

CREATING **VALUE**

2025
ANNUAL
REPORT



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ABOUT



TC TRANSCONTINENTAL IS A NORTH AMERICAN LEADER IN FLEXIBLE PACKAGING, A CANADIAN RETAIL MARKETING SERVICES PROVIDER, CANADA'S LARGEST PRINTER AND THE CANADIAN LEADER IN FRENCH-LANGUAGE EDUCATIONAL PUBLISHING.

Founded in 1976, TC Transcontinental's mission is to create quality products and services that allow businesses to attract, reach and retain their target customers.

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

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has approximately 7,600 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental generated revenues of 2.7 billion Canadian dollars during the fiscal year ended October 26, 2025. For more information, visit TC Transcontinental's website at www.tc.tc



\$2.7 B

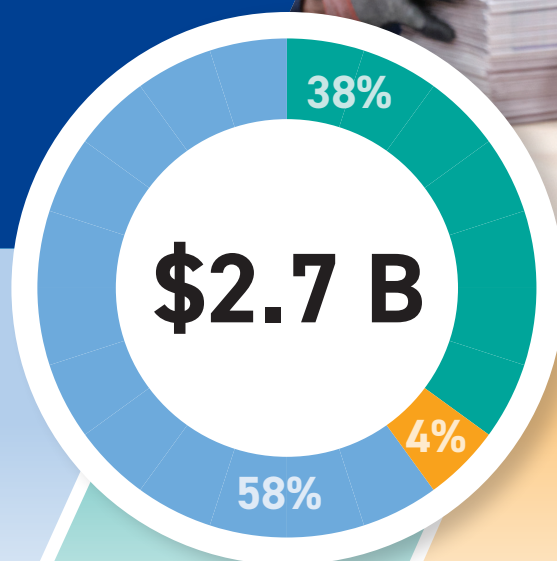
REVENUES FOR THE FISCAL
YEAR ENDED OCTOBER 26, 2025
\$1.1 B EXCLUDING THE
PACKAGING SECTOR.

\$354.2 M

CASH FLOWS FROM OPERATING
ACTIVITIES FOR THE FISCAL
YEAR ENDED OCTOBER 26, 2025.

SIGNIFICANT EARNINGS
PER SHARE IMPROVEMENT
IN FISCAL YEAR 2025.

CONSOLIDATED¹ REVENUE COMPOSITION FOR FISCAL YEAR 2025



PACKAGING SECTOR

North American leader in flexible packaging

About 3,300 employees

Network of 25 operating sites

Variety of flexible plastic products, including rollstocks, bags and pouches, shrink films and bags, and advanced coatings.

RETAIL SERVICES & PRINTING SECTOR

Canadian retail marketing services provider and Canada's largest printer

About 3,500 employees

Network of 17 operating sites

Integrated solutions for retailers including content production, marketing products, in-store marketing and retail analytics, as well as print services for newspapers, magazines and books.

MEDIA SECTOR

The leading Canadian leader in French-language educational publishing

Close to 300 employees.

¹ The percentage by sector (%) excludes inter-segment eliminations.

FINANCIAL HIGHLIGHTS



REVENUES

(in millions of dollars)

2,743.9	2025
2,812.9	2024

OPERATING EARNINGS BEFORE DEPRECIATION AND AMORTIZATION

(in millions of dollars)

473.1	2025	466.2	2025
424.7	2024	469.4	2024
IFRS		Adjusted ¹	

OPERATING EARNINGS

(in millions of dollars)

264.1	2025	315.7	2025
209.5	2024	320.6	2024
IFRS		Adjusted ¹	

NET EARNINGS PER SHARE

(in dollars)

2.04	2025	2.59	2025
1.41	2024	2.34	2024
IFRS		Adjusted ¹	

CASH FLOWS FROM OPERATING ACTIVITIES

(in millions of dollars)

354.2	2025
413.7	2024

NET INDEBTEDNESS RATIO¹

1.59x	2025
1.71x	2024

¹ Non-IFRS financial measure. A complete definition of the non-IFRS financial measures and reconciliation to IFRS financial measures is presented in the Management's Discussion and Analysis on page 12 of this annual report.

MESSAGE FROM THE EXECUTIVE CHAIR OF THE BOARD & THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



As TC Transcontinental approaches its 50th anniversary, the corporation finds itself at a defining moment in its history. For half a century, we have been evolving and transforming with ambition and courage, led by a constant desire to build a solid, forward-looking organization. This anniversary will be an opportunity to highlight how far we have come, while reaffirming what defines us and will continue to guide us.

The theme of our 2025 annual report, *Creating Value*, reflects our performance and strategic choices. It draws on the tangible value created during fiscal year 2025, with a significant increase in earnings per share, as well as a decision that will shape our future: the announcement of the sale of our packaging business and the rise of a new TC Transcontinental. This \$2.1 billion sale marks a major strategic pivot and creates immediate and significant value representing a substantial premium for our shareholders. The transaction is expected to close in the first quarter of the 2026 calendar year.

Our 2025 financial results are largely attributable to our discipline in implementing our priorities and controlling our costs. Our program designed to improve our profitability and financial position has exceeded our expectations and puts us in an excellent position for the future.

In the Packaging Sector, we improved operating earnings and adjusted operating earnings before depreciation and amortization compared to the previous year, excluding the impact of the sale of the industrial packaging business. This performance was achieved despite weaker demand and was driven by disciplined cost-reduction initiatives and favourable exchange rates.

In the Retail Services and Printing Sector, the year was highlighted by an exceptional performance in our book printing operations, as well as the strengthening of our in-store marketing activities through the acquisitions of Middleton Group, Mirazed and Intergraphics, expanding our presence in Quebec and Western Canada and enhancing our product offering. We are proud to report that operating earnings and adjusted operating earnings before amortization for the sector increased compared to last year, despite the impact of the labor dispute at Canada Post.

In the Media Sector, thanks to disciplined cost management and targeted measures, the sector's operational performance remained solid despite the end of the contract related to the *Système électronique d'appel d'offres* (Electronic Tendering System).

Beyond financial performance, innovation continued to be a key driver across the organization, notably through the integration of artificial intelligence projects supported by Scale AI. In the Retail Services and Printing Sector, we are using AI to automate the production of content for our flyers. In our educational publishing sector (TC Media Books), AI allows us to optimize our processes, expand our service offering, and create better products for students and teachers.

The 2025 fiscal year also saw outstanding progress in terms of health and safety. The improved processes we implemented resulted in a 39% reduction in incidents compared to the previous year, following a 9% decrease the year before. These results reflect the commitment of our teams and our ongoing dedication to providing a safe working environment based on respect and collective responsibility.

At the same time, our commitment to the communities where we operate remains central to our identity. In 2025, we continued to support local organizations through volunteer and fundraising initiatives, including Centraide of Greater Montréal, to which the corporation and its employees contributed \$410,000. These actions reflect our belief that a successful company should also be a responsible company.

Once the transaction to sell our packaging business is closed, TC Transcontinental will begin a new chapter, focusing on the continued transformation of our Retail Services and Printing Sector, as well as our educational publishing activities. The new TC Transcontinental will be a solid Canadian company, with 4,000 employees and 17 operating locations from coast to coast, headquartered in Montréal. Our strong financial position will enable us to continue our growth through organic initiatives and acquisitions.

We will remain true to our values—respect, teamwork, performance, and innovation. These values will continue to guide our decisions, our behaviour, and our approach to creating sustainable value for all our stakeholders.

We would like to thank all our colleagues in Packaging for their determination and contribution to creating a strong and competitive sector. We also express our sincere gratitude to all TC Transcontinental employees for their dedication, professionalism, and resilience.

Thank you to our customers for their trust, our shareholders for their constant support, and finally, the members of our Board of Directors for their vision and commitment. Together, we continue to build a strong, resilient, and forward-looking Canadian company.

(s) Isabelle Marcoux

Isabelle Marcoux
Executive Chair of the Board

(s) Thomas Morin

Thomas Morin
President and Chief Executive Officer

Management's
**DISCUSSION
AND ANALYSIS**



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended October 26, 2025

The purpose of this *Management's Discussion and Analysis* is to help the reader better understand the business, development strategy, and future outlook of Transcontinental Inc., how we manage risk, as well as to analyze the Corporation's results and financial position for the fiscal year ended October 26, 2025. It should be read in conjunction with the information in the audited annual consolidated financial statements and the accompanying notes. Additional information relating to the Corporation, including its *Annual Report* and *Annual Information Form*, may also be obtained on SEDAR+ at www.sedarplus.ca.

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

In addition, in this Management's Discussion and Analysis, we also use non-IFRS financial measures for which a complete definition is presented below and for which a reconciliation to financial information in accordance with IFRS is presented in Table #2 in the section entitled "Reconciliation of Non-IFRS Financial Measures" and in Note 3 "Segmented Information" to the audited annual consolidated financial statements for the fiscal year ended October 26, 2025. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them.

Terms Used	Definitions
Adjusted operating earnings before depreciation and amortization	Operating earnings before depreciation and amortization including realized gains (losses) on non-designated foreign exchange contracts and excluding restructuring and other costs (revenues) as well as impairment of assets. This measure is used to assess the operating performance of the Corporation and its sectors on a comparable basis.
Adjusted operating earnings margin before depreciation and amortization	Adjusted operating earnings before depreciation and amortization divided by revenues. This ratio is used to assess the operating performance and contribution of each sector on a comparable basis.
Adjusted operating earnings	Operating earnings including realized gains (losses) on non-designated foreign exchange contracts and excluding restructuring and other costs (revenues), amortization of intangible assets arising from business combinations as well as impairment of assets. This measure is used to better assess the current operating performance of the Corporation and its sectors on a comparable basis.
Adjusted operating earnings margin	Adjusted operating earnings divided by revenues. This ratio is used to assess the efficiency of the current operating performance of the Corporation and its sectors on a comparable basis, thus demonstrating the Corporation's ability to generate profitable growth.
Adjusted income taxes	Income taxes before income taxes on restructuring and other costs (revenues), amortization of intangible assets arising from business combinations, impairment of assets as well as the recognition of previous years tax assets of an acquired company.
Adjusted net earnings attributable to shareholders of the Corporation	Net earnings attributable to shareholders of the Corporation before restructuring and other costs (revenues), amortization of intangible assets arising from business combinations and impairment of assets, net of related income taxes as well as the recognition of previous years tax assets of an acquired company. 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 December 10, 2025.

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

The forward-looking statements in this *Management's Discussion and Analysis* are based on current expectations and information available as at December 10, 2025. Such forward-looking statements may also be found in other documents filed with Canadian securities regulators or in other communications. The Corporation's Management disclaims any intention or obligation to update or revise these statements unless otherwise required by the securities authorities.

PROFILE OF TC TRANSCONTINENTAL

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

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Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has approximately 7,600 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental generated revenues of \$2.7 billion during the fiscal year ended October 26, 2025. For more information, visit TC Transcontinental's website at www.tc.tc.

Packaging Sector

The Packaging Sector of TC Transcontinental is a North American leader in flexible packaging with operations mainly in the United States, Canada, Latin America and the United Kingdom. This sector has approximately 3,300 employees. Its platform comprises 25 operating sites specializing in extrusion, printing, lamination and converting. TC Transcontinental Packaging offers a variety of flexible plastic products, including rollstock, labels, die cut lids, shrink films, bags and pouches and advanced coatings. It services a variety of markets, including dairy, coffee, meat and poultry, pet food, agriculture, beverage, home and personal care products, and consumer and medical products.

Retail Services and Printing Sector

The Retail Services and Printing Sector of TC Transcontinental is a Canadian retail marketing services provider as well as Canada's largest printer. This sector has approximately 3,500 employees and possesses a network of 17 operating sites. TC Transcontinental provides an integrated service offering for retailers, including content solutions (also known as "premedia"), marketing and media solutions which comprises our flyer retail printing, digital flyer solutions and retail analytics, as well as in-store marketing solutions. This sector also offers an array of innovative print solutions for newspapers, magazines and 4-colour books.

Media Sector

The Media Sector of TC Transcontinental is the Canadian leader in French-language educational publishing. It employs close to 300 people at TC Media Books. TC Media Books is a trade book publisher that is also active in the supplemental educational material market in Quebec and a leading distributor of French-language specialized books in Canada.

HIGHLIGHTS

Table #1:

(in millions of dollars, except per share amounts)	Q4-2025	Q4-2024	Variation in %	Fiscal Year 2025	Fiscal Year 2024	Variation in %
Revenues	\$732.4	\$749.3	(2.3)%	\$2,743.9	\$2,812.9	(2.5)%
Operating earnings before depreciation and amortization	118.2	131.8	(10.3)	473.1	424.7	11.4
Adjusted operating earnings before depreciation and amortization ⁽¹⁾	137.6	142.2	(3.2)	466.2	469.4	(0.7)
Operating earnings	66.9	79.3	(15.6)	264.1	209.5	26.1
Adjusted operating earnings ⁽¹⁾	100.6	105.1	(4.3)	315.7	320.6	(1.5)
Net earnings attributable to shareholders of the Corporation	42.9	47.9	(10.4)	171.0	121.3	41.0
Net earnings attributable to shareholders of the Corporation per share	0.51	0.57	(10.5)	2.04	1.41	44.7
Adjusted net earnings attributable to shareholders of the Corporation ⁽¹⁾	68.6	67.3	1.9	217.2	201.4	7.8
Adjusted net earnings attributable to shareholders of the Corporation per share ⁽¹⁾	0.82	0.79	3.8	2.59	2.34	10.7

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

- Revenues of \$732.4 million for the quarter ended October 26, 2025; operating earnings of \$66.9 million; and net earnings attributable to shareholders of the Corporation of \$42.9 million (\$0.51 per share).
- Adjusted operating earnings before depreciation and amortization of \$137.6 million for the quarter ended October 26, 2025; adjusted operating earnings of \$100.6 million; and adjusted net earnings attributable to shareholders of the Corporation of \$68.6 million (\$0.82 per share).
- Revenues of \$2,743.9 million for fiscal year 2025; operating earnings of \$264.1 million; and net earnings attributable to shareholders of the Corporation of \$171.0 million (\$2.04 per share).
- Adjusted operating earnings before depreciation and amortization of \$466.2 million for fiscal year 2025; adjusted operating earnings of \$315.7 million; and adjusted net earnings attributable to shareholders of the Corporation of \$217.2 million (\$2.59 per share).
- Decline in net earnings attributable to shareholders of the Corporation per share of 10.5% for the fourth quarter of 2025 and growth of 44.7% for fiscal year 2025.
- Growth in adjusted net earnings attributable to shareholders of the Corporation per share of 3.8% for the fourth quarter of 2025 and 10.7% for fiscal year 2025.
- Business acquisitions completed during the fiscal year to accelerate the growth of in-store marketing activities.
- Renewal of the printing contract for *The Globe and Mail* for a 10-year period.
- Subsequent to the end of fiscal year 2025, announcement of the sale of the Packaging Sector for \$2.1 billion⁽¹⁾.

