7	**$91.0**	$94.4
Depreciation and amortization (2)	**17.3**	16.8	**48.4**	50.6
Adjusted operating earnings before depreciation and amortization	**$60.9**	$58.5	**$139.4**	$145.0

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

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

	Three months ended		Nine months ended	
(in millions of dollars)	**July 26, 2026**	July 27, 2025 Restated	**July 26, 2026 Restated**	July 27, 2025 Restated
Operating earnings	**$35.8**	$35.3	**$83.7**	$102.3
Excluding				
Restructuring and other costs	**3.5**	3.4	**12.6**	7.5
Amortization of intangible assets arising from business combinations (1)	**1.2**	0.5	**4.6**	1.7
Impairment of assets	**—**	—	**3.5**	—
Adjusted operating earnings	**$40.5**	$39.2	**$104.4**	$111.5
Depreciation and amortization (2)	**8.9**	9.1	**24.8**	27.2
Adjusted operating earnings before depreciation and amortization	**$49.4**	$48.3	**$129.2**	$138.7

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

(in millions of dollars)	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025 Restated	**July 26, 2026 Restated**	July 27, 2025 Restated
Operating earnings	**$12.2**	$7.3	**$13.3**	$7.6
Excluding				
Restructuring and other costs	**0.5**	1.7	**0.6**	1.9
Amortization of intangible assets arising from business combinations (1)	**0.3**	0.4	**1.0**	1.4
Impairment of assets	**—**	5.7	**—**	5.7
Adjusted operating earnings	**$13.0**	$15.1	**$14.9**	$16.6
Depreciation and amortization (2)	**7.5**	6.5	**20.5**	19.6
Adjusted operating earnings before depreciation and amortization	**$20.5**	$21.6	**$35.4**	$36.2

(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 - Third quarter and cumulative for head office

(in millions of dollars)	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025 Restated	**July 26, 2026 Restated**	July 27, 2025 Restated
Operating earnings (loss)	**$18.9**	$(13.1)	**$(7.8)**	$(34.5)
Excluding				
Restructuring and other costs (revenues)	**(28.8)**	0.5	**(20.5)**	0.8
Adjusted operating loss	**$(9.9)**	$(12.6)	**$(28.3)**	$(33.7)
Depreciation and amortization	**0.9**	1.2	**3.1**	3.8
Adjusted operating loss before depreciation and amortization	**$(9.0)**	$(11.4)	**$(25.2)**	$(29.9)

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

	Three months ended		Nine months ended	
(in millions of dollars, except per share amounts)	**July 26, 2026**	July 27, 2025 Restated	**July 26, 2026**	July 27, 2025 Restated
Net earnings	**$36.9**	$13.0	**$41.0**	$33.2
Excluding				
Restructuring and other costs (revenues)	**(24.8)**	5.6	**(7.3)**	10.2
Tax on restructuring and other costs (revenues)	**3.5**	(1.3)	**(1.0)**	(2.5)
Amortization of intangible assets arising from business combinations (1)	**1.5**	0.9	**5.6**	3.1
Tax on amortization of intangible assets arising from business combinations	**(0.4)**	(0.2)	**(1.5)**	(0.8)
Impairment of assets	**—**	5.7	**3.5**	5.7
Tax on impairment of assets	**—**	(1.5)	**(0.9)**	(1.5)
Foreign exchange losses on non-designated financial instruments (2)	**12.0**	—	**12.0**	—
Tax on foreign exchange losses on non-designated financial instruments	**(1.6)**	—	**(1.6)**	—
Adjusted net earnings	**$27.1**	$22.2	**$49.8**	$47.4
Net earnings attributable to shareholders of the Corporation per share	**$0.44**	$0.16	**$0.49**	$0.40
Adjusted net earnings per share	**$0.32**	$0.27	**$0.60**	$0.57
Weighted average number of shares outstanding	**83.6**	83.6	**83.6**	83.8

(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) On July 13, 2026, concurrently with the repayment of the unsecured notes, the Corporation settled some of its cross-currency fixed interest rate swaps amounting to $100.0 million (US$80.2 million) for a consideration paid of $13.4 million. The Corporation also extended, for a period of approximately three months, the remaining contracts that were maturing on July 13, 2026, totaling $150.0 million (US$120.2 million). Following the sale of the Packaging Sector operations, these contracts are no longer designated as hedging instruments in net investment hedging relationships. Consequently, the change in their fair value between March 6, 2026 and July 26, 2026 has been recognized in net earnings from continuing operations. Financial expenses associated with these transactions amounted to $12.0 million, including realized foreign exchange losses on the repayment of contracts of $4.3 million and unrealized exchange losses on extended contracts of $7.7 million. These foreign exchange losses are excluded from adjusted net earnings as they arise from specific circumstances, namely the sale of the Packaging Sector operations, the Corporation considers these items to be non-recurring and does not expect them to have any further impact once the underlying transactions have been settled.

Reconciliation of net indebtedness

(for continuing operations, in millions of dollars, except for ratios)	**As at July 26, 2026**	As at October 26, 2025 Restated
Long-term debt	**$334.5**	$417.6
Current portion of long-term debt	**10.4**	253.2
Lease liabilities	**76.1**	91.1
Current portion of lease liabilities	**19.5**	25.5
Cash	**(14.7)**	(47.0)
Net indebtedness	**$425.8**	$740.4
Adjusted operating earnings before depreciation and amortization (last 12 months)	**$206.3**	$211.9
Net indebtedness ratio	**2.06x**	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 October 21, 2026, to shareholders of record at the close of business on October 5, 2026.

Additional information

Conference Call

Upon releasing its results for the third quarter of fiscal year 2026, the Corporation will hold a conference call for the financial community on September 9, 2026, at 4:00 p.m. The dial-in numbers are 1-289-514-5100 or 1-800-717-1738. Media may hear the call in listen-only mode or tune in to the simultaneous audio broadcast on TC Transcontinental's website, which will then be archived for 30 days. For media requests or interviews, please contact Jeanne Routhier, Coordinator, Communications of TC Transcontinental, at 438-398-4055.

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 September 9, 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 September 9, 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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TRANSCONTINENTAL

Management's Discussion and Analysis

For the the third quarter ended July 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the third quarter ended July 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 third quarter ended July 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 third quarter ended July 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 and foreign exchange losses on non-designated financial instruments.
Adjusted net earnings	Net earnings (loss) from continuing operations before restructuring and other costs (revenues), amortization of intangible assets arising from business combinations, impairment of assets and foreign exchange losses on non-designated financial instruments, net of related income taxes. 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 September 9, 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 September 9, 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)	Q3-2026	Q3-2025 Restated (1)	Variation in %
Revenues	$306.0	$294.9	3.8%
Operating earnings before depreciation and amortization	85.7	47.2	81.6
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Operating earnings	66.9	29.5	126.8
Adjusted operating earnings (2)	43.6	41.7	4.6
Net earnings	36.9	13.0	183.8
Net earnings per share	0.44	0.16	175.0
Adjusted net earnings (2)	27.1	22.2	22.1
Adjusted net earnings per share (2)	0.32	0.27	18.5

(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 $306.0 million for the quarter ended July 26, 2026; operating earnings of $66.9 million; and net earnings from continuing operations of $36.9 million ($0.44 per share).
- Adjusted operating earnings before depreciation and amortization of $60.9 million for the quarter ended July 26, 2026; adjusted operating earnings of $43.6 million; and adjusted net earnings from continuing operations of $27.1 million ($0.32 per share).
- Successful nationwide rollout of raddar®.
- Sale of two buildings for a net consideration of $36.5 million.

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 nine 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 third quarter and the first nine months of fiscal year 2025 have been adjusted to reflect these changes, which had an impact of nil and a favourable impact of $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 reported	Restatement	As at October 26, 2025 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

	Nine months ended		
(in millions of dollars)	July 27, 2025 As reported	Restatement	July 27, 2025 Restated [1]
Revenues	$ 2,011.5	$ 4.2	$ 2,015.7
Operating expenses	1,684.1	0.7	1,684.8
Income taxes	39.4	1.0	40.4
Net earnings	128.5	2.5	131.0

[1] Amounts reported represent total amounts before the reclassification of discontinued operations.

SEGMENTED INFORMATION

Since 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 first nine months 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 - Third quarter and cumulative

	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025	**July 26, 2026**	July 27, 2025
(in millions of dollars)		Restated		Restated
Operating earnings	**$ 66.9**	$ 29.5	**$ 89.2**	$ 75.4
Excluding				
Restructuring and other costs (revenues)	**(24.8)**	5.6	**(7.3)**	10.2
Amortization of intangible assets arising from business combinations (1)	**1.5**	0.9	**5.6**	3.1
Impairment of assets	**—**	5.7	**3.5**	5.7
Adjusted operating earnings	**$ 43.6**	$ 41.7	**$ 91.0**	$ 94.4
Depreciation and amortization (2)	**17.3**	16.8	**48.4**	50.6
Adjusted operating earnings before depreciation and amortization	**$ 60.9**	$ 58.5	**$ 139.4**	$ 145.0

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

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

	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025	**July 26, 2026**	July 27, 2025
(in millions of dollars)		Restated	**Restated**	Restated
Operating earnings	**$ 35.8**	$ 35.3	**$ 83.7**	$ 102.3
Excluding				
Restructuring and other costs	**3.5**	3.4	**12.6**	7.5
Amortization of intangible assets arising from business combinations (1)	**1.2**	0.5	**4.6**	1.7
Impairment of assets	**—**	—	**3.5**	—
Adjusted operating earnings	**$ 40.5**	$ 39.2	**$ 104.4**	$ 111.5
Depreciation and amortization (2)	**8.9**	9.1	**24.8**	27.2
Adjusted operating earnings before depreciation and amortization	**$ 49.4**	$ 48.3	**$ 129.2**	$ 138.7

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

(in millions of dollars)	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025 Restated	**July 26, 2026 Restated**	July 27, 2025 Restated
Operating earnings	**$ 12.2**	$ 7.3	**$ 13.3**	$ 7.6
Excluding				
Restructuring and other costs	**0.5**	1.7	**0.6**	1.9
Amortization of intangible assets arising from business combinations (1)	**0.3**	0.4	**1.0**	1.4
Impairment of assets	**—**	5.7	**—**	5.7
Adjusted operating earnings	**$ 13.0**	$ 15.1	**$ 14.9**	$ 16.6
Depreciation and amortization (2)	**7.5**	6.5	**20.5**	19.6
Adjusted operating earnings before depreciation and amortization	**$ 20.5**	$ 21.6	**$ 35.4**	$ 36.2