(1) Converted at an exchange rate of 1.38 Canadian dollars per 1.00 U.S. dollar.

HIGHLIGHTS OF FISCAL YEAR 2025

Business acquisitions

In addition to acquiring, on June 23, 2025, the shares of Middleton Group Inc. ("Middleton"), a provider of retail services and point-of-purchase display solutions based in Markham, Ontario, the Corporation acquired, on August 7, 2025, all the shares of two Canva Group Inc. businesses, Mirazed Inc. ("Mirazed") and Intergraphics Decal Limited ("Intergraphics"). Mirazed, located in Saint-Hubert, Quebec, is recognized for its cutting-edge expertise in screen printing as well as large format digital printing, the production of promotional displays and point-of-purchase signage. Intergraphics, based in Winnipeg, Manitoba, specializes in industrial screen and digital printing. These transactions, which were completed for considerations of \$4.6 million for Middleton, and \$22.5 million as well as \$38.0 million of assumed and repaid long-term debt, for Mirazed and Intergraphics, subject to adjustments, allow the Corporation to accelerate the growth of its in-store marketing activities.

Business disposal

On October 28, 2024, the Corporation completed the sale of its industrial packaging operations to Hood Packaging Corporation for a final consideration of \$132.0 million. The transaction included the assets and liabilities related to the industrial packaging operations of its Thomasville, North Carolina, and Ontario, California, plants.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

(Unaudited)

The financial information has been prepared in accordance with IFRS. However, financial measures used, namely adjusted operating earnings before depreciation and amortization, adjusted operating earnings margin before depreciation and amortization, adjusted operating earnings, adjusted operating earnings margin, adjusted income taxes, adjusted net earnings attributable to shareholders of the Corporation, adjusted net earnings attributable to shareholders of the Corporation per share, net indebtedness and the net indebtedness ratio, for which a reconciliation is presented in the following table, 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 #2:

Reconciliation of operating earnings - Fourth quarter and fiscal year

(in millions of dollars)	Three months ended		Year ended	
	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
Operating earnings	\$66.9	\$79.3	\$264.1	\$209.5
Including				
Realized gains (losses) on non-designated foreign exchange contracts ⁽¹⁾	(0.4)	—	0.8	—
Excluding				
Restructuring and other costs (revenues)	16.0	7.1	(17.2)	33.9
Amortization of intangible assets arising from business combinations ⁽²⁾	14.3	15.4	58.5	66.4
Impairment of assets	3.8	3.3	9.5	10.8
Adjusted operating earnings	\$100.6	\$105.1	\$315.7	\$320.6
Depreciation and amortization ⁽³⁾	37.0	37.1	150.5	148.8
Adjusted operating earnings before depreciation and amortization	\$137.6	\$142.2	\$466.2	\$469.4

(1) To mitigate the impact of foreign currency fluctuations when consolidating the Packaging Sector's earnings, the Corporation sometimes uses foreign exchange contracts. These contracts are not designated as part of a hedge accounting relationship, and resulting exchange gains or losses are added to adjusted operating earnings and adjusted operating earnings before depreciation and amortization.

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

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

Reconciliation of operating earnings - Fourth quarter and fiscal year for the Packaging Sector

	Three months ended		Year ended	
(in millions of dollars)	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
Operating earnings	\$32.7	\$30.6	\$159.2	\$114.7
Including				
Realized gains (losses) on non-designated foreign exchange contracts ⁽¹⁾	(0.4)	—	0.8	—
Excluding				
Restructuring and other costs (revenues)	2.2	1.5	(38.9)	11.2
Amortization of intangible assets arising from business combinations ⁽²⁾	13.3	14.4	54.4	60.9
Impairment of assets	—	—	—	0.6
Adjusted operating earnings	\$47.8	\$46.5	\$175.5	\$187.4
Depreciation and amortization ⁽³⁾	20.1	19.2	82.1	74.8
Adjusted operating earnings before depreciation and amortization	\$67.9	\$65.7	\$257.6	\$262.2

(1) To mitigate the impact of foreign currency fluctuations when consolidating the Packaging Sector's earnings, the Corporation sometimes uses foreign exchange contracts. These contracts are not designated as part of a hedge accounting relationship, and resulting exchange gains or losses are added to adjusted operating earnings and adjusted operating earnings before depreciation and amortization.

(2) Amortization of intangible assets arising from business combinations includes our customer relationships.

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

Reconciliation of operating earnings - Fourth quarter and fiscal year for the Retail Services and Printing Sector

	Three months ended		Year ended	
(in millions of dollars)	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
Operating earnings	\$38.7	\$47.5	\$146.2	\$118.6
Excluding				
Restructuring and other costs	2.9	2.5	10.4	22.1
Amortization of intangible assets arising from business combinations ⁽¹⁾	0.6	0.4	2.3	3.4
Impairment of assets	1.2	2.2	1.2	9.1
Adjusted operating earnings	\$43.4	\$52.6	\$160.1	\$153.2
Depreciation and amortization ⁽²⁾	10.7	11.0	42.3	47.8
Adjusted operating earnings before depreciation and amortization	\$54.1	\$63.6	\$202.4	\$201.0

(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 - Fourth quarter and fiscal year for the Other Sector

	Three months ended		Year ended	
(in millions of dollars)	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
Operating earnings	\$(4.5)	\$1.2	\$(41.3)	\$(23.8)
Excluding				
Restructuring and other costs	10.9	3.1	11.3	0.6
Amortization of intangible assets arising from business combinations ⁽¹⁾	0.4	0.6	1.8	2.1
Impairment of assets	2.6	1.1	8.3	1.1
Adjusted operating earnings	\$9.4	\$6.0	\$(19.9)	\$(20.0)
Depreciation and amortization ⁽²⁾	6.2	6.9	26.1	26.2
Adjusted operating earnings before depreciation and amortization	\$15.6	\$12.9	\$6.2	\$6.2

(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 - Last eight quarters

	2025				2024			
(in millions of dollars)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating earnings	\$66.9	\$57.4	\$51.1	\$88.7	\$79.3	\$69.2	\$33.2	\$27.8
Including								
Realized gains (losses) on non-designated foreign exchange contracts ⁽¹⁾	(0.4)	1.2	—	—	—	—	—	—
Excluding								
Restructuring and other costs (revenues)	16.0	6.7	4.0	(43.9)	7.1	(0.5)	16.0	11.3
Amortization of intangible assets arising from business combinations ⁽²⁾	14.3	14.4	15.0	14.8	15.4	15.5	17.7	17.8
Impairment of assets	3.8	5.7	—	—	3.3	—	5.4	2.1
Adjusted operating earnings	\$100.6	\$85.4	\$70.1	\$59.6	\$105.1	\$84.2	\$72.3	\$59.0
Depreciation and amortization ⁽³⁾	37.0	37.2	38.4	37.9	37.1	36.8	37.8	37.1
Adjusted operating earnings before depreciation and amortization	\$137.6	\$122.6	\$108.5	\$97.5	\$142.2	\$121.0	\$110.1	\$96.1

(1) To mitigate the impact of foreign currency fluctuations when consolidating the Packaging Sector's earnings, the Corporation sometimes uses foreign exchange contracts. These contracts are not designated as part of a hedge accounting relationship, and resulting exchange gains or losses are added to adjusted operating earnings and adjusted operating earnings before depreciation and amortization.

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

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

Reconciliation of net earnings attributable to shareholders of the Corporation - Fourth quarter and fiscal year

	Three months ended		Year ended	
(in millions of dollars, except per share amounts)	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
Net earnings attributable to shareholders of the Corporation	\$42.9	\$47.9	\$171.0	\$121.3
Excluding				
Restructuring and other costs (revenues)	16.0	7.1	(17.2)	33.9
Tax on restructuring and other costs (revenues)	(3.7)	(1.8)	12.4	(8.6)
Amortization of intangible assets arising from business combinations ⁽¹⁾	14.3	15.4	58.5	66.4
Tax on amortization of intangible assets arising from business combinations	(3.7)	(3.8)	(14.5)	(16.3)
Impairment of assets	3.8	3.3	9.5	10.8
Tax on impairment of assets	(1.0)	(0.8)	(2.5)	(2.7)
Recognition of previous years tax assets of an acquired company	—	—	—	(3.4)
Adjusted net earnings attributable to shareholders of the Corporation	\$68.6	\$67.3	\$217.2	\$201.4
Net earnings attributable to shareholders of the Corporation per share	\$0.51	\$0.57	\$2.04	\$1.41
Adjusted net earnings attributable to shareholders of the Corporation per share	\$0.82	\$0.79	\$2.59	\$2.34
Weighted average number of shares outstanding	83.6	84.8	83.8	86.1

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

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

	2025				2024			
(in millions of dollars, except per share amounts)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net earnings attributable to shareholders of the Corporation	\$42.9	\$38.7	\$33.8	\$55.6	\$47.9	\$43.6	\$15.9	\$13.9
Excluding								
Restructuring and other costs (revenues)	16.0	6.7	4.0	(43.9)	7.1	(0.5)	16.0	11.3
Tax on restructuring and other costs (revenues)	(3.7)	(1.6)	(1.0)	18.7	(1.8)	—	(4.0)	(2.8)
Amortization of intangible assets arising from business combinations ⁽¹⁾	14.3	14.4	15.0	14.8	15.4	15.5	17.7	17.8
Tax on amortization of intangible assets arising from business combinations	(3.7)	(3.5)	(3.6)	(3.7)	(3.8)	(3.8)	(4.3)	(4.4)
Impairment of assets	3.8	5.7	—	—	3.3	—	5.4	2.1
Tax on impairment of assets	(1.0)	(1.5)	—	—	(0.8)	—	(1.4)	(0.5)
Recognition of previous years tax assets of an acquired company	—	—	—	—	—	(3.4)	—	—
Adjusted net earnings attributable to shareholders of the Corporation	\$68.6	\$58.9	\$48.2	\$41.5	\$67.3	\$51.4	\$45.3	\$37.4
Net earnings attributable to shareholders of the Corporation per share	\$0.51	\$0.46	\$0.40	\$0.66	\$0.57	\$0.50	\$0.18	\$0.16
Adjusted net earnings attributable to shareholders of the Corporation per share	\$0.82	\$0.70	\$0.58	\$0.49	\$0.79	\$0.60	\$0.52	\$0.43
Weighted average number of shares outstanding	83.6	83.6	83.6	84.2	84.8	86.4	86.6	86.6

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

Reconciliation of net indebtedness

(in millions of dollars, except ratios)	As at October 26, 2025	As at October 27, 2024
Long-term debt	\$417.6	\$668.1
Current portion of long-term debt	253.2	201.0
Lease liabilities	91.1	95.8
Current portion of lease liabilities	25.5	24.1
Cash	(47.0)	(185.2)
Net indebtedness	\$740.4	\$803.8
Adjusted operating earnings before depreciation and amortization (last 12 months)	\$466.2	\$469.4
Net indebtedness ratio	1.59x	1.71x

ANALYSIS OF CONSOLIDATED RESULTS - FISCAL YEAR 2025

Revenues

Revenues decreased by \$69.0 million, or 2.5%, from \$2,812.9 million in fiscal year 2024 to \$2,743.9 million in the corresponding period of 2025. This decrease is mainly explained by the impact of the sale of the industrial packaging operations and lower volume in all sectors, partially offset by the favourable exchange rate effect and the recent acquisitions in the in-store marketing activities. A more detailed analysis of revenues is presented in the section "Analysis of Sector Results - Fiscal Year 2025".

Operating and Other Expenses

Operating expenses decreased by \$65.0 million, or 2.8%, from \$2,343.5 million in fiscal year 2024 to \$2,278.5 million in the corresponding period of 2025. This decrease results mainly from the impact of the sale of the industrial packaging operations, cost reduction initiatives and lower volume, partially offset by the unfavourable exchange rate effect.

Restructuring and other costs (revenues) decreased by \$51.1 million, from an expense of \$33.9 million in fiscal year 2024 to a revenue of \$17.2 million in the corresponding period of 2025. This decrease is mainly attributable to the gain on the sale of the industrial packaging operations, as well as the decrease in workforce reduction costs and costs resulting from plant closures in 2024, partially offset by costs incurred as part of the transaction to sell the Packaging Sector activities and costs incurred in relation with the labour conflict at Canada Post.

In fiscal year 2025, a goodwill impairment charge of \$5.7 million was recognized upon the cessation, on July 9, 2025, of the operations of Groupe Constructo, in the Media Sector, and impairment charges of \$3.8 million were recognized due to the revision of estimates for the expected future economic benefits of equipment in the Retail Services and Printing Sector and intangible assets in the Media Sector. In fiscal year 2024, impairment charges of \$10.8 million had been recognized due to the revision of estimates for the expected future economic benefits of equipment mainly in the Retail Services and Printing Sector and right-of-use assets in relation with the end of the Publisac distribution activities in Quebec.

Operating Earnings before Depreciation and Amortization

Operating earnings before depreciation and amortization increased by \$48.4 million, or 11.4%, from \$424.7 million in fiscal year 2024 to \$473.1 million in the corresponding period of 2025. This increase is mainly attributable to the favourable impact of cost reduction initiatives, the decrease in restructuring and other costs (revenues), the favourable exchange rate effect and our recent acquisitions, partially offset by lower volume and the sale of the industrial packaging operations.