(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 - Third quarter and cumulative for head office

(in millions of dollars)	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025 Restated	**July 26, 2026 Restated**	July 27, 2025 Restated
Operating earnings (loss)	**$ 18.9**	$ (13.1)	**$ (7.8)**	$ (34.5)
Excluding				
Restructuring and other costs (revenues)	**(28.8)**	0.5	**(20.5)**	0.8
Adjusted operating loss	**$ (9.9)**	$ (12.6)	**$ (28.3)**	$ (33.7)
Depreciation and amortization	**0.9**	1.2	**3.1**	3.8
Adjusted operating loss before depreciation and amortization	**$ (9.0)**	$ (11.4)	**$ (25.2)**	$ (29.9)

Reconciliation of operating earnings from continuing operations - Last eight quarters

(in millions of dollars)	**2026**			2025 - Restated				2024 - Restated
	Q3	Q2	Q1	Q4	**Q3**	Q2	Q1	Q4
Operating earnings	**$66.9**	$14.1	$8.2	$42.2	**$29.5**	$27.1	$18.8	$49.8
Excluding								
Restructuring and other costs (revenues)	**(24.8)**	14.0	3.5	3.3	**5.6**	1.0	3.6	5.6
Amortization of intangible assets arising from business combinations (1)	**1.5**	1.8	2.3	1.0	**0.9**	1.2	1.0	1.0
Impairment of assets	**—**	—	3.5	3.8	**5.7**	—	—	3.3
Adjusted operating earnings	**$43.6**	$29.9	$17.5	$50.3	**$41.7**	$29.3	$23.4	$59.7
Depreciation and amortization (2)	**17.3**	15.5	15.6	16.6	**16.8**	16.9	16.9	17.7
Adjusted operating earnings before depreciation and amortization	**$60.9**	$45.4	$33.1	$66.9	**$58.5**	$46.2	$40.3	$77.4

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

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

	Three months ended		Nine months ended	
(in millions of dollars, except per share amounts)	**July 26, 2026**	July 27, 2025 Restated	**July 26, 2026**	July 27, 2025 Restated
Net earnings	**$ 36.9**	$ 13.0	**$ 41.0**	$ 33.2
Excluding				
Restructuring and other costs (revenues)	**(24.8)**	5.6	**(7.3)**	10.2
Tax on restructuring and other costs (revenues)	**3.5**	(1.3)	**(1.0)**	(2.5)
Amortization of intangible assets arising from business combinations (1)	**1.5**	0.9	**5.6**	3.1
Tax on amortization of intangible assets arising from business combinations	**(0.4)**	(0.2)	**(1.5)**	(0.8)
Impairment of assets	**—**	5.7	**3.5**	5.7
Tax on impairment of assets	**—**	(1.5)	**(0.9)**	(1.5)
Foreign exchange losses on non-designated financial instruments (2)	**12.0**	—	**12.0**	—
Tax on foreign exchange losses on non-designated financial instruments	**(1.6)**	—	**(1.6)**	—
Adjusted net earnings	**$ 27.1**	$ 22.2	**$ 49.8**	$ 47.4
Net earnings attributable to shareholders of the Corporation per share	**$ 0.44**	$ 0.16	**$ 0.49**	$ 0.40
Adjusted net earnings per share	**$ 0.32**	$ 0.27	**$ 0.60**	$ 0.57
Weighted average number of shares outstanding	**83.6**	83.6	**83.6**	83.8

(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) On July 13, 2026, concurrently with the repayment of the unsecured notes, the Corporation settled some of its cross-currency fixed interest rate swaps amounting to $100.0 million (US$80.2 million) for a consideration paid of $13.4 million. The Corporation also extended, for a period of approximately three months, the remaining contracts that were maturing on July 13, 2026, totaling $150.0 million (US$120.2 million). Following the sale of the Packaging Sector operations, these contracts are no longer designated as hedging instruments in net investment hedging relationships. Consequently, the change in their fair value between March 6, 2026 and July 26, 2026 has been recognized in net earnings from continuing operations. Financial expenses associated with these transactions amounted to $12.0 million, including realized foreign exchange losses on the repayment of contracts of $4.3 million and unrealized exchange losses on extended contracts of $7.7 million. These foreign exchange losses are excluded from adjusted net earnings as they arise from specific circumstances, namely the sale of the Packaging Sector operations, the Corporation considers these items to be non-recurring and does not expect them to have any further impact once the underlying transactions have been settled.

Reconciliation of net earnings from continuing operations - Last eight quarters

	2026			2025 - Restated				2024 - Restated
(in millions of dollars, except per share amounts)	**Q3**	Q2	Q1	Q4	**Q3**	Q2	Q1	Q4
Net earnings (loss)	**$36.9**	$4.3	$(0.2)	$29.2	**$13.0**	$15.4	$4.8	$36.1
Excluding								
Restructuring and other costs (revenues)	**(24.8)**	14.0	3.5	3.3	**5.6**	1.0	3.6	5.6
Recovery (tax) on restructuring and other costs (revenues)	**3.5**	(3.6)	(0.9)	(3.7)	**(1.3)**	(0.3)	(0.9)	(1.4)
Amortization of intangible assets arising from business combinations (1)	**1.5**	1.8	2.3	1.0	**0.9**	1.2	1.0	1.0
Tax on amortization of intangible assets arising from business combinations	**(0.4)**	(0.5)	(0.6)	(0.2)	**(0.2)**	(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)
Foreign exchange losses on non-designated financial instruments (2)	**12.0**	—	—	—	**—**	—	—	—
Tax on foreign exchange losses on non-designated financial instruments	**(1.6)**	—	—	—	**—**	—	—	—
Adjusted net earnings	**$27.1**	$16.0	$6.7	$32.4	**$22.2**	$17.0	$8.2	$43.5
Net earnings attributable to shareholders of the Corporation per share	**$0.44**	$0.05	$—	$0.35	**$0.16**	$0.18	$0.06	$0.43
Adjusted net earnings per share	**$0.32**	$0.19	$0.08	$0.39	**$0.27**	$0.20	$0.10	$0.51
Weighted average number of shares outstanding	**83.6**	83.6	83.6	83.6	**83.6**	83.6	84.2	84.8

(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) On July 13, 2026, concurrently with the repayment of the unsecured notes, the Corporation settled some of its cross-currency fixed interest rate swaps amounting to $100.0 million (US$80.2 million) for a consideration paid of $13.4 million. The Corporation also extended, for a period of approximately three months, the remaining contracts that were maturing on July 13, 2026, totaling $150.0 million (US$120.2 million). Following the sale of the Packaging Sector operations, these contracts are no longer designated as hedging instruments in net investment hedging relationships. Consequently, the change in their fair value between March 6, 2026 and July 26, 2026 has been recognized in net earnings from continuing operations. Financial expenses associated with these transactions amounted to $12.0 million, including realized foreign exchange losses on the repayment of contracts of $4.3 million and unrealized exchange losses on extended contracts of $7.7 million. These foreign exchange losses are excluded from adjusted net earnings as they arise from specific circumstances, namely the sale of the Packaging Sector operations, the Corporation considers these items to be non-recurring and does not expect them to have any further impact once the underlying transactions have been settled as they arise from specific circumstances, namely the sale of the Packaging Sector operations, the Corporation considers these items to be non-recurring and does not expect them to have any further impact once the underlying transactions have been settled.

Reconciliation of net indebtedness

(for continuing operations, in millions of dollars, except ratios)	**As at July 26, 2026**	As at October 26, 2025 Restated
Long-term debt	**$ 334.5**	$ 417.6
Current portion of long-term debt	**10.4**	253.2
Lease liabilities	**76.1**	91.1
Current portion of lease liabilities	**19.5**	25.5
Cash	**(14.7)**	(47.0)
Net indebtedness	**$ 425.8**	$ 740.4
Adjusted operating earnings before depreciation and amortization (last 12 months)	**$ 206.3**	$ 211.9
Net indebtedness ratio	**2.06x**	3.49x

ANALYSIS OF CONSOLIDATED RESULTS - THIRD QUARTER OF FISCAL YEAR 2026

Revenues

Revenues increased by $11.1 million, or 3.8%, from $294.9 million in the third quarter of fiscal year 2025 to $306.0 million in the third quarter of fiscal year 2026. This increase is mostly attributable to our recent acquisitions, partially offset by lower volume in our two sectors and, to a lesser extent, the unfavourable exchange rate effect. A more detailed analysis of revenues is presented in the section "Analysis of Sector Results - Third Quarter of Fiscal Year 2026".

Operating and Other Expenses

Operating expenses increased by $8.7 million, or 3.7%, in the third quarter of fiscal year 2026 compared to the corresponding period of 2025. This increase is mostly attributable to our recent acquisitions, partially mitigated by lower volume in our two sectors, cost reduction initiatives in the Retail Services and Printing Sector and the workforce reduction at head office following the sale of the Packaging Sector operations.

Restructuring and other costs (revenues) decreased by $30.4 million, from an expense of $5.6 million in the third quarter of fiscal year 2025 to a revenue of $24.8 million in the third quarter of fiscal year 2026. This decrease is attributable to net gains on the sale of buildings in the third quarter of fiscal year 2026 and costs incurred in relation with the labour conflict at Canada Post in the third quarter of fiscal year 2025, partially offset by the rise in workforce reduction costs and costs in relation with restructuring as well as business integration costs.

Asset impairment charges decreased by $5.7 million, from an expense of $5.7 million in the third quarter of fiscal year 2025 to no asset impairment charge in the third quarter of fiscal year 2026. On July 9, 2025, the Corporation definitively ceased the operations of Groupe Constructo, in the Books and Education Sector, which led to the recognition of a goodwill impairment charge of $5.7 million.

Operating Earnings before Depreciation and Amortization

Operating earnings before depreciation and amortization increased by $38.5 million, or 81.6%, from $47.2 million in the third quarter of fiscal year 2025 to $85.7 million in the third quarter of fiscal year 2026. This increase is mainly attributable to the decrease in restructuring and other costs (revenues), the decline in asset impairment charges, our recent acquisitions and our cost reduction initiatives, partially offset by lower volume in our two sectors and, to a lesser extent, the unfavourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization increased by $2.4 million, or 4.1%, from $58.5 million in the third quarter of fiscal year 2025 to $60.9 million in the third quarter of fiscal year 2026. This increase is mainly attributable to our recent acquisitions and our cost reduction initiatives, partially offset by lower volume in our two sectors and the unfavourable exchange rate effect. A more detailed analysis of adjusted operating earnings before depreciation and amortization is presented in the section "Analysis of Sector Results - Third Quarter of Fiscal Year 2026".