Adjusted operating earnings before depreciation and amortization decreased by \$3.2 million, or 0.7%, from \$469.4 million in fiscal year 2024 to \$466.2 million in the corresponding period of 2025. This decrease is mainly due to lower volume and the sale of the industrial packaging operations, mostly offset by the favourable impact of cost reduction initiatives, the favourable exchange rate effect and our recent acquisitions. A more detailed analysis of adjusted operating earnings before depreciation and amortization is presented in the section "Analysis of Sector Results - Fiscal Year 2025".

Depreciation and Amortization

Depreciation and amortization decreased by \$6.2 million, from \$215.2 million in fiscal year 2024 to \$209.0 million in the corresponding period of 2025. This decrease is mostly attributable to the end of the depreciation and amortization period for some items of property, plant and equipment and intangible assets and the impact of the sale of the industrial packaging operations, partially offset by the impact of items of property, plant and equipment brought into use, mainly in the Packaging Sector.

Net Financial Expenses

Net financial expenses decreased by \$17.7 million, from \$60.0 million in fiscal year 2024 to \$42.3 million in the corresponding period of 2025. This favourable change is mainly explained by the reduction in net indebtedness, the favourable exchange rate effect and the decrease in the average interest rate on floating-rate debt, partially offset by an unrealized foreign exchange loss on the fair value of foreign exchange forward contracts not designated as part of a hedging relationship.

Income Taxes

Income taxes increased by \$22.8 million, from \$27.6 million in fiscal year 2024 to \$50.4 million in the corresponding period of 2025. This increase is mainly due to the taxable gain realized on the sale of the industrial packaging operations, which significantly contributed to the increase in earnings.

Adjusted income taxes decreased by \$3.6 million, from \$58.6 million in fiscal year 2024, for an effective tax rate of 22.5%, to \$55.0 million in the corresponding period of 2025, for an effective tax rate of 20.2%. The decrease in the effective tax rate is mainly attributable to differences between the accounting and tax treatment as well as prior years adjustments that had an unfavourable impact in 2024 and a favourable impact in 2025.

Net Earnings Attributable to Shareholders of the Corporation

Net earnings attributable to shareholders of the Corporation increased by \$49.7 million, or 41.0%, from \$121.3 million in fiscal year 2024 to \$171.0 million in the corresponding period of 2025. This increase is mainly attributable to the previously explained rise in operating earnings before depreciation and amortization as well as lower financial expenses and depreciation and amortization, partially offset by higher income taxes. On a per share basis, net earnings attributable to shareholders of the Corporation increased by 44.7 %, from \$1.41 to \$2.04, respectively.

Adjusted net earnings attributable to shareholders of the Corporation increased by \$15.8 million, or 7.8%, from \$201.4 million in fiscal year 2024 to \$217.2 million in the corresponding period of 2025. This increase is mainly attributable to lower financial expenses and adjusted income taxes, partially offset by the decrease in adjusted operating earnings. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation increased by 10.7%, from \$2.34 to \$2.59, respectively.

ANALYSIS OF CONSOLIDATED RESULTS - FOURTH QUARTER OF FISCAL YEAR 2025

Revenues

Revenues decreased by \$16.9 million, or 2.3%, from \$749.3 million in the fourth quarter of fiscal year 2024 to \$732.4 million in the fourth quarter of fiscal year 2025. This decrease is mainly due to lower volume in the Retail Services and Printing Sector and the impact of the sale of the industrial packaging operations, partially offset by our recent acquisitions, higher volume in the Packaging Sector and the favourable exchange rate effect. A more detailed analysis of revenues is presented in the section "Analysis of Sector Results - Fourth Quarter of Fiscal Year 2025".

Operating and Other Expenses

Operating expenses decreased by \$12.7 million, or 2.1%, in the fourth quarter of fiscal year 2025 compared to the corresponding period of 2024. This decrease results mainly from cost reduction initiatives, lower volume in the Retail Services and Printing Sector and the impact of the sale of the industrial packaging operations, partially offset by higher volume in the Packaging Sector, our recent acquisitions and the unfavourable exchange rate effect.

Restructuring and other costs increased by \$8.9 million, from an expense of \$7.1 million in the fourth quarter of fiscal year 2024 to an expense of \$16.0 million in the fourth quarter of fiscal year 2025. This increase is mainly due to costs incurred in connection with the sale of the Packaging Sector activities and costs incurred in relation with the labour conflict at Canada Post, partially offset by lower costs resulting from plant closures or restructurings in 2024 and lower workforce reduction costs.

In the fourth quarter of fiscal year 2025, impairment charges were recognized due to the revision of estimates for the expected future economic benefits of equipment in the Retail Services and Printing Sector and intangible assets in the Media Sector. In the fourth quarter of fiscal year 2024, impairment charges had been recognized due to the revision of estimates for the expected future economic benefits of equipment in the Retail Services and Printing Sector and right-of-use assets in relation to the end of the Publisac distribution activities in Quebec.

Operating Earnings before Depreciation and Amortization

Operating earnings before depreciation and amortization decreased by \$13.6 million, or 10.3%, from \$131.8 million in the fourth quarter of fiscal year 2024 to \$118.2 million in the fourth quarter of fiscal year 2025. This decrease is mainly due to lower volume in the Retail Services and Printing Sector, the increase in restructuring and other costs as well as the sale of the industrial packaging operations, partially offset by higher volume in the Packaging Sector, the favourable impact of cost reduction initiatives, our recent acquisitions and the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$4.6 million, or 3.2%, from \$142.2 million in the fourth quarter of fiscal year 2024 to \$137.6 million in the fourth quarter of fiscal year 2025. This decrease is mainly due to lower volume in the Retail Services and Printing Sector and the sale of the industrial packaging operations, partially offset by higher volume in the Packaging Sector, the favourable impact of cost reduction initiatives, our recent acquisitions and the favourable exchange rate effect. A more detailed analysis of adjusted operating earnings is presented in the section "Analysis of Sector Results - Fourth Quarter of Fiscal Year 2025".

Depreciation and Amortization

Depreciation and amortization decreased by \$1.2 million, from \$52.5 million in the fourth quarter of fiscal year 2024 to \$51.3 million in the fourth quarter of fiscal year 2025. This decrease is mostly attributable to the end of the depreciation and amortization period for some items of property, plant and equipment and intangible assets and the impact of the sale of the industrial packaging operations, partially offset by the impact of items of property, plant and equipment brought into use.

Net Financial Expenses

Net financial expenses decreased by \$3.1 million, from \$16.1 million in the fourth quarter of fiscal year 2024 to \$13.0 million in the fourth quarter of fiscal year 2025. This favourable change is mainly explained by the reduction in net indebtedness and, to a lesser extent, the decrease in the average interest rate on floating-rate debt, partially offset by an unrealized foreign exchange loss on the fair value of foreign exchange forward contracts not designated as part of a hedging relationship.

Income Taxes

Income taxes decreased by \$4.2 million, from \$15.2 million in the fourth quarter of fiscal year 2024 to \$11.0 million in the fourth quarter of fiscal year 2025. This decrease is mainly attributable to the decline in earnings before income taxes and the geographic distribution of earnings before income taxes.

Adjusted income taxes decreased by \$2.2 million, from \$21.6 million in the fourth quarter of fiscal year 2024, for an effective tax rate of 24.3%, to \$19.4 million in the fourth quarter of fiscal year 2025, for an effective tax rate of 22.0%. This decrease in the effective tax rate is mainly attributable to differences between the accounting and tax treatment as well as prior years adjustments that had an unfavourable impact in 2024 and a favourable impact in 2025.

Net Earnings Attributable to Shareholders of the Corporation

Net earnings attributable to shareholders of the Corporation decreased by \$5.0 million, or 10.4%, from \$47.9 million in the fourth quarter of fiscal year 2024 to \$42.9 million in the fourth quarter of fiscal year 2025. This decrease is mainly due to the previously explained decline in operating earnings before depreciation and amortization, partially offset by lower financial expenses, income taxes and, to a lesser extent, depreciation and amortization. On a per share basis, net earnings attributable to shareholders of the Corporation decreased by 10.5%, from \$0.57 to \$0.51, respectively.

Adjusted net earnings attributable to shareholders of the Corporation increased by \$1.3 million, or 1.9%, from \$67.3 million in the fourth quarter of fiscal year 2024 to \$68.6 million in the fourth quarter of fiscal year 2025. This increase is mainly attributable to lower financial expenses and adjusted income taxes, partially offset by the decrease in adjusted operating earnings. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation increased by 3.8%, from \$0.79 to \$0.82, respectively.

ANALYSIS OF SECTOR RESULTS - FISCAL YEAR 2025

(Unaudited)

Table #3 :

(in millions of dollars)	Packaging	Retail Services and Printing	Other	Consolidated results
Revenues - Year ended October 27, 2024	\$1,643.6	\$1,069.7	\$99.6	\$2,812.9
Business acquisition and disposal	(64.8)	14.7	—	(50.1)
Exchange rate effect	41.7	3.9	—	45.6
Organic growth (decline)	(22.4)	(30.6)	(11.5)	(64.5)
Revenues - Year ended October 26, 2025	\$1,598.1	\$1,057.7	\$88.1	\$2,743.9
Adjusted operating earnings before depreciation and amortization ⁽¹⁾ - Year ended October 27, 2024	\$262.2	\$201.0	\$6.2	\$469.4
Business acquisition and disposal	(13.7)	2.5	—	(11.2)
Exchange rate effect	8.0	2.4	(0.3)	10.1
Stock-based compensation	—	—	(1.6)	(1.6)
Organic growth (decline)	1.1	(3.5)	1.9	(0.5)
Adjusted operating earnings before depreciation and amortization ⁽¹⁾ - Year ended October 26, 2025	\$257.6	\$202.4	\$6.2	\$466.2

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

Packaging Sector

Packaging Sector revenues decreased by \$45.5 million, from \$1,643.6 million in fiscal year 2024 to \$1,598.1 million in the corresponding period of 2025. This decrease is mainly due to the sale of the industrial packaging operations and lower volume in several markets, except, notably, the coatings group, partially offset by the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$4.6 million, from \$262.2 million in fiscal year 2024 to \$257.6 million in the corresponding period of 2025. This decrease is mainly due to the sale of the industrial packaging operations and lower volume, partially offset by cost reduction initiatives and the favourable exchange rate effect. The sector's adjusted operating earnings margin before depreciation and amortization remained relatively stable and went from 16.0% in fiscal year 2024 to 16.1% in the corresponding period of 2025, mainly as a result of the above-mentioned items.

Retail Services and Printing Sector

Retail Services and Printing Sector revenues decreased by \$12.0 million, from \$1,069.7 million in fiscal year 2024 to \$1,057.7 million in the corresponding period of 2025. This decrease is mostly due to lower volume for flyer printing activities caused in part by the effect of the labour conflict at Canada Post, partially offset by the recent in-store marketing business acquisitions, higher book printing activities, in particular as a result of more competitive prices due to favourable exchange rates that facilitate securing contracts and, to a lesser extent, the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization increased by \$1.4 million, from \$201.0 million in fiscal year 2024 to \$202.4 million in the corresponding period of 2025. This increase is mainly attributable to the previously explained higher volume for book printing activities, our recent acquisitions, the favourable exchange rate effect as well as cost reduction initiatives, mostly offset by the previously explained lower volume for flyer printing activities. The sector's adjusted operating earnings margin before depreciation and amortization increased from 18.8% in fiscal year 2024 to 19.1% in the corresponding period of 2025, mainly as a result of the above-mentioned items.

Other

Revenues decreased by \$11.5 million, from \$99.6 million in fiscal year 2024 to \$88.1 million in the corresponding period of 2025. This decrease is due to lower volume in the Media Sector, which was mainly caused by the end of the contract related to SEAO, Quebec's electronic tendering system, as well as the increase in inter-sector eliminations.

Adjusted operating earnings before depreciation and amortization remained stable at \$6.2 million in fiscal year 2024 and in fiscal year 2025. Cost reduction initiatives, the net decrease in incentive compensation, including stock-based compensation, and inter-sector eliminations were offset by the impact of the end of the contract related to SEAO in the Media Sector.

ANALYSIS OF SECTOR RESULTS - FOURTH QUARTER OF FISCAL YEAR 2025

(Unaudited)

Table #4:

(in millions of dollars)	Packaging	Retail Services and Printing	Other	Consolidated results
Revenues - Fourth quarter of 2024	\$415.7	\$288.3	\$45.3	\$749.3
Business acquisition and disposal	(17.5)	13.2	—	(4.3)
Exchange rate effect	4.1	0.8	—	4.9
Organic growth (decline)	11.2	(26.4)	(2.3)	(17.5)
Revenues - Fourth quarter of 2025	\$413.5	\$275.9	\$43.0	\$732.4
Adjusted operating earnings before depreciation and amortization ⁽¹⁾ - Fourth quarter of 2024	\$65.7	\$63.6	\$12.9	\$142.2
Business acquisition and disposal	(4.0)	2.4	—	(1.6)
Exchange rate effect	1.0	0.7	(0.1)	1.6
Stock-based compensation	—	—	0.1	0.1
Organic growth (decline)	5.2	(12.6)	2.7	(4.7)
Adjusted operating earnings before depreciation and amortization ⁽¹⁾ - Fourth quarter of 2025	\$67.9	\$54.1	\$15.6	\$137.6

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

Packaging Sector

Packaging Sector revenues decreased by \$2.2 million, or 0.5%, from \$415.7 million in the fourth quarter of fiscal year 2024 to \$413.5 million in the fourth quarter of fiscal year 2025. This decrease is mainly due to the sale of the industrial packaging operations, mostly offset by higher volume in several markets and the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization increased by \$2.2 million, or 3.3%, from \$65.7 million in the fourth quarter of fiscal year 2024 to \$67.9 million in the fourth quarter of fiscal year 2025. This increase is mainly attributable to higher volume, cost reduction initiatives and the favourable exchange rate effect, mostly offset by the sale of the industrial packaging operations. The sector's adjusted operating earnings margin before depreciation and amortization increased from 15.8% in the fourth quarter of fiscal year 2024 to 16.4% in the fourth quarter of fiscal year 2025, mainly as a result of the above-mentioned items.