Depreciation and Amortization

Depreciation and amortization increased by $1.1 million, from $17.7 million in the third quarter of fiscal year 2025 to $18.8 million in the third quarter of fiscal year 2026. This increase is mainly due to the depreciation and amortization of property, plant and equipment and intangible assets from our recent acquisitions, partially mitigated by the end of the depreciation period for some items of property, plant and equipment.

Net Financial Expenses

Net financial expenses increased by $5.3 million, from $10.3 million in the third quarter of fiscal year 2025 to $15.6 million in the third quarter of fiscal year 2026. This unfavourable change is mainly explained by the impact of foreign exchange losses on non-designated financial instruments amounting to $12.0 million, partially mitigated by the decrease in net indebtedness and the exchange rate effect.

Income Taxes

Income taxes increased by $8.2 million, from an expense of $6.2 million in the third quarter of fiscal year 2025 to an expense of $14.4 million in the third quarter of fiscal year 2026. This increase is mainly attributable to the rise in earnings before income taxes.

Adjusted income taxes increased by $3.7 million, from $9.2 million in the third quarter of fiscal year 2025, for an effective tax rate of 29.3%, to $12.9 million in the third quarter of fiscal year 2026, for an effective tax rate of 32.3%. This increase in the effective tax rate is mainly due to unrealizable deferred income tax asset remeasurements.

Net Earnings from Continuing Operations

Net earnings from continuing operations increased by $23.9 million, or 183.8%, from $13.0 million in the third quarter of fiscal year 2025 to $36.9 million in the third quarter of fiscal year 2026. This increase is mainly attributable to the previously explained increase in operating earnings before depreciation and amortization, partially offset by higher income taxes and the increase in financial expenses and, to a lesser extent, the increase in depreciation and amortization. On a per share basis, net earnings attributable to shareholders of the Corporation from continuing operations increased by 175.0 %, from $0.16 to $0.44, respectively.

Adjusted net earnings from continuing operations increased by $4.9 million, or 22.1%, from $22.2 million in the third quarter of fiscal year 2025 to $27.1 million in the third quarter of fiscal year 2026. This increase is mainly attributable to the decrease in financial expenses excluding foreign exchange losses on non-designated financial instruments and the previously explained increase in adjusted operating earnings before depreciation and amortization, partially offset by higher adjusted income taxes. On a per share basis, adjusted net earnings from continuing operations increased by 18.5%, from $0.27 to $0.32, respectively.

ANALYSIS OF CONSOLIDATED RESULTS - CUMULATIVE FOR FISCAL YEAR 2026

Revenues

Revenues increased by $2.8 million, or 0.3%, from $835.9 million in the first nine months of fiscal year 2025 to $838.7 million in the corresponding period of 2026. This increase is mainly explained by our recent acquisitions and the favourable exchange rate effect, mostly offset by lower volume in our two sectors. 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 increased by $8.4 million, or 1.2%, from $690.9 million in the first nine months of fiscal year 2025 to $699.3 million in the corresponding period of 2026. This increase results mostly from our recent acquisitions, partially mitigated by lower volume in our two sectors, our cost reduction initiatives in the Retail Services and Printing Sector, the workforce reduction at head office following the sale of the Packaging Sector operations and the decrease in incentive compensation.

Restructuring and other costs (revenues) decreased by $17.5 million, from an expense of $10.2 million in the first nine months of fiscal year 2025 to a revenue of $7.3 million in the corresponding period of 2026. This decrease is mainly attributable to net gains on the sale of buildings in the first nine months of fiscal year 2026 and the decrease in costs incurred in relation with the labour conflict at Canada Post, partially offset by the rise in workforce reduction costs, business integration costs and costs in relation with restructuring.

Asset impairment charges decreased by $2.2 million, from $5.7 million the first nine months of fiscal year 2025 to $3.5 million in the corresponding period of 2026. In the first nine months of fiscal year 2026, an asset impairment charge 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 nine months of fiscal year 2025, a goodwill impairment charge had been recognized as a result of ceasing the operations of Groupe Constructo, in the Books and Education Sector, on July 9, 2025.

Operating Earnings before Depreciation and Amortization

Operating earnings before depreciation and amortization increased by $14.1 million, or 10.9%, from $129.1 million in the first nine months of fiscal year 2025 to $143.2 million in the corresponding period of 2026. This increase is mainly attributable to the decrease in restructuring and other costs (revenues), our recent acquisitions, the favourable exchange rate effect, the drop in asset impairment charges, our cost reduction initiatives and the decrease in incentive compensation, partially offset by lower volume in our two sectors.

Adjusted operating earnings before depreciation and amortization decreased by $5.6 million, or 3.9%, from $145.0 million in the first nine months of fiscal year 2025 to $139.4 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, our cost reduction initiatives 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 increased by $0.3 million, from $53.7 million in the first nine months of fiscal year 2025 to $54.0 million in the corresponding period of 2026. This increase is mainly due to the depreciation and amortization of property, plant and equipment and intangible assets from our recent acquisitions, mostly mitigated by the end of the depreciation period for some items of property, plant and equipment.

Net Financial Expenses

Net financial expenses increased by $7.1 million, from $27.7 million in the first nine months of fiscal year 2025 to $34.8 million in the corresponding period of 2026. This unfavourable change is mainly explained by foreign exchange losses on non-designated financial instruments amounting to $12.0 million, the decrease in interest income and the exchange rate effect, partially mitigated by the decrease in net indebtedness.

Income Taxes

Income taxes decreased by $1.1 million, from $14.5 million in the first nine months of fiscal year 2025 to $13.4 million in the corresponding period of 2026. This decrease is mainly attributable to favorable differences between the accounting and tax treatment, partially offset by the increase in earnings before taxes.

Adjusted income taxes decreased by $0.9 million, from $19.3 million in the first nine months of fiscal year 2025, for an effective tax rate of 28.9%, to $18.4 million in the corresponding period of 2026, for an effective tax rate of 27.0%. The decrease in the effective tax rate is mainly attributable to favorable differences between the accounting and tax treatment.

Net Earnings from Continuing Operations

Net earnings from continuing operations increased by $7.8 million, or 23.5%, from $33.2 million in the first nine months of fiscal year 2025 to $41.0 million in the corresponding period of 2026. This increase is mainly attributable to the previously explained rise in operating earnings before depreciation and amortization and lower income taxes, partially offset by the increase in financial expenses and, to a lesser extent, higher depreciation and amortization. On a per share basis, net earnings attributable to shareholders of the Corporation from continuing operations increased by 22.5%, from $0.40 to $0.49, respectively.

Adjusted net earnings from continuing operations increased by $2.4 million, or 5.1%, from $47.4 million in the first nine months of fiscal year 2025 to $49.8 million in the corresponding period of 2026. This increase is mainly attributable to the decrease in financial expenses excluding foreign exchange losses on non-designated financial instruments and lower adjusted income taxes, partially offset by the previously explained decline in adjusted operating earnings before depreciation and amortization. On a per share basis, adjusted net earnings from continuing operations increased by 5.3%, from $0.57 to $0.60, respectively.

Net Earnings from Discontinued Operations

Net earnings from discontinued operations increased by $153.8 million, from $97.8 million the first nine months of fiscal year 2025 to $251.6 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 decreased from $1.16 to $3.01, respectively.

ANALYSIS OF SECTOR RESULTS - THIRD 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 - Third quarter of 2025 - Restated	**$ 217.8**	**$ 77.5**	**$ (0.4)**	**$ 294.9**
Business acquisition	22.5	—	—	22.5
Exchange rate effect	0.1	(0.4)	—	(0.3)
Organic growth (decline)	(7.1)	(4.0)	—	(11.1)
Revenues - Third quarter of 2026	**$ 233.3**	**$ 73.1**	**$ (0.4)**	**$ 306.0**
Adjusted operating earnings before depreciation and amortization (1) - Third quarter of 2025 - Restated	**$ 48.3**	**$ 21.6**	**$ (11.4)**	**$ 58.5**
Business acquisition	4.5	—	—	4.5
Exchange rate effect	—	(0.5)	0.1	(0.4)
Stock-based compensation	—	—	0.2	0.2
Organic growth (decline)	(3.4)	(0.6)	2.1	(1.9)
Adjusted operating earnings before depreciation and amortization (1) - Third quarter of 2026	**$ 49.4**	**$ 20.5**	**$ (9.0)**	**$ 60.9**

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

Retail Services and Printing Sector

Retail Services and Printing Sector revenues increased by $15.5 million, or 7.1%, from $217.8 million in the third quarter of fiscal year 2025 to $233.3 million in the third quarter of fiscal year 2026. This increase is largely attributable to our recent acquisitions and the nationwide rollout of raddar®, partially offset by lower volume, mostly in traditional flyer printing activities.

Adjusted operating earnings before depreciation and amortization increased by $1.1 million, or 2.3%, from $48.3 million in the third quarter of fiscal year 2025 to $49.4 million in the third quarter of fiscal year 2026. This increase is mainly attributable to our recent acquisitions and our cost reduction initiatives, partially offset by the previously explained lower volume. The sector's adjusted operating earnings margin before depreciation and amortization decreased from 22.2% in the third quarter of fiscal year 2025 to 21.2% in the third 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 $4.4 million, or 5.7%, from $77.5 million in the third quarter of fiscal year 2025 to $73.1 million in the third quarter of fiscal year 2026. This decrease is mainly due to lower volume caused by a shift in demand in our educational book offering in the TC Books and Education Group as well as the unfavourable exchange rate effect, partially mitigated by higher volume in book printing activities.

Adjusted operating earnings before depreciation and amortization decreased by $1.1 million, or 5.1%, from $21.6 million in the third quarter of fiscal year 2025 to $20.5 million in the third quarter of fiscal year 2026. This decrease is due to the previously explained lower volume in the TC Books and Education Group and the unfavourable exchange rate effect, partially mitigated by higher volume in book printing activities. The sector's adjusted operating earnings margin before depreciation and amortization increased from 27.9 % in the third quarter of fiscal year 2025 to 28.0% in the third quarter of fiscal year 2026, mainly as a result of the above-mentioned items.

Head Office and Inter-sector Eliminations

Inter-sector eliminations remained stable at $-0.4 million in the third quarter of fiscal year 2025 and in the third quarter of fiscal year 2026.

Adjusted operating earnings before depreciation and amortization improved by $2.4 million, from $-11.4 million in the third quarter of fiscal year 2025 to $-9.0 million in the third quarter of fiscal year 2026. This improvement is mainly attributable to the workforce reduction following the sale of the Packaging Sector operations.

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 - Nine months ended July 27, 2025 - Restated	**$ 652.8**	**$ 184.9**	**$ (1.8)**	**$ 835.9**
Business acquisition	49.0	—	—	49.0
Exchange rate effect	(0.7)	2.7	—	2.0
Organic growth (decline)	(34.9)	(13.6)	0.3	(48.2)
Revenues - Nine months ended July 26, 2026	**$ 666.2**	**$ 174.0**	**$ (1.5)**	**$ 838.7**
Adjusted operating earnings before depreciation and amortization (1) - Nine months ended July 27, 2025 - Restated	**$ 138.7**	**$ 36.2**	**$ (29.9)**	**$ 145.0**
Business acquisition	9.1	—	—	9.1
Exchange rate effect	(0.3)	2.9	0.2	2.8
Stock-based compensation	—	—	1.5	1.5
Organic growth (decline)	(18.3)	(3.7)	3.0	(19.0)
Adjusted operating earnings before depreciation and amortization (1) - Nine months ended July 26, 2026	**$ 129.2**	**$ 35.4**	**$ (25.2)**	**$ 139.4**

(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 increased by $13.4 million, or 2.1%, from $652.8 million in the first nine months of fiscal year 2025 to $666.2 million in the corresponding period of 2026. This increase is mostly attributable to our recent acquisitions, partially offset by lower volume, largely in traditional flyer printing activities, and, to a lesser extent, the unfavourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by $9.5 million, or 6.8%, from $138.7 million in the first nine months of fiscal year 2025 to $129.2 million in the corresponding period of 2026. This decrease is mainly due to the previously explained lower 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 21.2% in the first nine months of fiscal year 2025 to 19.4% 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 $10.9 million, or 5.9%, from $184.9 million in the first nine months of fiscal year 2025 to $174.0 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, in the TC Books and Education Group, partially mitigated by the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by $0.8 million, or 2.2%, from $36.2 million in the the first nine months of fiscal year 2025 to $35.4 million in the corresponding period of 2026. This decrease is due to the previously explained lower volume in book printing activities and lower volume in the TC Books and Education Group, partially mitigated by the favourable exchange rate effect. The sector's adjusted operating earnings margin before depreciation and amortization increased from 19.6% in the first nine months of fiscal year 2025 to 20.3% 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 $-1.8 million in the first nine months of fiscal year 2025 to $-1.5 million in the corresponding period of 2026.

Adjusted operating earnings before depreciation and amortization improved by $4.7 million, from $-29.9 million in the first nine months of fiscal year 2025 to $-25.2 million in the corresponding period of 2026. This improvement is attributable to the decrease in incentive compensation and administrative expenses, in particular the workforce reduction following the sale of the Packaging Sector.

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, 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]	(43.2)
Estimated consideration receivable for working capital adjustments	12.0
Total consideration	**2,103.7**
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	**$ 185.7**

[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 first nine months of fiscal years 2026 and 2025 :

Table #7:

	Nine months ended	
	July 26, 2026	July 27, 2025
Revenues	**$ 560.6**	$ 1,179.8
Operating expenses	**478.1**	993.9
Restructuring and other costs (revenues) [1]	**2.6**	(43.4)
Depreciation and amortization	**11.2**	104.0
Net financial expenses (income) [2]	**(3.0)**	1.6
Earnings before income taxes	**71.7**	123.7
Income taxes	**16.3**	25.9
Net earnings from discontinued operations, net of the gain	**55.4**	97.8
Gain on business disposal, net of income taxes of nil on the gain [3]	**196.2**	—
Net earnings from discontinued operations	**$ 251.6**	$ 97.8

[1] For the first nine months of fiscal year 2025, this line item includes the gain on the sale of the industrial packaging activities of $46.0 million.

[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 nine months of fiscal year 2026.

[3] Transaction costs recorded for the first nine months of fiscal year 2026 amounted to $32.7 million.

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

Table #8:

	Nine months ended	
	July 26, 2026	July 27, 2025
Cash flows from operating activities of discontinued operations	**$ (23.5)**	$ 96.1
Cash flows from investing activities of discontinued operations	**2,069.7**	92.3
Cash flows from financing activities of discontinued operations	**(5.7)**	(10.8)
Net change in cash from discontinued operations	**$ 2,040.5**	$ 177.6

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 March 6 2026
Current assets	
Cash disposed of	**$ 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:

	2026			2025 - Restated				2024 - Restated
(for continuing operations, in millions of dollars, unless otherwise indicated and per share amounts)	**Q3**	Q2	Q1	Q4	**Q3**	Q2	Q1	Q4
Revenues	**$ 306.0**	$ 269.2	$ 263.5	$ 317.1	**$ 294.9**	$ 283.3	$ 257.7	$334.9
Operating earnings before depreciation and amortization	**85.7**	31.4	26.1	59.8	**47.2**	45.2	36.7	68.5
Adjusted operating earnings before depreciation and amortization (1)	**60.9**	45.4	33.1	66.9	**58.5**	46.2	40.3	77.4
Adjusted operating earnings margin before depreciation and amortization (1)	**19.9%**	16.9%	12.6%	21.1%	**19.8%**	16.3%	15.6%	23.1%
Operating earnings	**$ 66.9**	$ 14.1	$ 8.2	$ 42.2	**$ 29.5**	$ 27.1	$ 18.8	$ 49.8
Adjusted operating earnings (1)	**43.6**	29.9	17.5	50.3	**41.7**	29.3	23.4	59.7
Adjusted operating earnings margin (1)	**14.2%**	11.1%	6.6%	15.9%	**14.1%**	10.3%	9.1%	17.8%
Net earnings (loss)	**$ 36.9**	$ 4.3	$ (0.2)	$ 29.2	**$ 13.0**	$ 15.4	$ 4.8	$ 36.1
Net earnings per share	**0.44**	0.05	—	0.35	**0.16**	0.18	0.06	0.43
Adjusted net earnings (1)	**27.1**	16.0	6.7	32.4	**22.2**	17.0	8.2	43.5
Adjusted net earnings per share (1)	**0.32**	0.19	0.08	0.39	**0.27**	0.20	0.10	0.51
Adjusted net earnings as a % of the fiscal year	**—%**	—%	—%	41%	**28%**	21%	10%	64%

(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 July 26, 2026	Three months ended July 27, 2025 Restated [1]	Nine months ended July 26, 2026	Nine months ended July 27, 2025 Restated [1]
Operating activities				
Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid	**$53.5**	$54.6	**$114.6**	$138.4
Changes in non-cash operating items	**(11.8)**	(19.0)	**(78.9)**	(44.7)
Income taxes paid	**(16.7)**	0.9	**(29.3)**	(8.0)
Cash flows from operating activities of continuing operations	**$25.0**	$36.5	**$6.4**	$85.7
Investing activities				
Business combinations, net of acquired cash	**$—**	$(4.1)	**$(17.5)**	$(4.1)
Acquisitions of property, plant and equipment	**(13.0)**	(5.3)	**(23.3)**	(13.1)
Disposals of property, plant and equipment	**36.5**	—	**37.1**	0.1
Increase in intangible assets	**(6.8)**	(7.0)	**(21.3)**	(23.3)
Cash flows from investing activities of continuing operations	**$16.7**	$(16.4)	**$(25.0)**	$(40.4)
Financing activities				
Increase in long-term debt	**$100.0**	$—	**$100.0**	$—
Reimbursement of long-term debt	**(250.0)**	(0.6)	**(558.9)**	(201.6)
Net increase (decrease) in credit facilities	**139.0**	(16.0)	**145.0**	49.0
Settlement of cross-currency swaps	**(12.8)**	—	**(13.0)**	(25.9)
Financial expenses paid on long-term debt and credit facilities	**(3.8)**	(8.3)	**(18.8)**	(31.3)
Repayment of principal on lease liabilities	**(3.5)**	(3.3)	**(10.4)**	(9.9)
Interest paid on lease liabilities	**(1.0)**	(0.4)	**(1.9)**	(1.3)
Dividends	**(4.2)**	(18.9)	**(1,176.6)**	(140.2)
Reduction of stated capital	**—**	—	**(518.8)**	—
Shares repurchased	**—**	—	**—**	(16.3)
Cash flows from financing activities of continuing operations	**$(36.3)**	$(47.5)	**$(2,053.4)**	$(377.5)
Effect of exchange rate changes on cash denominated in foreign currencies	**0.9**	(0.2)	**(0.8)**	5.3
Net change in cash from continuing operations	**$6.3**	$(27.6)	**$(2,072.8)**	$(326.9)
Net change in cash from discontinued operations	**$(0.4)**	$20.3	**$2,040.5**	$177.6

[1] Certain comparative figures have been reclassified to conform to the presentation adopted in the period.

Table #12:

Financial position highlights	As at July 26, 2026	As at October 26, 2025
(in millions of dollars, except ratios)		Restated
Net indebtedness [1]	**$425.8**	$740.4
Net indebtedness ratio [1]	**2.06x**	3.49x
Current assets	**426.2**	932.0
Current liabilities	**289.7**	731.9
Total assets	**1,236.0**	3,340.8
Total liabilities	**817.8**	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 - THIRD QUARTER OF FISCAL YEAR 2026

Cash Flows from Continuing Operating Activities

Cash flows from continuing operating activities decreased from a cash inflow of $36.5 million in the third quarter of fiscal year 2025 to a cash inflow of $25.0 million in the third quarter of fiscal year 2026. This decrease is mainly explained by income taxes paid, partially mitigated by the favourable change in working capital, in particular prepaid expenses.

Cash Flows from Continuing Investing Activities

Cash flows from continuing investing activities went from a cash outflow of $16.4 million in the third quarter of fiscal year 2025 to a cash inflow of $16.7 million in the third quarter of fiscal year 2026. This change is mainly attributable to the sale of buildings, partially offset by an increase in acquisitions of property, plant and equipment.

Cash Flows from Continuing Financing Activities

Cash flows from financing activities went from a cash outflow of $47.5 million in the third quarter of fiscal year 2025 to a cash outflow of $36.3 million in the third quarter of fiscal year 2026. This change is mostly attributable to the decrease in dividends paid per share.

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. Following the repayment of the unsecured notes (issued in 2021) and the establishment of the required securities, the amount is now $200.0 million or the equivalent in U.S. dollars and matures in March 2030. 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 Canadian Overnight Repo Rate Average ("CORRA") plus 2.795% for one-month periods or plus 2.821% for three-month periods, or the Secured Overnight Financing Rate ("SOFR") plus 2.60%, or the Canadian prime rate or the U.S. prime rate plus 1.50%.