Retail Services and Printing Sector

Retail Services and Printing Sector revenues decreased by \$12.4 million, or 4.3%, from \$288.3 million in the fourth quarter of fiscal year 2024 to \$275.9 million in the fourth quarter of fiscal year 2025. This decrease is mostly due to lower volume for flyer printing activities caused in part by the effect of the labour conflict at Canada Post, and slightly lower volume for book printing activities, partially offset by our recent acquisitions, higher volume for in-store marketing activities and, to a lesser extent, the favourable exchange rate effect.

Adjusted operating earnings before depreciation and amortization decreased by \$9.5 million, or 14.9%, from \$63.6 million in the fourth quarter of fiscal year 2024 to \$54.1 million in the fourth quarter of fiscal year 2025. This decrease is mainly due to the previously explained lower volume for flyer printing activities, partially offset by the recent acquisitions and, to a lesser extent, the favourable exchange rate effect. The sector's adjusted operating earnings margin before depreciation and amortization decreased from 22.1% in the fourth quarter of fiscal year 2024 to 19.6% in the fourth quarter of fiscal year 2025, mainly as a result of the above-mentioned items.

Other

Revenues decreased by \$2.3 million, or 5.1%, from \$45.3 million in the fourth quarter of fiscal year 2024 to \$43.0 million in the fourth quarter of fiscal year 2025. This decrease is due to lower volume in the Media Sector, which was mainly caused by the end of the contract related to SEO and lower volume in the Education segment, offset by the decrease in inter-sector eliminations.

Adjusted operating earnings before depreciation and amortization increased by \$2.7 million, or 20.9%, from \$12.9 million in the fourth quarter of fiscal year 2024 to \$15.6 million in the fourth quarter of fiscal year 2025. This increase is mainly attributable to the net decrease in incentive compensation.

SUMMARY OF QUARTERLY RESULTS

(Unaudited)

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

Table #5:

	2025				2024			
(in millions of dollars, unless otherwise indicated and per share amounts)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	\$ 732.4	\$ 684.4	\$ 684.1	\$ 643.0	\$ 749.3	\$ 700.0	\$ 683.2	\$ 680.4
Operating earnings before depreciation and amortization	118.2	109.0	104.5	141.4	131.8	121.5	88.7	82.7
Adjusted operating earnings before depreciation and amortization ⁽¹⁾	137.6	122.6	108.5	97.5	142.2	121.0	110.1	96.1
Adjusted operating earnings margin before depreciation and amortization ⁽¹⁾	18.8%	17.9%	15.9%	15.2%	19.0%	17.3%	16.1%	14.1%
Operating earnings	\$ 66.9	\$ 57.4	\$ 51.1	\$ 88.7	\$ 79.3	\$ 69.2	\$ 33.2	\$ 27.8
Adjusted operating earnings ⁽¹⁾	100.6	85.4	70.1	59.6	105.1	84.2	72.3	59.0
Adjusted operating earnings margin ⁽¹⁾	13.7%	12.5%	10.2%	9.3%	14.0%	12.0%	10.6%	8.7%
Net earnings attributable to shareholders of the Corporation	\$ 42.9	\$ 38.7	\$ 33.8	\$ 55.6	\$ 47.9	\$ 43.6	\$ 15.9	\$ 13.9
Net earnings attributable to shareholders of the Corporation per share	0.51	0.46	0.40	0.66	0.57	0.50	0.18	0.16
Adjusted net earnings attributable to shareholders of the Corporation ⁽¹⁾	68.6	58.9	48.2	41.5	67.3	51.4	45.3	37.4
Adjusted net earnings attributable to shareholders of the Corporation per share ⁽¹⁾	0.82	0.70	0.58	0.49	0.79	0.60	0.52	0.43
Adjusted net earnings attributable to shareholders of the Corporation as a % of the fiscal year	32%	27%	22%	19%	34%	26%	22%	18%

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

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

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

FINANCIAL POSITION, LIQUIDITY AND CAPITAL STRUCTURE

(Unaudited)

Table #6:

	Three months ended		Year ended	
	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
(in millions of dollars)				
Operating activities				
Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid	\$119.7	\$132.5	\$432.7	\$417.2
Changes in non-cash operating items	64.9	61.9	(26.7)	33.7
Income taxes paid	(12.1)	(9.4)	(51.8)	(37.2)
Cash flows from operating activities	\$172.5	\$185.0	\$354.2	\$413.7
Investing activities				
Business combinations, net of acquired cash	\$(17.6)	\$—	\$(21.7)	\$—
Business disposal	—	—	132.0	—
Acquisitions of property, plant and equipment	(17.0)	(19.2)	(69.3)	(95.1)
Disposals of property, plant and equipment and other	—	0.1	0.2	8.9
Increase in intangible assets	(6.3)	(5.0)	(30.2)	(26.4)
Cash flows from investing activities	\$(40.9)	\$(24.1)	\$11.0	\$(112.6)
Financing activities				
Reimbursement of long-term debt	\$23.9	\$(0.9)	\$(225.8)	\$(3.1)
Net decrease in credit facilities	(63.6)	—	(14.6)	(75.4)
Settlement of cross-currency fixed-to-floating interest rate swaps	—	—	(25.9)	—
Financial expenses paid and financing expenses paid on long-term debt and credit facilities	(8.0)	(15.6)	(39.3)	(43.3)
Repayment of principal on lease liabilities	(6.2)	(5.8)	(24.7)	(23.0)
Interest paid on lease liabilities	(1.0)	(1.0)	(4.1)	(3.5)
Dividends	(18.8)	(19.0)	(159.0)	(77.4)
Shares repurchased	—	(14.6)	(16.3)	(32.3)
Cash flows from financing activities	\$(121.5)	\$(56.9)	\$(509.7)	\$(258.0)
Effect of exchange rate changes on cash denominated in foreign currencies	1.0	1.3	6.3	5.1
Net change in cash	\$11.1	\$105.3	\$(138.2)	\$48.2

Table #7:

Financial position	As at October 26, 2025	As at October 27, 2024
Net indebtedness ⁽¹⁾	\$740.4	\$803.8
Net indebtedness ratio ⁽¹⁾	1.59x	1.71x
Credit rating		
DBRS	BBB (low)	BBB (low)
Outlook	Stable	Stable
Standard and Poor's	BBB-	BBB-
Outlook	Stable	Stable
Consolidated Statements of Financial Position	As at October 26, 2025	As at October 27, 2024
Current assets	\$937.7	\$1,214.6
Current liabilities	725.9	765.3
Total assets	3,346.5	3,641.3
Total liabilities	1,427.7	1,726.5

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

ANALYSIS OF FINANCIAL POSITION AND LIQUIDITY - FISCAL YEAR 2025

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities decreased by \$59.9 million, from \$495.1 million as at October 27, 2024 to \$435.2 million as at October 26, 2025. This decrease is mostly due to lower purchase volume, the reversal of a provision for share repurchases that had been recognized in fiscal year 2024 and a decline in provisions for incentive compensation.

Cash Flows from Operating Activities

Cash flows from operating activities decreased from \$413.7 million in fiscal year 2024 to \$354.2 million in fiscal year 2025. This decrease is mostly explained by the unfavourable change in working capital, notably caused by an unfavourable fluctuation in accounts payable and accrued liabilities.

Cash Flows from Investing Activities

Cash flows from investing activities went from a cash outflow of \$112.6 million in fiscal year 2024 to a cash inflow of \$11.0 million in fiscal year 2025. This change is mainly attributable to the sale of the industrial packaging operations and a decrease in investments in property, plant and equipment, partially offset by the recent acquisitions.

Cash Flows from Financing Activities

Cash flows from financing activities went from a cash outflow of \$258.0 million in fiscal year 2024 to a cash outflow of \$509.7 million in fiscal year 2025. This change is mostly due to the reimbursement of long-term debt, the payment of a special dividend and, to a lesser extent, the settlement of cross-currency fixed-to-floating interest rate swaps, partially offset by a decrease in borrowings under the credit facilities since 2024 and shares repurchased.

Debt Instruments

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

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

The Corporation has another credit facility with a maximum amount of US\$15.0 million (\$21.0 million), which was maturing in March 2025. On February 6, 2025, the maturity was extended for an additional year, until March 2026, with similar terms. The applicable interest rate for this credit facility is SOFR plus 1.350%.

As at October 26, 2025, no amount was drawn on the credit facilities and the unused amount under the credit facilities was \$421.0 million.

As at October 26, 2025, the floating-rate portion of the Corporation's long-term debt represented approximately 24.1% of total debt.

Net Indebtedness

Net indebtedness decreased from \$803.8 million as at October 27, 2024 to \$740.4 million as at October 26, 2025. This change is explained by cash flows from operating activities as well as those generated by the sale of the industrial packaging operations, which were partially offset by the payment of the special dividend and investments in property, plant and equipment. As a result, the net indebtedness ratio stood at 1.59x as at October 26, 2025 compared to 1.71x as at October 27, 2024.

ANALYSIS OF FINANCIAL POSITION - FOURTH QUARTER OF FISCAL YEAR 2025

Cash Flows from Operating Activities

Cash flows from operating activities decreased from \$185.0 million in the fourth quarter of fiscal year 2024 to \$172.5 million in the fourth quarter of fiscal year 2025. This decrease is mainly explained by lower operating earnings before depreciation and amortization.

Cash Flows from Investing Activities

Cash flows from investing activities increased from a cash outflow of \$24.1 million in the fourth quarter of fiscal year 2024 to a cash outflow of \$40.9 million in the fourth quarter of fiscal year 2025. This change is mainly due to the recent acquisitions completed in the fourth quarter of 2025.

Cash Flows from Financing Activities

Cash flows from financing activities increased from a cash outflow of \$56.9 million in the fourth quarter of fiscal year 2024 to a cash outflow of \$121.5 million in the fourth quarter of fiscal year 2025. This change is mostly due to repayments on the credit facilities and the reimbursement of long-term debt, partially offset by the decrease in shares repurchased and in financing expenses paid on long-term debt and credit facilities.

CONTRACTUAL OBLIGATIONS AND BUSINESS COMMITMENTS

Table #8:

Type of contract (in millions of dollars)	Carrying amount	Contractual cash flows	Less than 1 year	1-3 years	3-5 years	Over 5 years
Non-derivative financial liabilities						
Accounts payable and accrued liabilities	\$398.5	\$398.5	\$398.5	\$—	\$—	\$—
Long-term debt	670.8	730.2	282.9	446.1	0.4	0.8
Lease liabilities	116.6	125.5	28.3	45.4	35.3	16.5
Other monetary liabilities	21.4	21.4	—	21.4	—	—
Total non-derivative financial liabilities	\$1,207.3	\$1,275.6	\$709.7	\$512.9	\$35.7	\$17.3
Derivative financial instruments in liabilities						
Interest rate swaps in liabilities	\$0.4	\$0.4	\$0.4	\$—	\$—	\$—
Cross-currency interest rate swaps	26.9	30.6	30.6	—	—	—
Foreign exchange forward contracts in liabilities	13.0	13.0	6.5	6.5	—	—
Total contractual obligations	\$1,247.6	\$1,319.6	\$747.2	\$519.4	\$35.7	\$17.3

The Corporation expects to contribute an estimated amount of \$9.5 million to its defined benefit plans during the year ending October 25, 2026. The actual amount paid may differ from the estimate based on the results of the actuarial valuations, investment returns, volatility in discount rates, regulatory requirements and other factors.

CAPITAL STRUCTURE

Share Capital

Table #9:

Shares Issued and Outstanding	As at October 26, 2025	As at December 5, 2025
Class A (Subordinate Voting Shares)	74,112,647	74,112,647
Class B (Multiple Voting Shares)	9,506,272	9,506,272
Total Class A and Class B	83,618,919	83,618,919

In fiscal year 2025, the Corporation completed a series of related party transactions that resulted in the conversion of 3,847,956 Class B Shares into Class A Subordinate Voting Shares. These transactions had no impact on the total value of the Corporation's share capital.

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 fourth quarter of fiscal year 2025, the Corporation did not repurchase any of its Class A Subordinate Voting Shares or Class B Shares. During fiscal year 2025, the Corporation repurchased and cancelled 934,434 Class A Subordinate Voting Shares at a weighted average price of \$17.38 and 3,600 Class B Shares at a weighted average price of \$17.27, for a total cash consideration of \$16.3 million. The excess of the total consideration over the carrying amount of the shares, amounting to \$8.5 million, as well as related income taxes payable amounting to \$0.3 million, were applied against retained earnings. As at October 26, 2025, the Corporation had no share repurchase program in effect.

During the fourth quarter of fiscal year 2024, the Corporation had repurchased and cancelled 900,459 Class A Subordinate Voting Shares at a weighted average price of \$16.20 and 2,000 Class B Shares at a weighted average price of \$16.39, for a total cash consideration of \$14.6 million. The excess of the total consideration over the carrying amount of the shares, amounting to \$7.0 million, as well as related income taxes payable amounting to \$0.7 million, had been applied against retained earnings. During fiscal year 2024, the Corporation had repurchased and cancelled 2,060,217 Class A Subordinate Voting Shares at a weighted average price of \$15.65 and 7,000 Class B Shares at a weighted average price of \$15.66, for a total cash consideration of \$32.3 million. The excess of the total consideration over the carrying amount of the shares, amounting to \$14.9 million, as well as related income taxes payable amounting to \$0.7 million, had been applied against retained earnings.

RISKS AND UNCERTAINTIES

The main risks and uncertainties to which the Corporation is exposed are described hereinafter. These risks and uncertainties are strategic, operational or financial in nature, and may have a material impact on our operations, our financial results, our financial position, our cash flows or our reputation. Readers are cautioned that this list is not necessarily exhaustive.

Risk management plays an important role in the Corporation's decisions with regards to acquisitions; capital investments, especially in research and development, asset disposals, plant consolidation and efforts to create synergies among operating sectors or other operating activities. It also guides decisions regarding cost reduction measures, product diversification, new market penetration and certain cash movements.