On July 13, 2026, the Corporation took out a secured term loan of $100.0 million. The applicable interest rate on this loan is based on the Corporation's indebtedness level which, based on the indebtedness level for the previous quarter, would be the CORRA plus 2.795% for one-month periods or plus 2.821% for three-month periods. The loan is repayable over three years, and the Corporation used the borrowed funds to repay the unsecured notes (issued in 2021). An amount of $2.5 million is repayable each quarter until maturity. Issuance costs of $0.2 million were recognized against long-term debt and will be amortized using the effective interest rate method over the duration of the term loan.

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 July 26, 2026, $145.0 million were drawn on the credit facility and an amount of $7.1 million was issued as letters of credit related to the credit facility. The unused amount under the credit facility was $47.9 million. The funds drawn were used to repay the unsecured notes (issued in 2021).

As at July 26, 2026, the floating-rate portion of the Corporation's long-term debt represented approximately 71.0% of total debt.

Repayment of unsecured notes

On July 13, 2026, the Corporation repaid at maturity the unsecured notes (issued in 2021) amounting to $250.0 million. Concurrently with the repayment of the unsecured notes, the Corporation repaid some of its cross-currency fixed interest rate swaps (CAD/USD).

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. During the three-month period ended July 26, 2026, the Corporation settled another floating-to-fixed interest rate swap for a consideration received of $0.3 million.

Net Indebtedness

Net indebtedness went from $740.4 million as at October 26, 2025 to $425.8 million as at July 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 2.06x as at July 26, 2026 compared to 3.49x as at October 26, 2025.

FINANCIAL POSITION - THIRD 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 third quarter of fiscal year 2026.

Table #13:

		Continued operations			
(in millions of dollars)	**As at October 26, 2025**	Assets and liabilities disposed of	Restatements	Changes	**As at July 26, 2026**
Assets					
Accounts receivable	**$ 468.1**	$ (229.8)	$ —	$ 11.8	**$ 250.1**
Income taxes receivable	**7.2**	(20.6)	—	31.6	**18.2**
Inventories	**378.4**	(279.7)	(5.7)	24.4	**117.4**
Prepaid expenses and other current assets	**25.0**	(7.4)	—	2.7	**20.3**
Assets held for sale	**12.0**	—	—	(6.5)	**5.5**
Property, plant and equipment	**725.5**	(582.9)	—	(1.3)	**141.3**
Right-of-use assets	**98.5**	(50.6)	—	34.2	**82.1**
Intangible assets	**328.0**	(190.9)	—	(13.8)	**123.3**
Goodwill	**1,179.5**	(768.9)	—	(9.0)	**401.6**
Deferred taxes	**47.3**	(2.7)	—	(1.3)	**43.3**
Other assets	**30.0**	(25.5)	—	13.7	**18.2**
Liabilities					
Accounts payable and accrued liabilities	**433.9**	(121.3)	—	(87.3)	**225.3**
Provisions	**1.3**	—	—	16.7	**18.0**
Income taxes payable	**3.5**	(10.5)	—	10.3	**3.3**
Deferred revenues and deposits	**8.5**	(0.2)	6.0	(1.1)	**13.2**
Current portion of long-term debt	**253.2**	(0.6)	—	(242.2)	**10.4**
Current portion of lease liabilities	**25.5**	(12.2)	—	6.2	**19.5**
Long-term debt	**417.6**	—	—	(83.1)	**334.5**
Lease liabilities	**91.1**	(40.1)	—	25.1	**76.1**
Deferred taxes	**72.1**	(32.8)	(3.0)	0.7	**37.0**
Other liabilities	**121.0**	(15.2)	—	(25.3)	**80.5**

ANALYSIS OF FINANCIAL POSITION - THIRD QUARTER OF FISCAL YEAR

Right-of-use Assets

Right-of-use assets decreased by $16.4 million, from $98.5 million as at October 26, 2025 to $82.1 million as at July 26, 2026. This decrease is mainly due to the disposal of the Packaging Sector's right-of-use assets, partially mitigated by a new lease, the renewal of certain leases and our recent acquisition.

Accounts Payable and Accrued Liabilities

Accounts payables and accrued liabilities decreased by $208.6 million, from $433.9 million as at October 26, 2025 to $225.3 million as at July 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 $15.0 million, from $91.1 million as at October 26, 2025 to $76.1 million as at July 26, 2026. This decrease is mainly attributable to the disposal of the Packaging Sector's lease obligations, partially mitigated by a new lease, the renewal of certain leases and the lease liabilities related to our recent acquisition.

CAPITAL STRUCTURE

Share Capital

Table #14:

Shares Issued and Outstanding	As at July 26, 2026	As at September 4, 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 third 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 third quarter of fiscal year 2025, the Corporation did not repurchase any of its Class A Subordinate Voting Shares or Class B Shares. During the first nine months of fiscal year 2025, the Corporation 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 during the first nine months 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. A special dividend of $1.00 per share had been declared and paid to shareholders for the nine-month period ended July 27, 2025.

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 nine months of fiscal year 2026, PDI Group generated revenues of $12.8 million, or 1.5% of the Corporation's consolidated revenues.

During the first nine months of fiscal year 2026, Mirazed and Intergraphics generated revenues of $32.5 million, or 3.9% 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 July 26, 2026**	**As at July 26, 2026**
Current assets	**$14.1**	**$18.4**
Non-current assets	**20.0**	**56.7**
Current liabilities	**6.7**	**7.3**
Non-current liabilities	**7.6**	**19.0**
Statement of Earnings	**Nine months ended July 26, 2026**	**Nine months ended July 26, 2026**
Revenues	**$12.8**	**$32.5**
Operating earnings before depreciation and amortization	**1.5**	**7.1**
Operating earnings	**0.5**	**5.2**

During the third quarter ended July 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 Chief Executive Officer and the Executive Vice President and Chief Financial Officer of the Corporation.

OUTLOOK

The closing of the sale of our Packaging Business represents a key milestone for TC Transcontinental. This transaction 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 and specialty 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 quarter, 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

September 9, 2026

TRANSCONTINENTAL

Condensed Interim Consolidated Financial Statements

For the nine-month periods ended July 26, 2026 and July 27, 2025

CONSOLIDATED STATEMENTS OF EARNINGS

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

		Three months ended		Nine months ended	
	Notes	**July 26, 2026**	July 27, 2025 Restated [1]	**July 26, 2026**	July 27, 2025 Restated [1]
Revenues	4	**$ 306.0**	$ 294.9	**$ 838.7**	$ 835.9
Operating expenses	6	**245.1**	236.4	**699.3**	690.9
Restructuring and other costs (revenues)	7	**(24.8)**	5.6	**(7.3)**	10.2
Impairment of assets	7	**—**	5.7	**3.5**	5.7
Operating earnings before depreciation and amortization		**85.7**	47.2	**143.2**	129.1
Depreciation and amortization	8	**18.8**	17.7	**54.0**	53.7
Operating earnings		**66.9**	29.5	**89.2**	75.4
Net financial expenses	9	**15.6**	10.3	**34.8**	27.7
Earnings before income taxes		**51.3**	19.2	**54.4**	47.7
Income taxes	10	**14.4**	6.2	**13.4**	14.5
Net earnings from continuing operations		**36.9**	13.0	**41.0**	33.2
Net earnings from discontinued operations	3	**(0.4)**	25.8	**251.6**	97.8
Net earnings		**36.5**	38.8	**292.6**	131.0
Non-controlling interests [2]		**—**	0.1	**0.3**	0.4
Net earnings attributable to shareholders of the Corporation		**$ 36.5**	$ 38.7	**$ 292.3**	$ 130.6
Net earnings attributable to shareholders of the Corporation per share - basic and diluted					
Continuing operations		**$ 0.44**	$ 0.16	**$ 0.49**	$ 0.40
Discontinued operations		**—**	0.30	**3.01**	1.16
		$ 0.44	$ 0.46	**$ 3.50**	$ 1.56
Weighted average number of shares outstanding - basic and diluted (in millions)	13	**83.6**	83.6	**83.6**	83.8

[1] Please see Note 2 "Material accounting policies" for a description of the items restated during the current 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 July 26, 2026	Three months ended July 27, 2025 Restated (1)	Nine months ended July 26, 2026	Nine months ended July 27, 2025 Restated (1)
Net earnings		**$ 36.5**	$ 38.8	**$ 292.6**	$ 131.0
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		**(6.8)**	1.6	**0.9**	0.1
Net change in the fair value of designated derivatives - interest rate risk		**0.1**	0.9	**0.9**	0.4
Reclassification of the net change in the fair value of designated derivatives recognized in net earnings during the current period		**—**	(0.1)	**(0.5)**	4.5
Related (recovery) income taxes		**(1.9)**	0.6	**0.2**	1.3
	15	**(4.8)**	1.8	**1.1**	3.7
Cumulative translation differences					
Net unrealized exchange losses on the translation of the financial statements of foreign operations		**—**	(19.3)	**(35.8)**	(20.1)
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)**	(8.2)
Net gains on hedge of the net investment in foreign operations		**—**	6.0	**12.3**	0.9
Net gains on hedge of the net investment in foreign operation reversed to net earnings during the current period	3	**—**	—	**20.1**	—
Related (recovery) income taxes		**—**	(0.4)	**(0.9)**	0.1
	15	**—**	(12.9)	**(87.3)**	(27.5)
Items that will not be reclassified to net earnings					
Changes related to defined benefit plans					
Actuarial gains (losses) on defined benefit plans		**5.4**	(2.9)	**4.5**	(3.8)
Related income taxes (recovery)		**1.5**	(0.8)	**1.2**	(1.0)
	15	**3.9**	(2.1)	**3.3**	(2.8)
Other comprehensive loss	15	**(0.9)**	(13.2)	**(82.9)**	(26.6)
Comprehensive income		**$ 35.6**	$ 25.6	**$ 209.7**	$ 104.4
Comprehensive income from continuing operations		**$ 36.0**	$ 13.2	**$ 45.4**	$ 32.1
Comprehensive income (loss) from discontinued operations		**(0.4)**	12.4	**164.3**	72.3