In addition to periodically re-examining current risks and the effectiveness of control and preventive measures already in place, management assesses new risk factors. It determines the likelihood that these will occur and their potential effect, and implements strategies and processes to proactively manage them. Each risk is owned by a member of the Management Committee.

A report on the risk management program is reviewed regularly at the Management Committee and presented to the Audit Committee and Board of Directors.

Printing and Distribution of Paper Flyers – Impact of digital product development and adoption and impact of regulations or legislation regarding door-to-door distribution

Printing and distribution of paper flyers represent a significant portion of the Corporation's revenues and earnings. Over the past few years, certain Canadian retailers increased their use of digital flyers, digital campaigns and loyalty programs. A major change in consumer habits or in the Corporation's retail customers' marketing strategy could result in a significant decrease in the number of pages and/or frequency for the paper flyers printed and distributed by the Corporation. An acceleration in adopting and producing digital products at the expense of paper flyers would have an adverse impact on the Corporation's financial results. In addition, the increase in raw materials costs for the Corporation resulting from higher paper prices and inflation and assumed, in whole or in part, by the Corporation's customers, could also cause a decrease in volume of printed flyers.

The Corporation no longer offers door-to-door distribution services. Any distribution of printed paper flyers is now done via Canada Post or other systems implemented in Canada by other players. Due to its significance, the success of the Retail Services and Printing Sector depends in part on the strength of such distribution networks and other systems implemented in Canada. In Quebec and elsewhere in Canada, the Corporation launched the *raddar*® leaflet, which combines flyers from several retailers into a single printed product distributed via Canada Post. Previously distributed via Publisac or other distribution systems elsewhere in Canada, *raddar*® is subject to weight and dimension limits to meet Canada Post's requirements. Consumers and the Corporation's customers are adapting to this new product. All these factors could have an impact on the Corporation's net earnings, financial position and cash flows.

The financial health of distributors offering distributions services, delays in printed flyer distribution, including the *raddar*® leaflet, increases in distribution costs, increases in recycling costs imposed upon retailers and other distributors of printed flyers, transportation disruptions, such as severe weather, and slowdowns in the pace of distribution could also disrupt the Corporation's printed flyer and printed flyer distribution operations and the provision of certain other retail services by the Corporation and have an adverse impact on its net earnings, financial position, cash flows and reputation.

Other factors, such as strikes or labour conflicts at distributors offering distribution services (including Canada Post) that last over a certain period, may cause a decrease in revenues and force us to put in place alternative distribution networks, which generates additional costs for the Corporation. These situations may have an adverse impact on its net earnings, financial position, cash flows and reputation.

Cybersecurity and Data Protection - An intrusion into information systems could disrupt operating activities, damage reputation and result in court actions

In the normal course of its activities, the Corporation relies on the continuous and uninterrupted operation of its systems, data hosting centers, cloud computing systems and computer hardware. In addition, it receives, processes and transfers sensitive data, including confidential information about the Corporation, its employees, its customers and its suppliers. If the Corporation were to experience cyber threats, cyberattacks, breaches, unauthorized accesses, viruses or other security breaches, human errors, sabotage or other similar events, it could have an adverse impact on its activities, including system disruptions or breakdowns. This could also negatively impact results, cause considerable damage to the Corporation's reputation, and potentially result in court actions.

In addition, it is possible that a zero-day event might not be detected to limit the extent of the breach or the damages, as security events of that type are characterized by cybercriminals accessing a system or network by exploiting a security vulnerability or a software weakness of which the manufacturer is not aware. Furthermore, government and customer requirements with respect to protection against potential intrusions and breach of sensitive data are becoming stricter. The obligation to comply with new requirements could also have a financial impact on the Corporation as well as an impact on its reputation. Customers' confidence in the security of the information held by the Corporation and transactions is crucial to maintain its reputation and competitiveness on the market.

The nature and volume of cyberattacks evolve quickly and continuously get more sophisticated, which increases the risk that the Corporation's operations are disrupted and its data are compromised. This risk has significantly increased over the past years with the increase in the number of people working from home; for instance, off-site work and remote connections to servers and software increase the number of threat points.

Data Confidentiality – Warehousing, using and protecting personal data

Warehousing, using and protecting personal data are increasingly critical and the responsibilities of entities that process such information are expanding. Mismanagement of personal data could cause considerable damage to the Corporation's reputation, and potentially result in court actions, fines and other claims. The multiplication of data protection regulatory frameworks in jurisdictions where the Corporation operates also increases regulatory compliance risk.

The Canadian anti-spam legislation, and other privacy laws, require businesses to obtain the consent of the recipient before sending commercial electronic messages and/or collecting and providing personal information. However, there could be situations in which some of the Corporation's activities would infringe on the privacy of users and others. While the Corporation has implemented strict controls in these areas, any breach with respect to the collection, use, disclosure or security of personal information, protection of copyright or other confidentiality issues could damage its reputation and adversely affect its net earnings.

Recruiting and Retaining Talent – Difficulty to attract and retain employees in the main operating sectors

Social and demographic trends observed on a global basis, such as changes in employees' habits and expectations, are making it more challenging to hire and retain personnel in most industries. The Corporation notices a labour shortage, increased competition in the labour market, and a higher turnover that result in an increase in operating costs as well as growing use of technology and a high demand for emerging skillsets. Over the last few years, absenteeism has progressed, which had a significant impact on productivity and performance at the plants.

In addition, our ability to reward our employees through bonuses and other incentive programs depends on our financial performance. If such performance decreases, employee turnover may increase and be more significant in sectors that have already experienced a decrease in bonuses and other incentive programs due to their past performance.

Long-term Organic Growth – Ability to generate organic growth and face competition

The long sales cycle characterizing certain niches in which the Corporation operates represents a significant challenge to the ability to generate organic growth, especially in the Packaging Sector. In addition, the packaging industry is highly competitive. Competition is based on price, quality of products and services, innovation and product development, delivery times and the range of services offered. Some competitors may have greater experience and technical know-how, more technically advanced production facilities, a larger sales force and more resources dedicated to product development, especially in terms of formats, types of packaging and environmental responsibility. The need to evolve with technological changes and make appropriate research and development investments could result in significant costs and have an adverse impact on the Corporation's growth rate in this industry. In the Retail Services and Printing Sector, the increased competition in the Canadian market, not to mention the presence of US-based competitors that could increase in Canada, through acquisition or organic growth, could have an adverse impact on the Corporation's market share and financial results.

A few of the Corporation's customers may individually represent a significant portion of its revenues. It is the case, for instance, in flyer printing, where a few Canadian retailers may individually represent a significant portion of the Retail Services and Printing Sector's revenues. Certain customers in the Packaging Sector may also represent a significant portion of this Sector's revenues. A change in consumption habits of a major customer or the loss of a major customer could have an adverse impact on the Corporation's ability to generate organic growth and, consequently, an adverse impact on net earnings. The Corporation's current or potential customers could be acquired, and the acquirer might start to procure certain products from its current supplier. Customer consolidation could therefore also have an adverse impact on organic growth.

The Corporation must continue to improve its operational efficiency to remain competitive, which enhances its ability to generate organic growth. Regardless of the efficiency level it has already reached, there can be no assurance that the Corporation will be able to do this on an ongoing basis. As well, the need to reduce operating expenses could result in costs to downsize the workforce, close or consolidate facilities, or upgrade equipment and technology. Over the years, the Corporation significantly reduced its manufacturing assets in the Retail Services and Printing Sector to maximize efficiency at its most productive plants. Although there are always opportunities to improve operational efficiency within the production platforms and the Corporation has experienced managers to develop and implement such improvement plans, the initiatives available to react to a volume decrease could be insufficient and have a less favourable impact on the fixed cost structure.

Digital Product Adoption – Impact of digital product development and adoption on the demand for printed products other than flyers

Digital platforms have become an essential means to reach consumers, and advertisers have a diverse selection of media channels in which to spend their advertising dollars. A decline in the share of printed products in aggregate advertising spending and in the number of readers of printed products towards digital products could result in a decrease in the demand for printed products. This lower demand could have an adverse impact on the financial results of the newspaper, magazine, books and commercial product printing activities.

Economic Environment - Inflation and recession risks

The Corporation operates in a volatile economic environment. The Corporation operates in many countries, and the economic risks specific to each country may have an adverse impact on its results of operations and net earnings. As a result, if unemployment, interest or inflation rates fluctuate substantially or increase to significant levels, they could have an impact on customers' consuming trends and, consequently, on our operating activities, financial position and profitability. In addition, the Corporation is exposed to market risk related to the global inflationary situation, as the various environmental, social, political, economic and health factors had significant consequences on the world economy. The decisions by central banks to tighten their monetary policies, which may have an impact on interest rates, foreign currency exchange rates and economic development, as well as the risks of recession in one or several of the countries where the Corporation operates could have an adverse impact on the Corporation's net earnings, financial position and cash flows.

Economic Conditions - Geopolitical uncertainty

The economic conditions remain affected by the geopolitical environment, which puts more pressure and increases disruptions in supply chains. The combined effects of a limited supply and a strong demand may generate shortages in consumer goods and inputs, delays in delivering equipment and spare parts and increases in energy and raw materials prices, which could have an adverse impact on the Corporation's operating results and operations.

The Corporation's operations are exposed to these market risks that may have an adverse impact on the Corporation's operating results and financial position resulting from a current and future lack of flexibility and adaptability in the supply chain for key materials. In addition, this risk could create raw materials shortages and lead to an inability to complete orders.

Imports and Exports – Import and export controls, duties, tariffs or taxes

Some of the Corporation's products are subject to export controls and may be exported only with the required export license or through an export license exemption. If it were to fail to comply with export licensing, customs regulations, economic sanctions or other laws, the Corporation could be subject to substantial civil and criminal penalties, including fines and incarceration for responsible employees and managers, and the possible loss of export or import privileges. In addition, if distributors of the Corporation fail to obtain required import, export or re-export licenses or permits, the Corporation may also be adversely affected through sanctions and reputational harm. Obtaining the necessary export license for a particular sale may be time-consuming and may result in loss of sales opportunities.

Furthermore, export control laws prohibit the shipment of certain products to embargoed countries, governments and persons, subject to sanctions. The Corporation cannot assure that any such shipment will not occur, which could have negative consequences including government investigations, penalties, fines, civil and criminal sanctions, and reputational harm. In addition, the Corporation's global business could be negatively affected if import and export duties, tariff barriers or protectionist measures were unpredictably imposed or increased. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could decrease the Corporation's ability to export or sell its products to its existing or potential customers with international operations and limit its ability to import or source from foreign suppliers. Considering the extent of the Corporation's operations, border crossing limitations or border closures could have an adverse impact on the supply and distribution chain of certain plants. Any limitation on the Corporation's ability to export or sell its products could adversely affect its business, financial position and results of operations.

Raw Materials, Energy and Transportation Costs – A significant increase in the cost of raw materials, the availability of raw materials and consumed energy

Paper, resin, plastic film, ink and plates are the primary raw materials used by the Retail Services and Printing Sector and the Packaging Sector, and they represent a significant portion of the Corporation's costs. In addition, these sectors consume energy, more specifically electricity, natural gas and oil. A significant increase in raw materials prices, energy prices or transportation costs could have an adverse impact on operations. However, several agreements with the Corporation's customers provide for sales price indexation based on fluctuations in raw materials costs, usually with a delayed effect. The impact on net earnings will be influenced by the Corporation's ability to rapidly adjust prices and improve its operational efficiency to offset the increases in raw materials prices or in transportation costs. In addition, the increase in these prices could have an adverse impact if it changes the purchasing habits of customers.

Accordingly, the Corporation could also be exposed to a supply risk if some of its suppliers would experience financial instability or disruptions in their own operations or in their ability to provide raw materials.

Acquisitions – Ability to complete acquisitions and properly integrate them

The Corporation's growth is partially based on its ability to complete acquisitions, especially in our in-store marketing activities and other growing activities. The Corporation must be able to target attractive opportunities, at a reasonable value, and compete with private equity companies and other companies that are actively seeking acquisitions. The inability to properly identify opportunities and complete acquisitions could have an adverse impact on the Corporation's development.

Integrating acquisitions generally involves risks, and these risks may increase with the size, sector and type of acquisition. Integrating businesses could give rise to temporary disruptions in production, cause the Corporation to lose major contracts, influence its personnel retention or have an adverse impact on customer relationships. In addition, the identified synergies may not be fully realized or may take longer to materialize.

Disposal of Operations – Ability to efficiently execute a disposal of operations transaction

Disposing of operations generally involves risks, and these risks may increase with the size, sector and type of acquisition. The Corporation may not realize the anticipated benefits of disposals or other strategic transactions. Disposing of operations or an operating segment involves complex operational, financial and legal challenges and may span over a certain period. The difficulties related to separating shared systems and processes, the potential loss of key employees and unexpected costs could have an adverse impact on the Corporation and operations management. In addition, disposals may lead to a decrease in revenues, a reduction in market presence and an adverse impact on customer relations. The inability, for the Corporation, to effectively execute such transactions could have an adverse impact on its financial position and operating results.

Operational Disruption – An operational disruption could affect the ability to meet deadlines

The Corporation increasingly concentrates the production of certain products in its most productive plants and, in the event of a disaster at one of these facilities, it could miss production deadlines. In addition, global climate change could increase the frequency of natural catastrophes, enhancing the risk of disruption, and could have an adverse impact on our operations, causing damages to our facilities, as well as increasing operating costs and capital expenditures. The ability to meet deadlines could also be affected by major equipment failure, human error, supply problems for certain equipment parts, labour disputes, attacks or transportation problems. Higher absenteeism in one operating site due to illness, work accidents or other causes could also adversely impact the ability to meet deadlines and contractual obligations. Certain customers of the Corporation are more reluctant to a situation of dependence to single site for the supply chain. This could have an adverse impact on the Corporation if it would cause a significant transfer of volume from these customers to a competitor. The magnitude of the impact of these risks on results will depend on certain factors, including the nature of the disruption, its duration and the plant affected by the disrupting event. However, the Corporation has implemented contingency plans for some facilities and holds insurance policies that could indemnify it against a portion of direct and indirect costs or losses related to certain disasters. In addition, the presence of a North American packaging and printing network enables the Corporation to qualify new plants for certain key products to ensure redundancy within its network.

Compliance with Governmental Regulations – Amendments to regulations or adoption of new regulations

The Corporation operates facilities in several countries throughout the world and is exposed to risks associated with different legal, political, tax, social, cultural, environmental and regulatory frameworks. It is subject to many regulations that may be amended by governmental authorities. Complying with amendments to regulations or stricter new regulations could result in a material decrease, both permanent and temporary, in revenues or a material cost increase for the Corporation. The Corporation benefited from certain government assistance programs. Any change in the application rules could have an impact on the Corporation's net earnings.

Regulations – Safety and quality of packaging products for the food industry

The Corporation is a supplier of flexible packaging products that are mainly used in the food industry. It is therefore exposed to this industry's risks, such as labelling errors and presence of foreign bodies, as well as certain hygiene and cleanliness problems, including food contamination by organisms that cause illness, or pathogens, such as the E.coli bacteria, Salmonella and Listeria. The Corporation could thus be involved in a possible product recall. Such a situation could expose the Corporation to civil liability claims, negative publicity, investigations or governmental intervention, which would have a material adverse impact on its financial position, net earnings and reputation.

Environmental Risks – Amendments to regulations or adoption of new regulations and changes to consumption habits

Future legislation and initiatives, for instance more restrictive air emissions limits, the implementation of carbon taxes, stricter water quality regulations or additional requirements for soil decontamination, could increase operating costs. In addition, changes in laws and regulations relating to packaging composition or recyclability could impact operations if they were implemented on a large scale and too quickly in the Corporation's main markets. These changes could require significant investments. Voluntary actions by the Corporation's customers or their customers aimed at reducing the use of plastic could also reduce the demand for certain plastic packaging and increase manufacturing costs. The advent of regulations on the extended producer responsibility (EPR) policies in several Canadian provinces, and soon in the United States, also influenced, and should influence, the printing and packaging industries. This regulation make businesses that put on the market printed materials, containers and packaging responsible for the costs associated with the end-of-life management of their products and could decrease demand. Lastly, there is a trend toward phasing out single-use plastic bags in many jurisdictions around the world, although the products manufactured by the Corporation are, in general, currently excluded from these initiatives. Changes in laws and regulations laying down restrictions on, and conditions for use of, food, beverage, pharmaceutical, agricultural, or other products and the materials in contact with them, or on the use of materials and agents in the production of the Corporation's products, could also adversely affect business.

The Corporation's printing and publishing operations require the daily use of large quantities of paper. The flexible packaging operations require the use of large quantities of plastic. Certain consumers and certain of the Corporation's customers could be concerned by the possible impact of significant utilization of paper and plastic on the environment and could become more vocal advocates of environment protection and sustainability promotion. Such concerns could result in damage to the Corporation's reputation, revisions and adjustments to its practices and additional operating costs.

The environmental, social or governance (ESG) expectations and requirements of our stakeholders, in particular investors, customers, suppliers, consumers and governments, are constantly evolving. The fast-paced evolution of these expectations and requirements could expose the Corporation to reputational, market and operational risks. In the last few years, the governments of many jurisdictions have adopted laws requiring, among other things, ESG reporting, calculating carbon emissions, including the value chain, and monitoring the supply chain for issues related to deforestation, forest degradation, forced labour or child labour. These regulations may impact us directly or indirectly, including via our customers and suppliers. These obligations would lead to rapid growth in the level of monitoring by governments, customers or investors. In addition, customers may voluntarily adopt high ESG standards that are not limited to their operations or production sites, but could also include their supply chain. If we are unable to meet their expectations, they could turn to competitors. Consequently, the level of monitoring by these stakeholders would also lead to a greater number of disclosure and reporting requests, for which the Corporation must put in place rigorous processes to collect and analyze data and information that are increasingly detailed. The expectations for the rapid implementation of initiatives related to ESG themes, and in particular those related to climate change, are increasingly high, and the inability to put in place action plans with tangible results enabling us to meet our ESG objectives could represent a disadvantage and a reputation and business risk.

Protection of Intellectual Property Rights – Failure of patents, trademarks and confidentiality agreements to protect intellectual property could adversely affect operations

Protection of the Corporation's proprietary processes, equipment and other technology is important. Following its innovation-focused strategy, it is all the more crucial to protect its intellectual property rights, failing that, the Corporation's competitive position may suffer, as competitors imitating its products and/or processes could offer them at lower prices than the Corporation's and significant costs might have to be incurred.

The Corporation also relies upon unpatented proprietary know-how and technological innovation as well as other trade secrets to develop and maintain its competitive position. There can be no assurance that confidentiality agreements would not be breached or would provide meaningful protection for trade secrets or proprietary know-how and adequate remedies in the event of an unauthorized use or disclosure of these trade secrets and proprietary know-how. In addition, there can be no assurance that others will not obtain knowledge of these trade secrets through independent research or other access by legal means.

In addition, the Corporation's patents, trademarks and other intellectual property rights may not provide it a competitive advantage. The Corporation may need to spend significant resources monitoring its intellectual property rights. Its competitive position may be harmed if it cannot detect infringement and enforce its intellectual property rights quickly or not. Competitors might avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. Intellectual property rights and our ability to enforce them may be unavailable or limited in some countries which could make it easier for competitors to capture market share and could result in lost revenues.

Pandemic, Epidemic or Outbreak of an Infectious Disease

The worldwide outbreak of a disease, a virus, including a type of virus such as the one that caused the COVID-19 pandemic, or any other contagious disease could have an adverse impact on the Corporation's operations, operating results and financial position. While it is sudden, its impact on economic cycles can give rise to unfavourable temporary disruptions in the market where the Corporation operates as well as on its internal structure, such as plant closures, shortages of raw materials and labour, and in supply chains and distribution channels.

Credit – Bad debts from certain customers

Certain factors, such as economic conditions and changes within certain industries, could expose the Corporation to credit risk with respect to receivables from certain of its customers, thereby negatively affecting its ability to collect in accordance with the established terms of payment. Senior management regularly analyzes and examines the financial position of customers and applies rigorous evaluation procedures to all new customers. The Corporation establishes a specific credit limit for each customer and periodically reviews the limits for major customers or customers that are considered at risk. As well, the Corporation believes that it is protected against any concentration of credit through its products, customer base and geographic diversity.

Exchange Rates – Exchange rate fluctuations

The Corporation is exposed to the fluctuations in the exchange rate of various foreign currencies, and these fluctuations could have an impact on earnings. The depreciation of the Canadian dollar against the U.S. dollar may increase the value of sales in the United States and create certain business opportunities. The appreciation of the U.S. dollar provides the Corporation with some protection against foreign competition in the Retail Services and Printing Sector. However, a potential recovery in the value of the Canadian dollar would have an adverse impact on net earnings. To reduce the risk of short-term foreign currency fluctuations, the Corporation attempts to match cash inflows and outflows in the same currency and has in place a currency hedging program that uses derivatives.

Interest Rates – Increase in market interest rates with respect to our financial instruments

The Corporation is exposed to risks of increases in interest rates. The Corporation maintains a combination of fixed-rate and floating-rate debt and monitors relevant interest rates and may, if applicable, hedge the exposure to floating interest rates with various derivative instruments. Floating-rate debt bears interest at rates based on the Canadian Overnight Repo Rate Average ("CORRA"), SOFR or bankers' acceptance rates. As it has floating-rate debt, an increase in interest rates could have an impact on the Corporation's earnings.

Liquidity - Availability of capital at a reasonable cost

The Corporation is exposed to liquidity risk, which is the risk that it will not be able to meet its financial obligations as they become due, or that it will be able to meet them, but at an excessive cost. The net indebtedness level could have important consequences, including the following:

- It may limit the Corporation's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisition and general corporate purposes;
- It may limit the Corporation's ability to adjust to changing market conditions and place it at a competitive disadvantage compared to its competitors that are less leveraged;
- It may increase financial expenses and reduce profitability;
- The Corporation may not be able to pay dividends on its Class A Subordinate Voting Shares and its Class B Shares;
- The Corporation may be vulnerable in a downturn in general economic conditions; and
- It may be more difficult for the Corporation to satisfy its covenants with respect to its indebtedness.

If any of these circumstances arise in the future, this could have a material adverse effect on the Corporation's business, financial position, prospects and/or results of operations. Moreover, the Corporation may not be able to achieve its strategic growth objectives where the required capital resources are not available to fund both its organic and acquisition growth strategy. In addition, non-compliance with financial covenants set out by the lenders in new credit facilities could lead to financial losses, increased costs or cross defaults, which in turn could have a material adverse impact on the Corporation's business, financial position, prospects and/or results of operations. Under the terms of the credit facilities, the Corporation is permitted to incur additional debt in certain circumstances, but the credit facilities could contain financial covenants which may limit its discretion in the operation of our business.

Litigation – The Corporation is subject to legal risks related to its activities

The Corporation could be involved in litigation or lawsuits resulting from its activities. In addition, in connection with its efforts to align the capacity and costs of the printing platform with business volumes, the Corporation may be involved in litigation regarding labour relations cases. In the Retail Services and Printing Sector and the Packaging Sector, the printing of incorrect information by the Corporation and non-compliance with customer specifications could lead to claims. In addition, in its acquisition activities, unidentified liabilities and significant legal obligations also represent a risk to the Corporation as the successor. Although the Corporation establishes provisions for such litigation, it cannot be ensured that the provisions for all claims correspond to the settlement amount and, as a result, this could potentially have an adverse impact on net earnings.

Pension Plans – Impact of major market fluctuations on the solvency of defined benefit pensions plans

As at October 26, 2025, almost all of the Corporation's active employees were participating in defined contribution pension plans. However, the risks related to the defined benefit pension plans, which are currently closed, are still assumed by the Corporation. Funding for defined benefit plans is based on actuarial estimates and is subject to limitations under applicable income tax and other relevant regulations. Actuarial estimates prepared during the year were based on assumptions related to projected employee compensation levels to the time of retirement and the expected long-term rate of return on pension plan assets. The defined benefit obligation, fair value of plan assets and plan asset composition are measured at the date of the annual financial statements. The Corporation continues to apply its investment strategy to limit the exposure of its assets to major fluctuations that would affect pension plan solvency.

Taxation – Changes in tax legislation could adversely affect profitability

The Corporation is subject to income taxes in many jurisdictions. Its tax exposures could be adversely affected in the future as a result of a number of factors, including changes in the mix of earnings in countries with differing statutory tax rates. The Corporation regularly assesses these matters to determine the adequacy of its assessment of its tax liability. To the extent that its assessments would be incorrect, its business, financial position, prospects and/or results of operations could be materially affected. Changes to laws or changes in interpretation of existing law, sometimes with a retroactive impact, by the tax authorities may have consequences. For example, the imposition of additional taxes or increases in the rate of income and other taxes or the removal of any tax incentives, from which it currently benefits in any of the jurisdictions in which it operates, may increase its effective tax rate and have a material adverse effect on its profitability. Any such changes in tax legislation, interpretation of the laws by the tax authorities, or any changes to accounting rules may have a material adverse effect on the amount of tax payable in regard to past and future periods. Finally, adverse outcomes from tax audits that it may be subject to in any of the jurisdictions in which it operates could result in an adverse change in its effective tax rate, which in turn could adversely affect its business, financial position, prospects and/or results of operations.

Taxation – Disputes with tax authorities or amendments to statutory tax rates in force

The Corporation believes that expenses claimed by the various group entities are reasonable and deductible and the cost and capital cost deduction used for the depreciable properties of these entities have been adequately calculated. In the normal course of the Corporation's business, tax authorities conduct ongoing audits and, in that respect, there can be no assurance that tax authorities will not dispute the Corporation's position regarding certain tax issues. If rulings in such disputes favour the tax authorities, it could have a material adverse impact on the Corporation, its activities, its net earnings, its financial position and shareholders' returns.

If income tax rates increase or decrease in future periods in a jurisdiction, the provision for income taxes for future periods will increase or decrease accordingly. Furthermore, deferred tax assets and liabilities will increase or decrease as income tax rates increase or decrease, respectively, and will result in an income tax impact. In addition, a reduction or an increase in the tax rate is expected to increase or decrease annual net earnings from what it would have otherwise been.

Impairment Tests – Impact of impairment tests on the value of assets

Under IFRS, the Corporation must test non-current assets for impairment if there is any indication that an asset or group of assets may be impaired. Any asset write-downs from impairment testing would have an adverse impact on the Corporation's net earnings, but it would not have any major impact on the Corporation's compliance with the indebtedness ratio it must meet under the terms of its current credit facilities or on its borrowing capacity.

Control Held – Conflict of interest between the controlling shareholder and other shareholders

As at October 26, 2025, Capinabel inc. directly or indirectly held 10.42% of shares outstanding and 65.96% of voting rights attached to the participating shares outstanding of the Corporation. All the shares of Capinabel inc. are held by Mr. Rémi Marcoux, Ms. Nathalie Marcoux, Ms. Isabelle Marcoux and Mr. Pierre Marcoux, companies that they control and trusts of which they are beneficiaries. Given the controlling stake of this shareholder, it is possible that in some situations the interests of the controlling shareholder might not correspond to the interests of other holders of participating shares of the Corporation.

DISCLOSURE CONTROLS AND PROCEDURES

The President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of the Corporation are responsible for establishing and maintaining the Corporation's disclosure controls and procedures.

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management to allow timely decisions regarding required disclosure.

The effectiveness of the design and operation of the Corporation's disclosure controls and procedures was evaluated as defined by *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings* ("Regulation 52-109") as at October 26, 2025. Based on this evaluation, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of the Corporation concluded that the design and operation of disclosure controls and procedures were effective as at October 26, 2025.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of the Corporation are 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.

The effectiveness of the design and operation of the Corporation's ICFR was evaluated as at October 26, 2025, in accordance with the framework and criteria set out in the document entitled "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 2013, a recognized control model, and the requirements of Regulation 52-109. Based on this evaluation, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of the Corporation concluded that the design and operation of ICFR were effective as at October 26, 2025.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial reporting and the preparation of financial statements.