(1) Please see Note 2 "Material accounting policies" for a description of the items restated during the current 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		**—**	**—**	**292.3**	**—**	**292.3**	**0.3**	**292.6**
Other comprehensive loss	15	**—**	**—**	**—**	**(82.9)**	**(82.9)**	**—**	**(82.9)**
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	**—**	**—**	**(1,176.6)**	**—**	**(1,176.6)**	**—**	**(1,176.6)**
Balance as at July 26, 2026		**$ 92.6**	**$ 0.9**	**$ 374.8**	**$ (50.1)**	**$ 418.2**	**$ —**	**$ 418.2**
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	—	—	130.6	—	130.6	0.4	131.0
Other comprehensive loss	15	—	—	—	(26.6)	(26.6)	—	(26.6)
Shareholders' contributions and distributions to shareholders								
Share repurchases and related income taxes	13	(7.8)	—	8.8	—	1.0	—	1.0
Dividends	13	—	—	(140.2)	—	(140.2)	—	(140.2)
Balance as at July 27, 2025 - Restated		$ 611.4	$ 0.9	$ 1,228.4	$ 25.1	$ 1,865.8	$ 5.9	$ 1,871.7

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited
(in millions of Canadian dollars)

	Notes	As at July 26, 2026	As at October 26, 2025 Restated (1)
Current assets			
Cash		**$ 14.7**	$ 47.0
Accounts receivable		**250.1**	468.1
Income taxes receivable		**18.2**	7.2
Inventories		**117.4**	372.7
Prepaid expenses and other current assets		**20.3**	25.0
Assets held for sale		**5.5**	12.0
		426.2	932.0
Property, plant and equipment		**141.3**	725.5
Right-of-use assets		**82.1**	98.5
Intangible assets		**123.3**	328.0
Goodwill		**401.6**	1,179.5
Deferred taxes		**43.3**	47.3
Other assets		**18.2**	30.0
		$ 1,236.0	$ 3,340.8
Current liabilities			
Accounts payable and accrued liabilities		**$ 225.3**	$ 433.9
Provisions		**18.0**	1.3
Income taxes payable		**3.3**	3.5
Deferred revenues and deposits		**13.2**	14.5
Current portion of long-term debt	11	**10.4**	253.2
Current portion of lease liabilities		**19.5**	25.5
		289.7	731.9
Long-term debt	11	**334.5**	417.6
Lease liabilities		**76.1**	91.1
Deferred taxes		**37.0**	69.1
Other liabilities	12	**80.5**	121.0
		817.8	1,430.7
Equity			
Share capital	13	**92.6**	611.4
Contributed surplus		**0.9**	0.9
Retained earnings		**374.8**	1,249.6
Accumulated other comprehensive (loss) income	15	**(50.1)**	42.3
Attributable to shareholders of the Corporation		**418.2**	1,904.2
Non-controlling interests		**—**	5.9
		418.2	1,910.1
		$ 1,236.0	$ 3,340.8

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

		Three months ended		Nine months ended	
	Notes	**July 26, 2026**	July 27, 2025 Restated [1]	**July 26, 2026**	July 27, 2025 Restated [1]
Operating activities					
Net earnings		**$ 36.5**	$ 38.8	**$ 292.6**	$ 131.0
Less : Net earnings from discontinued operations		**(0.4)**	25.8	**251.6**	97.8
Net earnings from continuing operations		**$ 36.9**	$ 13.0	**$ 41.0**	$ 33.2
Adjustments to reconcile net earnings and cash flows from operating activities:					
Impairment of assets	7	**—**	5.7	**3.5**	5.7
Depreciation and amortization	8	**18.8**	17.7	**54.0**	53.7
Financial expenses on long-term debt and lease liabilities	9	**4.1**	8.8	**19.0**	28.8
Net (gains) losses on disposal of assets		**(32.0)**	0.3	**(32.3)**	0.2
Income taxes	10	**14.4**	6.2	**13.4**	14.5
Net foreign exchange differences and other		**11.3**	2.9	**16.0**	2.3
Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid		**53.5**	54.6	**114.6**	138.4
Changes in non-cash operating items		**(11.8)**	(19.0)	**(78.9)**	(44.7)
Income taxes paid		**(16.7)**	0.9	**(29.3)**	(8.0)
Cash flows from operating activities of continuing operations		**25.0**	36.5	**6.4**	85.7
Investing activities					
Business combinations, net of acquired cash	5	**—**	(4.1)	**(17.5)**	(4.1)
Acquisitions of property, plant and equipment		**(13.0)**	(5.3)	**(23.3)**	(13.1)
Disposals of property, plant and equipment		**36.5**	—	**37.1**	0.1
Increase in intangible assets		**(6.8)**	(7.0)	**(21.3)**	(23.3)
Cash flows from investing activities of continuing operations		**16.7**	(16.4)	**(25.0)**	(40.4)
Financing activities					
Increase in long-term debt	11	**100.0**	—	**100.0**	—
Reimbursement of long-term debt	11	**(250.0)**	(0.6)	**(558.9)**	(201.6)
Net increase (decrease) in credit facilities	11	**139.0**	(16.0)	**145.0**	49.0
Settlement of cross-currency swaps	11 & 16	**(12.8)**	—	**(13.0)**	(25.9)
Financial expenses paid on long-term debt and credit facilities		**(3.8)**	(8.3)	**(18.8)**	(31.3)
Repayment of principal on lease liabilities		**(3.5)**	(3.3)	**(10.4)**	(9.9)
Interest paid on lease liabilities		**(1.0)**	(0.4)	**(1.9)**	(1.3)
Dividends	13	**(4.2)**	(18.9)	**(1,176.6)**	(140.2)
Reduction of stated capital	13	**—**	—	**(518.8)**	—
Shares repurchased	13	**—**	—	**—**	(16.3)
Cash flows from financing activities of continuing operations		**(36.3)**	(47.5)	**(2,053.4)**	(377.5)
Effect of exchange rate changes on cash denominated in foreign currencies		**0.9**	(0.2)	**(0.8)**	5.3
Net change in cash from continuing operations		**6.3**	(27.6)	**(2,072.8)**	(326.9)
Net change in cash from discontinued operations	3	**(0.4)**	20.3	**2,040.5**	177.6
Cash at beginning of the period		**8.8**	43.2	**47.0**	185.2
Cash at end of period		**$ 14.7**	$ 35.9	**$ 14.7**	$ 35.9
Non-cash investing activities					
Net change in capital asset acquisitions financed by accounts payable		**$ (0.4)**	$ 1.4	**$ (2.0)**	$ (1.9)

[1] Please see Note 2 "Material accounting policies" for a description of the items restated during the current period.

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

1 GENERAL INFORMATION

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

The Corporation is a 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 September 9, 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 nine-month period ended July 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 nine-month periods ended July 27, 2025 have been adjusted to reflect these changes, which had an impact of nil and a favourable impact of $2.5 million, respectively, on previously reported net earnings. These restatements had a negligible impact on the opening balances as at October 27, 2024.

(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 reported	Restatement	As at October 26, 2025 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

	Nine months ended		
	July 27, 2025 As reported	Restatement	July 27, 2025 Restated (1)
Revenues	$ 2,011.5	$ 4.2	$ 2,015.7
Operating expenses	1,684.1	0.7	1,684.8
Income taxes	39.4	1.0	40.4
Net earnings	128.5	2.5	131.0

(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)	(43.2)
Estimated consideration receivable for working capital adjustments	12.0
Total consideration	**2,103.7**
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	**$ 185.7**

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

(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 nine-month periods ended July 26, 2026 and July 27, 2025:

	Nine months ended	
	July 26, 2026	July 27, 2025
Revenues	**$ 560.6**	$ 1,179.8
Operating expenses	**478.1**	993.9
Restructuring and other costs (revenues) (1)	**2.6**	(43.4)
Depreciation and amortization	**11.2**	104.0
Net financial expenses (income) (2)	**(3.0)**	1.6
Earnings before income taxes	**71.7**	123.7
Income taxes	**16.3**	25.9
Net earnings from discontinued operations, net of the gain	**55.4**	97.8
Gain on business disposal, net of income taxes of nil on the gain (3)	**196.2**	—
Net earnings from discontinued operations	**$ 251.6**	$ 97.8

(1) For the nine-month period ended July 27, 2025, this line item includes the gain on the sale of the industrial packaging activities of $46.0 million.

(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 nine-month period ended July 26, 2026.

(3) Transaction costs recognized during the nine-month period ended July 26, 2026 were $32.7 million.

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

	Nine months ended	
	July 26, 2026	July 27, 2025
Cash flows from operating activities of discontinued operations	**$ (23.5)**	$ 96.1
Cash flows from investing activities of discontinued operations	**2,069.7**	92.3
Cash flows from financing activities of discontinued operations	**(5.7)**	(10.8)
Net change in cash from discontinued operations	**$ 2,040.5**	$ 177.6

(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 March 6, 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

Since 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 assessing the segments to be reported, the Corporation exercised judgment in determining which operating segments could be aggregated. This assessment considered, among other factors, the nature of the products and services, the type of customers, the operating processes and economic characteristics of the activities concerned, as well as operating margins and long-term growth and profitability trends. Based on this analysis, management concluded that the Content and Business Intelligence Group, Marketing and Information Group as well as In-Store Marketing and Specialty Group could be aggregated within the Retail Services and Printing Sector. In addition, the Book Printing Group and TC Books and Education Group could be aggregated within the Books and Education Sector, as they exhibit similar economic characteristics. The Corporation also modified the breakdown of revenues by groups of products to provide more relevant and consistent financial information. 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 nine-month periods ended July 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.