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

During fiscal year 2025, Mirazed and Intergraphics generated revenues of \$9.6 million, or 0.4% of the Corporation's consolidated revenues.

Additional information about these acquisitions is presented in Table #10.

Table #10:
(Unaudited)

(in millions of dollars)	Mirazed and Intergraphics
Statement of financial position	As at October 26, 2025
Current assets	\$18.7
Non-current assets	61.6
Current liabilities	5.9
Non-current liabilities	12.2
Statement of earnings	Year ended October 26, 2025
Revenues	\$9.6
Operating earnings before depreciation and amortization	1.3
Operating earnings	1.7

During the year ended October 26, 2025, except for the above-mentioned facts, no change that has materially affected or is reasonably likely to affect the ICFR was brought to the attention of management, including the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of the Corporation.

SUBSEQUENT EVENT

On December 8, 2025, the Company announced that it had entered into an agreement to sell its Packaging Sector activities to ProAmpac Holdings Inc. for a total purchase price of approximately \$2.1 billion⁽¹⁾, subject to customary adjustments for debt and debt-like items, cash, and net working capital. The transaction is subject to shareholder approval, applicable regulatory approvals and other customary closing conditions. In this period of industry consolidation, this agreement enables the Company to maximize shareholder value by acting decisively and from a position of strength. In addition, it will allow the Company to focus its resources on its growth strategy in the retail services and printing sector, notably in-store marketing activities and in the media sector. The transaction is expected to close during the first quarter of calendar year 2026.

(1) Converted at an exchange rate of 1.38 Canadian dollars per 1.00 U.S. dollar.

OUTLOOK

The sale of our Packaging Sector should close in the first quarter of calendar year 2026, subject to meeting applicable closing conditions and receiving applicable authorizations by regulatory authorities.

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

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

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

On behalf of Management,

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

December 10, 2025

Consolidated financial
**STATEMENTS
AND NOTES**



MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Transcontinental Inc. are the responsibility of Management and have been approved by the Board of Directors of the Corporation. The consolidated financial statements include some amounts that are based on Management's best estimates using reasonable judgment. The consolidated financial statements have been prepared by Management in accordance with International Financial Reporting Accounting Standards ("IFRS").

In fulfilling their responsibilities, Management of Transcontinental Inc. and its subsidiaries develop and aim to improve accounting and management systems designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and that the financial records are reliable for preparing the consolidated financial statements.

The Board of Directors of the Corporation fulfills its responsibility for the consolidated financial statements principally through its Audit Committee. The Audit Committee meets with management and the independent auditors every quarter to discuss the results of the audit, internal controls and financial reporting matters. The independent auditors appointed by the shareholders have unrestricted access to the Audit Committee, with or without the presence of management.

The consolidated financial statements have been audited by KPMG LLP, whose report is presented on the following page.

(s) Thomas Morin

President and Chief Executive Officer

(s) Donald LeCavalier

Executive Vice President and Chief Financial Officer



KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Transcontinental Inc.,

Opinion

We have audited the consolidated financial statements of Transcontinental Inc. (the "Entity"), which comprise:

- the consolidated statements of financial position as at October 26, 2025 and October 27, 2024
- the consolidated statements of earnings for the years then ended
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at October 26, 2025 and October 27, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended October 26, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of the recoverable amount of certain groups of cash-generating units (CGUs) to which a goodwill is allocated

Description of the matter

We draw attention to notes 2 (i) and (n), 7 and 16 to the financial statements. The goodwill balance is \$1,179.5 million. Goodwill acquired in a business combination is allocated to CGUs (or group of CGUs) that will benefit from the synergies of the combination.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually, or more frequently if changes in circumstances indicate a potential impairment. An impairment loss is recognized if the carrying amount of a CGU (or group of CGUs) exceeds its estimated recoverable amount. Impairment losses are recognized in net earnings.

The recoverable amount of a CGU (or group of CGUs) is the higher of its value in use and its fair value less costs of disposal. In determining fair value less costs of disposal, the Entity uses significant assumptions including capitalization multiples and budgeted projections of operating earnings before depreciation and amortization.

Why the matter is a key audit matter

We identified the assessment of the recoverable amount of certain groups of CGUs to which goodwill is allocated as a key audit matter. This matter represented an area of significant or elevated risk of material misstatement for certain CGUs (or group of CGUs) due to the magnitude of the goodwill and the high degree of estimation uncertainty in determining the recoverable amount. In addition, significant auditor judgment and specialized skills and knowledge were required in evaluating the results of our audit procedures.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter.

We evaluated the appropriateness of operating earnings before depreciation and amortization used to establish the recoverable amount of certain CGUs (or group of CGUs) by comparing them to the Entity's actual historical operating earnings before depreciation and amortization. We took into account the changes in conditions and events affecting the CGUs (or group of CGUs) to assess the adjustments, or lack of adjustments, made by the Entity in arriving at operating earnings before depreciation and amortization to be generated by the CGUs (or group of CGUs).



We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the appropriateness of capitalization multiples of certain CGUs (or group of CGUs) by comparing them to publicly available market data for comparable entities.

Other Information

Management is responsible for the other information. Other information comprises the information:

- Included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- Other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2025 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2025 Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Dominique Hamel.

(s) KPMG LLP

Montréal, Canada

December 10, 2025

CONSOLIDATED STATEMENTS OF EARNINGS

Years ended October 26, 2025 and October 27, 2024

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

	Notes	October 26, 2025	October 27, 2024
Revenues	3	\$ 2,743.9	\$ 2,812.9
Operating expenses	5	2,278.5	2,343.5
Restructuring and other costs (revenues)	6	(17.2)	33.9
Impairment of assets	13, 14, 15 & 16	9.5	10.8
Operating earnings before depreciation and amortization		473.1	424.7
Depreciation and amortization	8	209.0	215.2
Operating earnings		264.1	209.5
Net financial expenses	9	42.3	60.0
Earnings before income taxes		221.8	149.5
Income taxes	10	50.4	27.6
Net earnings		171.4	121.9
Non-controlling interests		0.4	0.6
Net earnings attributable to shareholders of the Corporation		\$ 171.0	\$ 121.3
Net earnings attributable to shareholders of the Corporation per share - basic and diluted		\$ 2.04	\$ 1.41
Weighted average number of shares outstanding - basic and diluted (in millions)	21	83.8	86.1

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended October 26, 2025 and October 27, 2024
(in millions of Canadian dollars)

	Notes	October 26, 2025	October 27, 2024
Net earnings		\$ 171.4	\$ 121.9
Other comprehensive (loss) income			
Items that may be subsequently reclassified to net earnings			
Net change related to cash flow hedges			
Net change in the fair value of designated derivatives - foreign exchange risk	28	(7.0)	0.7
Net change in the fair value of designated derivatives - interest rate risk	28	(0.4)	(1.4)
Reclassification of the net change in the fair value of designated derivatives recognized in net earnings during the year		4.4	1.5
Related income taxes (recovery)		(0.8)	0.2
	23	(2.2)	0.6
Cumulative translation differences			
Net unrealized exchange gains on the translation of the financial statements of foreign operations		13.1	15.4
Reclassification to net earnings of net exchange gains on the translation of the financial statements of foreign operations during the year	4	(8.2)	—
Net losses on hedge of the net investment in foreign operations	28	(10.8)	(3.5)
Related income tax recovery		(2.2)	(4.2)
	23	(3.7)	16.1
Items that will not be reclassified to net earnings			
Changes related to defined benefit plans			
Actuarial losses on defined benefit plans	26	(4.8)	(2.8)
Related income tax recovery		(1.3)	(0.8)
	23	(3.5)	(2.0)
Other comprehensive (loss) income	23	(9.4)	14.7
Comprehensive income		\$ 162.0	\$ 136.6

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended October 26, 2025 and October 27, 2024
(in millions of Canadian dollars)

	Notes	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
Balance as at October 27, 2024		\$ 619.2	\$ 0.9	\$ 1,237.5	\$ 51.7	\$ 1,909.3	\$ 5.5	\$ 1,914.8
Net earnings		—	—	171.0	—	171.0	0.4	171.4
Other comprehensive loss	23	—	—	—	(9.4)	(9.4)	—	(9.4)
Shareholders' contributions and distributions to shareholders								
Share repurchases and related income taxes	21	(7.8)	—	8.8	—	1.0	—	1.0
Dividends	21	—	—	(159.0)	—	(159.0)	—	(159.0)
Balance as at October 26, 2025		\$ 611.4	\$ 0.9	\$ 1,258.3	\$ 42.3	\$ 1,912.9	\$ 5.9	\$ 1,918.8
Balance as at October 29, 2023		\$ 636.6	\$ 0.9	\$ 1,226.8	\$ 37.0	\$ 1,901.3	\$ 4.9	\$ 1,906.2
Net earnings		—	—	121.3	—	121.3	0.6	121.9
Other comprehensive income	23	—	—	—	14.7	14.7	—	14.7
Shareholders' contributions and distributions to shareholders								
Share repurchases and related income taxes	21	(17.4)	—	(33.2)	—	(50.6)	—	(50.6)
Dividends	21	—	—	(77.4)	—	(77.4)	—	(77.4)
Balance as at October 27, 2024		\$ 619.2	\$ 0.9	\$ 1,237.5	\$ 51.7	\$ 1,909.3	\$ 5.5	\$ 1,914.8

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Years ended October 26, 2025 and October 27, 2024
(in millions of Canadian dollars)

	Notes	As at October 26, 2025	As at October 27, 2024
Current assets			
Cash		\$ 47.0	\$ 185.2
Accounts receivable	11	468.1	504.4
Income taxes receivable		7.2	28.7
Inventories	12	378.4	365.7
Prepaid expenses and other current assets		25.0	21.7
Assets held for sale	4	12.0	108.9
		937.7	1,214.6
Property, plant and equipment	13	725.5	751.4
Right-of-use assets	14	98.5	99.6
Intangible assets	15	328.0	354.5
Goodwill	16	1,179.5	1,154.0
Deferred taxes	10	47.3	35.9
Other assets	17	30.0	31.3
		\$ 3,346.5	\$ 3,641.3
Current liabilities			
Accounts payable and accrued liabilities	18	\$ 435.2	\$ 495.1
Income taxes payable		3.5	21.1
Deferred revenues and deposits		8.5	10.9
Current portion of long-term debt	19	253.2	201.0
Current portion of lease liabilities	24	25.5	24.1
Liabilities held for sale	4	—	13.1
		725.9	765.3
Long-term debt	19	417.6	668.1
Lease liabilities	24	91.1	95.8
Deferred taxes	10	72.1	70.3
Other liabilities	20	121.0	127.0
		1,427.7	1,726.5
Equity			
Share capital	21	611.4	619.2
Contributed surplus		0.9	0.9
Retained earnings		1,258.3	1,237.5
Accumulated other comprehensive income	23	42.3	51.7
Attributable to shareholders of the Corporation		1,912.9	1,909.3
Non-controlling interests		5.9	5.5
		1,918.8	1,914.8
		\$ 3,346.5	\$ 3,641.3

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

On behalf of the Board of Directors

(s) Isabelle Marcoux
Executive Chair of the Board

(s) Nelson Gentiletti
Corporate Director

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended October 26, 2025 and October 27, 2024
(in millions of Canadian dollars)

	Notes	October 26, 2025	October 27, 2024
Operating activities			
Net earnings		\$ 171.4	\$ 121.9
Adjustments to reconcile net earnings and cash flows from operating activities:			
Impairment of assets	13, 14, 15 & 16	9.5	10.8
Depreciation and amortization	8	209.0	215.2
Financial expenses on long-term debt and lease liabilities	9	40.0	47.7
Net losses (gains) on disposal of assets		0.4	(5.1)
Gain on business disposal	4 & 6	(46.0)	—
Income taxes	10	50.4	27.6
Net foreign exchange differences and other		(2.0)	(0.9)
Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid		432.7	417.2
Changes in non-cash operating items	24	(26.7)	33.7
Income taxes paid		(51.8)	(37.2)
Cash flows from operating activities		354.2	413.7
Investing activities			
Business combinations, net of acquired cash	4	(21.7)	—
Business disposal	4	132.0	—
Acquisitions of property, plant and equipment		(69.3)	(95.1)
Disposals of property, plant and equipment and other		0.2	8.9
Increase in intangible assets		(30.2)	(26.4)
Cash flows from investing activities		11.0	(112.6)
Financing activities			
Reimbursement of long-term debt	24	(225.8)	(3.1)
Net decrease in credit facilities	24	(14.6)	(75.4)
Settlement of cross-currency fixed-to-floating interest rate swaps	19	(25.9)	—
Financial expenses paid and financing expenses paid on long-term debt and credit facilities	24	(39.3)	(43.3)
Repayment of principal on lease liabilities	24	(24.7)	(23.0)
Interest paid on lease liabilities	24	(4.1)	(3.5)
Dividends	21	(159.0)	(77.4)
Shares repurchased	21	(16.3)	(32.3)
Cash flows from financing activities		(509.7)	(258.0)
Effect of exchange rate changes on cash denominated in foreign currencies		6.3	5.1
Net change in cash		(138.2)	48.2
Cash at beginning of year		185.2	137.0
Cash at end of year		\$ 47.0	\$ 185.2
Non-cash investing activities			
Net change in capital asset acquisitions financed by accounts payable		\$ (2.2)	\$ (9.4)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

1 GENERAL INFORMATION

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

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

The Corporation's Board of Directors approved these consolidated financial statements on December 10, 2025.

2 MATERIAL ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements were prepared in accordance with International Financial Reporting Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated IFRS financial statements have been prepared in accordance with the following material accounting policies:

a) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items:

- derivative financial instruments and contingent considerations which have been measured at their fair value;
- assets and liabilities held for sale are measured at the lower of carrying amount and fair value less costs to sell;
- the liability related to stock-based compensation which has been measured under IFRS 2 *Share-based payments*;
- defined benefit liabilities, which are measured at the net amount of the fair value of defined benefit plan assets and the present value of the obligations related to these plans; and
- lease liabilities, which are measured at the present value of future lease payments.

b) Basis of consolidation

The consolidated financial statements include the accounts of the Corporation and its subsidiaries. The accounting policies described have been applied consistently by all the subsidiaries for all periods presented in these consolidated financial statements.