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

4 SEGMENTED INFORMATION (CONTINUED)

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

For the three-month period ended July 26, 2026	Retail Services and Printing	Books and Education	Head office and inter-sector eliminations	Consolidated results - Continuing operations
Revenues	**$ 233.3**	**$ 73.1**	**$ (0.4)**	**$ 306.0**
Operating expenses	**183.9**	**52.6**	**8.6**	**245.1**
Restructuring and other costs (revenues)	**3.5**	**0.5**	**(28.8)**	**(24.8)**
Operating earnings before depreciation and amortization	**45.9**	**20.0**	**19.8**	**85.7**
Depreciation and amortization	**10.1**	**7.8**	**0.9**	**18.8**
Operating earnings (2)	**$ 35.8**	**$ 12.2**	**$ 18.9**	**$ 66.9**
Adjusted operating earnings before depreciation and amortization (3)	**$ 49.4**	**$ 20.5**	**$ (9.0)**	**$ 60.9**
Adjusted operating earnings (2) & (3)	**40.5**	**13.0**	**(9.9)**	**43.6**
Amortization of intangible assets arising from business combinations (3)	**1.2**	**0.3**	**—**	**1.5**
Acquisitions of non-current assets (4)	**8.6**	**10.4**	**0.4**	**19.4**

For the three-month period ended July 27, 2025 - Restated	Retail Services and Printing	Books and Education	Head office and inter-sector eliminations	Consolidated results - Continuing operations
Revenues (1)	$ 217.8	$ 77.5	$ (0.4)	$ 294.9
Operating expenses (1)	169.5	55.9	11.0	236.4
Restructuring and other costs	3.4	1.7	0.5	5.6
Impairment of assets	—	5.7	—	5.7
Operating earnings before depreciation and amortization	44.9	14.2	(11.9)	47.2
Depreciation and amortization	9.6	6.9	1.2	17.7
Operating earnings (2)	$ 35.3	$ 7.3	$ (13.1)	$ 29.5
Adjusted operating earnings before depreciation and amortization (3)	$ 48.3	$ 21.6	$ (11.4)	$ 58.5
Adjusted operating earnings (2) & (3)	39.2	15.1	(12.6)	41.7
Amortization of intangible assets arising from business combinations (3)	0.5	0.4	—	0.9
Acquisitions of non-current assets (4)	6.0	5.4	0.7	12.1

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

4 SEGMENTED INFORMATION (CONTINUED)

For the nine-month period ended July 26, 2026	Retail Services and Printing	Books and Education	Head office and inter-sector eliminations	Consolidated results - Continuing operations
Revenues	**$ 666.2**	**$ 174.0**	**$ (1.5)**	**$ 838.7**
Operating expenses	**537.0**	**138.6**	**23.7**	**699.3**
Restructuring and other costs (revenues)	**12.6**	**0.6**	**(20.5)**	**(7.3)**
Impairment of assets	**3.5**	**—**	**—**	**3.5**
Operating earnings before depreciation and amortization	**113.1**	**34.8**	**(4.7)**	**143.2**
Depreciation and amortization	**29.4**	**21.5**	**3.1**	**54.0**
Operating earnings (2)	**$ 83.7**	**$ 13.3**	**$ (7.8)**	**$ 89.2**
Adjusted operating earnings before depreciation and amortization (3)	**$ 129.2**	**$ 35.4**	**$ (25.2)**	**$ 139.4**
Adjusted operating earnings (2) & (3)	**104.4**	**14.9**	**(28.3)**	**91.0**
Amortization of intangible assets arising from business combinations (3)	**4.6**	**1.0**	**—**	**5.6**
Acquisitions of non-current assets (4)	**16.9**	**24.8**	**0.9**	**42.6**

For the nine-month period ended July 27, 2025 - Restated	Retail Services and Printing	Books and Education	Head office and inter-sector eliminations	Consolidated results - Continuing operations
Revenues (1)	$ 652.8	$ 184.9	$ (1.8)	$ 835.9
Operating expenses (1)	514.1	148.7	28.1	690.9
Restructuring and other costs	7.5	1.9	0.8	10.2
Impairment of assets	—	5.7	—	5.7
Operating earnings before depreciation and amortization	131.2	28.6	(30.7)	129.1
Depreciation and amortization	28.9	21.0	3.8	53.7
Operating earnings (2)	$ 102.3	$ 7.6	$ (34.5)	$ 75.4
Adjusted operating earnings before depreciation and amortization (3)	$ 138.7	$ 36.2	$ (29.9)	$ 145.0
Adjusted operating earnings (2) & (3)	111.5	16.6	(33.7)	94.4
Amortization of intangible assets arising from business combinations (3)	1.7	1.4	—	3.1
Acquisitions of non-current assets (4)	13.9	19.5	2.2	35.6

(1) The information for the three-month and nine-month periods ended July 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.

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

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		Nine months ended	
	July 26, 2026	July 27, 2025 Restated	**July 26, 2026** Restated	July 27, 2025 Restated
Retail Services and Printing				
Marketing and Information Group [1]	**$ 114.7**	$ 125.1	**$ 337.3**	$ 371.0
In-Store Marketing and Specialty Group	**99.7**	72.1	**270.8**	220.2
Content and Business Intelligence Group	**18.9**	20.6	**58.1**	61.6
	233.3	217.8	**666.2**	652.8
Books and Education				
Book Printing Group	**37.6**	39.4	**114.0**	121.3
TC Books and Education Group	**35.5**	38.1	**60.0**	63.6
	73.1	77.5	**174.0**	184.9
Inter-sector sales [2]	**(0.4)**	(0.4)	**(1.5)**	(1.8)
	$ 306.0	$ 294.9	**$ 838.7**	$ 835.9

[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 nine-month period ended July 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 $21.1 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 July 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.

(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		**11.0**
Property, plant and equipment		**5.9**
Right-of-use assets		**6.4**
Intangible assets		**0.2**
Goodwill		**7.9**
	$	**33.1**
Liabilities assumed		
Accounts payable and accrued liabilities	**$**	**4.2**
Lease liabilities (including the current portion)		**6.5**
Deferred taxes		**1.3**
		12.0
Identifiable net assets	**$**	**21.1**
Total consideration		
Cash paid	**$**	**19.1**
Short-term amount payable		**2.0**
	$	**21.1**

The Corporation's Consolidated Statement of Earnings for the nine-month period ended July 26, 2026 includes the operating results of PDI Group since the acquisition date, namely additional revenues of $12.8 million and net earnings of $0.2 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 nine-month period ended July 26, 2026, revenues would have increased by an additional amount of $28.8 million and net earnings would have increased by an additional amount of $0.5 million.

Transaction of fiscal year 2025

Mirazed and Intergraphics
During the nine-month period ended July 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 quarter.

During the three-month period ended July 26, 2026, the Corporation finalized the accounting for the business combination involving the acquisition of Middleton Group Inc. The finalization of this business combination did not result in material changes to the provisional accounting.

6 OPERATING EXPENSES

	Three months ended				Nine months ended			
		July 26, 2026		July 27, 2025 Restated		**July 26, 2026**		July 27, 2025 Restated
Employee-related costs [1]	**$**	**97.3**	$	96.4	**$**	**296.6**	$	289.3
Supply chain and logistics [2]		**127.8**		125.0		**356.9**		363.5
Other goods and services [1] & [3]		**20.0**		15.0		**45.8**		38.1
	$	**245.1**	$	236.4	**$**	**699.3**	$	690.9

[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.

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

7 RESTRUCTURING AND OTHER COSTS (REVENUES)

	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025 Restated	**July 26, 2026**	July 27, 2025 Restated
Net gains on disposal of buildings (1)	**$ (31.6)**	$ —	**$ (31.6)**	$ —
Workforce reductions (2)	**3.7**	2.6	**17.6**	4.3
Costs related to plant closures and restructuring (3)	**1.2**	0.5	**2.3**	0.7
Business acquisition and integration costs	**0.7**	—	**1.8**	—
Other elements (4)	**1.2**	2.5	**2.6**	5.2
	$ (24.8)	$ 5.6	**$ (7.3)**	$ 10.2

(1) Includes net gains realized upon the sale of buildings previously reported under "Assets held for sale".

(2) Includes termination payments to employees as part of workforce restructuring in the Retail Services and Printing, Books and Education sectors and at Head office.

(3) 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 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.

(4) During the nine-month periods ended July 26, 2026 and July 27, 2025, the amounts presented under this caption include mainly related costs of $0.7 million and $5.1 million, respectively, resulting from the labour conflicts at Canada Post. For the three-month periods ended July 26, 2026 and July 27, 2025, these costs were nil and $2.2 million, respectively.

Impairment of assets
During the nine-month period ended July 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. During the nine-month period ended July 27, 2025, the Corporation definitively ceased the operations of Groupe Constructo, which led to the recognition of an impairment charge of $5.7 million, corresponding to the entire goodwill of the Business Solutions Group cash-generating unit, in the Books and Education Sector.

8 DEPRECIATION AND AMORTIZATION

	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025 Restated	**July 26, 2026**	July 27, 2025 Restated
Property, plant and equipment	**$ 6.8**	$ 8.7	**$ 20.4**	$ 26.1
Right-of-use assets	**4.0**	2.5	**9.6**	7.5
Intangible assets	**8.0**	6.5	**24.0**	20.1
	$ 18.8	$ 17.7	**$ 54.0**	$ 53.7

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

9 NET FINANCIAL EXPENSES

	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025 Restated	**July 26, 2026**	July 27, 2025 Restated
Financial expenses on long-term debt	**$ 3.3**	$ 8.4	**$ 17.3**	$ 27.5
Interest on lease liabilities	**0.8**	0.4	**1.7**	1.3
Net interest on defined benefit asset and liability	**0.8**	0.7	**2.4**	2.1
Other expenses (income)	**0.2**	0.6	**0.3**	(2.8)
Net foreign exchange losses (gains) (1)	**10.5**	0.2	**13.1**	(0.4)
	$ 15.6	$ 10.3	**$ 34.8**	$ 27.7

(1) During the three-month and nine-month periods ended July 26, 2026, amounts presented under this line item include realized and unrealized foreign exchange losses on cross-currency fixed interest rate swaps that are not designated as part of hedging relationships totalling $12.0 million (nil for three-month and nine-month periods ended July 27, 2025). Refer to Note 16 "Financial instruments" for more details.

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		Nine months ended	
	July 26, 2026	July 27, 2025 Restated	**July 26, 2026**	July 27, 2025 Restated
Earnings before income taxes	**$ 51.3**	$ 19.2	**$ 54.4**	$ 47.7
Canadian statutory tax rate (1)	**26.5%**	26.5%	**26.5%**	26.5%
Income taxes at the statutory tax rate	**13.6**	5.1	**14.4**	12.6
Effect of differences in tax rates and additional income taxes in other jurisdictions	**—**	3.2	**0.8**	3.6
Income taxes on non-deductible expenses and non-taxable revenues	**(1.4)**	(0.3)	**(1.2)**	(0.1)
Change in deferred tax assets on tax losses or temporary differences not previously recognized	**2.3**	—	**0.7**	—
Adjustment for previous years' balances	**0.1**	(0.6)	**(1.1)**	(1.4)
Other	**(0.2)**	(1.2)	**(0.2)**	(0.2)
Income taxes at the effective tax rate	**$ 14.4**	$ 6.2	**$ 13.4**	$ 14.5
Income taxes before the following items:	**$ 12.9**	$ 9.2	**$ 18.4**	$ 19.3
Income tax recovery on amortization of intangible assets arising from business combinations	**(0.4)**	(0.2)	**(1.5)**	(0.8)
Income tax recovery on impairment of assets	**—**	(1.5)	**(0.9)**	(1.5)
Income taxes (recovery) on restructuring and other costs	**3.5**	(1.3)	**(1.0)**	(2.5)
Income tax recovery on foreign exchange losses on non-designated financial instruments	**(1.6)**	—	**(1.6)**	—
Income taxes at the effective tax rate	**$ 14.4**	$ 6.2	**$ 13.4**	$ 14.5

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

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

11 LONG-TERM DEBT

	Effective interest rate as at July 26, 2026	Maturity		As at July 26, 2026		As at October 26, 2025
Unified Debenture	4.85%	February 1, 2028	**$**	**100.0**	$	100.0
Canadian dollar term loan (issued in 2026)	5.13	July 12, 2029		**100.0**		—
Unsecured notes (issued in 2021)				**—**		250.0
U.S. dollar term loan (issued in 2021)				**—**		160.8
U.S. dollar term loan (extended in 2022)				**—**		157.4
Credit facilities	5.42	March 2030		**145.0**		—
Other loans		2026-2031		**2.1**		3.9
			$	**347.1**	$	672.1
Issuance costs on long-term debt at amortized cost				**(2.2)**		(1.3)
Total long-term debt			**$**	**344.9**	$	670.8
Current portion of long-term debt			**$**	**10.4**	$	253.2
Non-current portion of long-term debt			**$**	**334.5**	$	417.6

Repayment of unsecured notes
On July 13, 2026, the Corporation repaid at maturity the unsecured notes (issued in 2021) amounting to $250.0 million. Concurrently with the repayment of the unsecured notes, the Corporation repaid some of its cross-currency fixed interest rate swaps (CAD/USD). Refer to Note 16 "Financial instruments" for additional information.

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. During the three-month period ended July 26, 2026, the Corporation settled another floating-to-fixed interest rate swap for a consideration received of $0.3 million.

On July 13, 2026, the Corporation took out a secured term loan of $100.0 million. The applicable interest rate on this loan is 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 2.795% for one-month periods or plus 2.821% for three-month periods. The loan is repayable over three years, and the Corporation used the borrowed funds to repay the unsecured notes (issued in 2021). An amount of $2.5 million is repayable each quarter until maturity. Issuance costs of $0.2 million were recognized against long-term debt and will be amortized using the effective interest rate method over the duration of the term loan.

Credit facility
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. Following the repayment of the unsecured notes (issued in 2021) and the establishment of the required securities, the amount is now $200.0 million or the equivalent in U.S. dollars and matures in March 2030. 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 2.795% for one-month periods or plus 2.821% for three-month periods, or the Secured Overnight Financing Rate ("SOFR") plus 2.60%, or the Canadian prime rate or the U.S. prime rate plus 1.50%.

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 July 26, 2026, $145.0 million were drawn on the credit facility and an amount of $7.1 million was issued as letters of credit related to the credit facility. The unused amount under the credit facility was $47.9 million. The funds drawn were used to repay the unsecured notes (issued in 2021).

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

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

12 OTHER LIABILITIES

	Notes	As at July 26, 2026	As at October 26, 2025
Defined benefit liability		**$ 68.8**	$ 90.7
Stock-based compensation	14	**5.1**	18.2
Derivative financial instruments	16	**2.9**	6.9
Accrued liabilities and other liabilities		**3.4**	4.9
Long-term provisions		**0.3**	0.3
		$ 80.5	$ 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 July 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 July 26, 2026	9,506,272	13.0
	83,618,919	$ 92.6

Repurchase of shares

During the nine-month period ended July 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 three-month period ended July 27, 2025, the Corporation did not repurchase any of its Class A Subordinate Voting Shares or Class B Shares. During the nine-month period ended July 27, 2025, the Corporation repurchased and cancelled 934,434 Class A Subordinate Voting Shares at a weighted average price of $17.38 and 3,600 Class B Shares at a weighted average price of $17.27, for a total cash consideration of $16.3 million. The excess of the total consideration over the carrying amount of the shares, amounting to $8.5 million, 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 July 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 nine-month periods ended July 26, 2026 and July 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 nine-month period ended July 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. A special dividend of $1.00 per share had been declared and paid to shareholders for the nine-month period ended July 27, 2025.

Dividends of $0.05 and $0.275 per share were declared and paid to shareholders for the three-month and nine-month periods ended July 26, 2026, respectively. Dividends of $0.225 and $0.675 per share had been declared and paid to shareholders for the three-month and nine-month periods ended July 27, 2025, respectively.

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

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.

On June 3, 2026, the Corporation implemented a new share unit plan for certain officers and senior executives and directors under which DSUs and RSUs are granted. Vested DSUs and RSUs will be paid, at the Corporation's discretion, in cash or with Class A Subordinate Voting Shares of the Corporation purchased on the open market.

The following table presents the changes in the plans' status for the nine-month period ended July 26, 2026:

	Number of units	
	DSUs	RSUs
Balance as at October 26, 2025	**953,695**	**1,600,049**
Units granted	**397,321**	**750,153**
Units cancelled	**(65,350)**	**(409,868)**
Units paid	**(908,135)**	**(423,667)**
Dividends paid in units	**12,273**	**24,285**
Balance as at July 26, 2026	**389,804**	**1,540,952**

As at July 26, 2026, the liability related to the share unit plans was $17.5 million, of which $5.1 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.

For continuing operations, expenses recorded in the Consolidated Statements of Earnings for the three-month periods ended July 26, 2026 and July 27, 2025 amounted to $3.5 million and $6.3 million, respectively. Expenses recorded in the Consolidated Statements of Earnings for the nine-month periods ended July 26, 2026 and July 27, 2025 were $12.8 million and $15.0 million, respectively. Amounts of nil and $0.2 million were paid under these plans for the three-month periods ended July 26, 2026 and July 27, 2025, respectively. Amounts of $26.4 million and $9.0 million were paid under these plans for the nine-month periods ended July 26, 2026 and July 27, 2025, respectively.

For discontinued operations, amounts recognized in the Consolidated Statements of Earnings for the three-month periods ended July 26, 2026 and July 27, 2025, were an expense of nil and $0.9 million, respectively. Amounts recorded in the Consolidated Statements of Earnings for nine-month periods ended July 26, 2026 and July 27, 2025 were a gain of $1.0 million and an expense of $2.2 million, respectively. No amounts were paid under these plans for the three-month period ended July 27, 2025. Amounts of $5.7 million and $1.1 million were paid under these plans for the nine-month periods ended July 26, 2026 and July 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 nine-month period ended July 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 July 26, 2026 and July 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 gains of $0.2 million and $1.6 million, respectively. During the nine-month periods ended July 26, 2026 and July 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 $12.8 million and a gain of $2.4 million, respectively.

Amounts of $17.9 million and $0.9 million were received for the nine-month periods ended July 26, 2026 and July 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.

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

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	**1.1**	**33.3**	**(120.6)**	**3.3**	**(82.9)**
Reclassification of other comprehensive income (loss) to retained earnings	**—**	**—**	**—**	**(9.5)**	**(9.5)**
Balance as at July 26, 2026	**$ (4.1)**	**$ —**	**$ (0.8)**	**$ (45.2)**	**$ (50.1)**
Balance as at October 27, 2024	$ (3.0)	$ (24.7)	$ 114.9	$ (35.5)	$ 51.7
Net change in gains (losses), net of income taxes	3.7	0.8	(28.3)	(2.8)	(26.6)
Balance as at July 27, 2025	$ 0.7	$ (23.9)	$ 86.6	$ (38.3)	$ 25.1

As at July 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 July 26, 2026, the amounts expected to be reclassified to net earnings in future years are as follows:

	2026	2027	2028	2029	Total
Net change in the fair value of derivatives designated as cash flow hedges	$ 0.9	$ 3.1	$ 1.6	$ 0.1	$ 5.7
Income taxes	0.3	0.9	0.4	—	1.6
	$ 0.6	$ 2.2	$ 1.2	$ 0.1	$ 4.1

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

	Three months ended		Nine months ended	
	July 26, 2026	July 27, 2025	**July 26, 2026**	July 27, 2025
Actuarial gain (loss) on obligation - change in discount rate	**$ 7.1**	$ (0.2)	**$ 13.0**	$ 4.6
Actuarial loss on plan assets - excluding interest income	**(1.7)**	(2.4)	**(9.0)**	(8.1)
Effect of the asset ceiling	**—**	(0.3)	**0.5**	(0.3)
Related income taxes (recovery)	**1.5**	(0.8)	**1.2**	(1.0)
	$ 3.9	$ (2.1)	**$ 3.3**	$ (2.8)

Actuarial gains and losses on obligation recognized in the Statements of Comprehensive Income for the nine-month period ended July 26, 2026 are explained by the change in the discount rate, which increased from 4.70% as at October 26, 2025 to 5.00% as at July 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 nine-month period ended July 26, 2026.

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

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

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

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

		As at July 26, 2026		As at October 26, 2025	
	Fair value hierarchy	**Fair value**	**Carrying amount**	Fair value	Carrying amount
Prepaid expenses and other current assets					
Foreign exchange forward contracts	Level 2	**$ 1.0**	**$ 1.0**	$ 0.7	$ 0.7
Total return swap	Level 2	**—**	**—**	0.9	0.9
Other assets					
Foreign exchange forward contracts	Level 2	**1.0**	**1.0**	2.5	2.5
Accounts payable and accrued liabilities					
Cross-currency fixed interest rate swaps (1)	Level 2	**(20.9)**	**(20.9)**	(26.9)	(26.9)
Total return swap	Level 2	**(11.9)**	**(11.9)**	—	—
Foreign exchange forward contracts	Level 2	**(5.1)**	**(5.1)**	(6.5)	(6.5)
Long-term debt					
Long-term debt	Level 2	**(356.4)**	**(344.9)**	(684.9)	(670.8)
Other liabilities					
Interest rate swaps	Level 2	**—**	**—**	(0.4)	(0.4)
Foreign exchange forward contract	Level 2	**(2.9)**	**(2.9)**	(6.5)	(6.5)

(1) On July 13, 2026, concurrently with the repayment of the unsecured notes, the Corporation settled some of its cross-currency fixed interest rate swaps amounting to $100.0 million (US$80.2 million) for a consideration paid of $13.4 million. The Corporation also extended, for a period of approximately three months, the remaining contracts that were maturing on July 13, 2026, totaling $150.0 million (US$120.2 million). Following the sale of the Packaging Sector operations, these contracts are no longer designated as hedging instruments in net investment hedging relationships. Consequently, the change in their fair value between March 6, 2026 and July 26, 2026 has been recognized in net earnings from continuing operations. Financial expenses associated with these transactions amounted to $12.0 million, including realized exchange losses on the repayment of contracts of $4.3 million and unrealized exchange losses on extended contracts of $7.7 million.

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