Subsidiaries are fully consolidated from the date the Corporation obtains control, and cease to be consolidated from the date that control ceases. All inter-company balances and transactions have been eliminated upon consolidation.

The Corporation holds the following main subsidiaries:

	Holding (in %)
Transcontinental Printing Inc. (Canada)	100.0
Transcontinental Printing 2007 Inc. (Quebec)	100.0
Transcontinental Printing 2005 G.P. (Quebec)	100.0
Transcontinental Printing Corporation (Delaware)	100.0
Transcontinental Media Inc. (Quebec)	100.0
Transcontinental Media G.P. (Quebec)	100.0
TC Transcontinental Packaging Inc. (Delaware)	100.0
Transcontinental Holding Corp (Delaware)	100.0
Transcontinental US LLC (Delaware)	100.0

c) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is the sum of the fair value of the assets transferred, equity instruments issued, liabilities incurred or assumed by the Corporation and contingent considerations on the acquisition date.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed is recognized as goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Revenue recognition

The Corporation recognizes revenues from the sale of goods or services when control over a good or service is transferred to the customer.

The Corporation has established that, for purposes of applying IFRS 15 *Revenues from contracts with customers*, a contract is usually a purchase order, including the related sales terms and conditions, or a combination of a purchase order and a contract. In the Retail Services and Printing Sector, certain contracts include more than one performance obligation, in particular when the contract provides for printing services as well as distribution and content solutions services. In the Packaging Sector, contracts usually include only one performance obligation, namely the sale of finished goods.

In the Packaging Sector and the Retail Services and Printing Sector, revenues are recognized as follows:

- **Packaging products**
Revenues are recognized when control over the products is transferred to the customer, which is usually when the products are shipped or delivered in accordance with the customer agreement.
- **Retail services and printing**
Revenues from the sale of retail services and printing are recognized when control over the products is transferred to the customer, which is usually when the products are shipped or delivered in accordance with the customer agreement.
- **Content solutions revenues**
Content solutions revenues are recognized at a point in time, when services are provided.
- For certain contracts related to the sale of packaging products and retail services and printing under which the Corporation provides custom products or services and for which it has an enforceable right to payment for performance completed, the criteria for revenue recognition over time are met and, consequently, revenues have to be recognized under that method. However, the Corporation has determined that the value of such contracts is not significant.

In the Media Sector, revenues are recognized as follows:

- **Advertising and book revenues**
Revenues are recognized at the publication date in the case of advertising revenues, and at the time of delivery, net of a provision for returns, in the case of book revenues.

e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first in, first out method, and includes the acquisition costs of raw materials and manufacturing costs, such as direct labor and a portion of manufacturing overhead. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

f) Property, plant, equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant, equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	20-40 years
Leasehold improvements	Term of the lease
Machinery and equipment	3-15 years
Other equipment	2-5 years

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Leases

At the commencement date of a lease, the Corporation recognizes a right-of-use asset and a lease obligation. The right-of-use asset is initially measured at the cost of the corresponding lease liability, adjusted by any lease payments made at or before the commencement date, less any lease incentives received, plus if applicable, any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset and for restoring the site where it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses, if applicable. The right-of-use asset is depreciated on a straight-line basis from the commencement date until the end of the lease term, except if the lease transfers ownership of the underlying asset to the Corporation by the end of the lease term or if the cost of the right-of-use asset reflects that the Corporation will exercise a purchase option. In such case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses and adjusted for any remeasurements of the lease liability. Right-of-use assets are tested for impairment at each reporting date if there is any indication that they may be impaired.

The lease liability is initially measured at the present value of future lease payments using the Corporation's incremental borrowing rate at the inception date, except when it is possible to determine the interest rate implicit in the lease. Lease payments are discounted over the lease term, which includes the fixed term and the renewal and termination options that the Corporation is reasonably certain to exercise.

The main payments included in the initial measurement of the lease liability are fixed payments, less lease incentives receivable, and variable lease payments that depend on an index or a rate. The lease liability is subsequently measured at amortized cost using the effective rate method, which results in an increase in the carrying amount of the lease obligation to reflect interest and a reduction of the carrying amount to reflect the lease payments made.

As permitted by IFRS 16, the Corporation also elected to not recognize a right-of-use asset and a lease liability to all new short-term leases (defined as having a lease term of less than 12 months) or for new leases for which the underlying asset is of low value. These leases are recognized on a straight-line basis over the lease term with the corresponding expense reported in the Consolidated Statement of Earnings under Operating expenses when incurred.

In the Consolidated Statement of Cash Flows, cash outflows related to the interest expense on the lease liability and those related to the principal of the lease liability are presented in financing activities. Lease payments for short-term leases, leases for which the underlying asset is of low value and non-lease components are presented in operating activities.

h) Intangible assets

i) Identifiable intangible assets acquired in a business combination

Identifiable intangible assets acquired in a business combination are recorded at fair value at acquisition date, and subsequently recognized at cost less any accumulated amortization and accumulated impairment losses.

ii) Internally generated intangible assets

Internally generated intangible assets consist of book prepublication costs, technology project costs, other than configuration or customization costs in a cloud computing arrangement, and new product development and creation costs.

Subsequent to initial recognition, internally generated intangible assets are stated at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite useful lives are amortized according to the following methods and estimated useful lives:

	Term	Method
Customer relationships	4-12 years	Straight-line
Book prepublication costs	Maximum 7 years	Based on the estimated life of the book
Educational book titles	6-9 years	Based on the estimated life of the book
Acquired printing contracts	Term of the contract	Straight-line
Right of first refusal	Term of the contract	Straight-line
Trade names	4 years	Straight-line
Non-compete agreements	2-5 years	Straight-line
Technology project costs	3-7 years	Straight-line
Development costs	3 years	Straight-line

Intangible assets with indefinite useful lives mainly consist of trade names acquired in business combinations for book publication activities. They are not amortized and are tested for impairment annually or more frequently if changes in circumstances indicate a potential impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Impairment of non-financial assets

The Corporation reviews the carrying amount of its non-financial assets, other than inventories and deferred tax assets, at each reporting date in order to determine whether there is an indication of potential impairment.

Intangible assets with indefinite useful lives acquired in business combinations are allocated to cash generating units ("CGU"), and assessed for impairment annually, or more frequently if changes in circumstances indicate potential impairment.

Goodwill acquired in a business combination is allocated, beginning on the acquisition date, to the group of CGUs that will benefit from the synergies of the combination. For the purpose of impairment testing, non-financial assets that cannot be tested individually for impairment are aggregated to form the smallest group of assets that generates, through continuing use, cash flows that are largely independent of the cash flows from other assets. Each group of CGUs to which goodwill is allocated may not be larger than an operating segment, and represents the lowest level at which goodwill is monitored as part of internal management.

The recoverable amount of a CGU (or group of CGUs) is the higher of its value in use and its fair value less costs of disposal. Value in use is determined by discounting estimated future cash flows, using a discount rate that reflects current market assessments, the time value of money and the risks specific to the CGU (or group of CGUs).

The fair value less costs of disposal is determined using capitalization multiples applied to the budgeted operating earnings before depreciation and amortization (earnings before taxes, interest, depreciation and amortization "EBITDA") for the following fiscal year for the group of CGUs concerned.

The Corporation's corporate assets do not generate separate cash inflows. They are tested for impairment at the lowest CGU aggregation level to which the corporate assets can be reasonably and consistently allocated. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU (or group of CGUs) to which the corporate asset has been allocated.

Except in the case of an impairment indicator identified earlier during the fiscal year which would require the Corporation to perform an impairment test at that date, the Corporation performs its annual test of impairment during the last quarter of its fiscal year, based on the Corporation's net carrying amount of assets as at the first day of the last quarter of each fiscal year.

An impairment loss is recognized if the carrying amount of an asset, a CGU (or group of CGUs) exceeds its estimated recoverable amount. Impairment losses are recognized in net earnings.

j) Provisions

The amount recognized as a provision is the Corporation's best estimate of the present obligation at the end of the reporting period. The Corporation's main provisions are related to restructuring costs and onerous contracts. The present value of provisions depends on certain factors that are regularly assessed using certain assumptions, including the discount rate, the cash flows expected to be needed to settle the obligation and the number of years until the settlement of the provision. Provisions are reviewed at each reporting date and any changes to estimates are reflected in the Consolidated Statement of Earnings.

k) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Corporation. The functional currency is the currency of the primary economic environment in which the Corporation operates. The functional currency of the operating foreign subsidiaries is mainly the U.S. dollar.

The assets and liabilities of foreign subsidiaries whose functional currency is not the Canadian dollar are translated into Canadian dollars using the exchange rate prevailing as at the reporting date. Revenue and expense items are translated at the average exchange rate for the period.

Exchange differences are recognized in OCI under "Cumulative translation differences" and are accumulated in equity. The accumulated amount of exchange differences is reclassified to net earnings upon disposal or partial disposal of an interest in a foreign operation.

The Corporation designates certain foreign exchange forward contracts denominated in U.S. dollars and certain financial liabilities denominated in U.S. dollars as hedging instruments for an equivalent portion of its net investment in certain foreign operations that have the U.S. dollar as their functional currency. Thus, the effective portion of changes in the fair value of foreign exchange contracts as well as the foreign exchange fluctuation of financial liabilities denominated in U.S. dollars, net of related income taxes, is recognized in OCI and the ineffective portion is recognized in net earnings. Cumulative gains and losses recognized in accumulated OCI are reclassified to net earnings in the period in which the related net investment in a foreign operation is subject to a total or partial disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Financial instruments

i) Classification and measurement of financial assets and financial liabilities

Financial assets and liabilities are initially recognized at fair value and their subsequent measurement depends on their classification.

Financial assets and liabilities are classified and subsequently measured as follows:

	Category	Subsequent measurement
Cash	Amortized cost	Amortized cost, at the effective interest rate
Accounts receivable	Amortized cost	Amortized cost, at the effective interest rate
Accounts payable, other accrued liabilities and other financial liabilities	Amortized cost	Amortized cost, at the effective interest rate
Contingent consideration	Fair value through profit or loss	Fair value
Long-term debt	Amortized cost	Amortized cost, at the effective interest rate
Derivative financial instruments	Fair value through profit or loss	Fair value

ii) Impairment of financial assets

The Corporation recognizes expected credit losses on financial assets, and changes in such losses, at each reporting date to reflect changes in credit risk since the initial recognition of the financial assets. For accounts receivable, the Corporation applies the simplified approach permitted by IFRS 9, under which lifetime expected credit losses must be recognized upon initial recognition. For loans classified under Accounts receivable, the Corporation measures credit risk based on the 12-month expected credit risk if there has not been a significant increase in credit risk since initial recognition.

m) Derivative financial instruments and hedge accounting

The Corporation identifies, evaluates and manages financial risks related to changes in interest rates and foreign exchange rates in order to minimize the effect on its results and financial position, using derivative financial instruments for which parameters have been defined and approved by the Board of Directors. If the Corporation did not use derivative financial instruments, exposure to market volatility would be greater.

When applying hedge accounting, the Corporation formally documents the relationship between the derivative financial instruments and the hedged items, as well as its objective and risk management strategy underlying its hedging activities, as well as the methods that will be used to assess hedge effectiveness. This process includes linking all derivative financial instruments designated as a hedge item to specific assets and liabilities, firm commitments or specific forecast transactions.

At the inception of the hedging relationship and throughout its duration, the Corporation must have reasonable assurance that the relationship will remain effective and in accordance with its risk management objective and strategy as initially documented.

For derivative financial instruments designated as cash flow hedges, the effective portion of the hedging relationship is recognized in OCI and the ineffective portion is recognized in the Consolidated Statement of Earnings. The effective portion of an interest rate risk hedging relationship is reclassified to net earnings during the period in which the hedged interest payments are recognized in net earnings. The effective portion of a currency risk hedging relationship related to foreign currency sales is reclassified to net earnings during the period in which the sales are recognized in net earnings.

Derivative financial instruments designated as a hedge of the net investment in foreign operations are accounted for similarly to cash flow hedges. For cross-currency interest rate swaps, only the spot element is included in the hedging relationship, and the change in fair value is recognized in other comprehensive income. The forward element and the foreign currency basis spread are excluded from the hedging relationship. They are recognized in other comprehensive income as a hedge-related transaction cost and are then amortized to net earnings based on the settlement of interest payments on the cross-currency interest rate swaps. The effective portion of the net investment hedging relationship is reclassified to net earnings on the disposal or partial disposal of the foreign operation.

For derivative financial instruments designated as fair value hedges, the change in fair value of hedging derivative financial instruments is recognized in the Consolidated Statements of Earnings, along with changes in the fair value of hedged assets or liabilities attributable to the hedged risk. The amount of the gain or loss attributable to the hedged risk is applied to the carrying amount of the hedged item. When the changes in the fair value of the hedging derivative financial instruments and the hedged item do not fully offset, the resulting amount, which represents the ineffective portion of the relationship, is recognized under Net financial expenses in the Consolidated Statements of Earnings.

The Corporation may also use total return swaps to hedge the market risk related to the change in the price of Class A Shares for purposes of measuring the stock-based compensation liability. In accordance with the requirements of IFRS 9, total return swaps are classified in the "Fair value through profit or loss" category with subsequent measurement at fair value.

The Corporation does not designate these derivative financial instruments as cash flow hedging instruments and, consequently, changes in fair value are recognized in the Consolidated Statement of Earnings for the period under Operating expenses against stock-based compensation expenses (gains).

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Derivative financial instruments and hedge accounting (continued)

When hedging instruments mature before maturity, any gains or losses, revenues or expenses associated with the hedging instrument that had previously been recognized in OCI as a result of applying hedge accounting are deferred and recognized in net earnings in the period during which the hedged item affects net earnings. If the hedged item ceases to exist due to its maturity, expiry, cancellation or exercise, any gains or losses, revenues or expenses associated with the hedging instrument that had previously been recognized in OCI as a result of applying hedge accounting are recognized in the reporting period's net earnings.

Other derivative financial instruments offering economic hedging without being qualified for hedge accounting are recognized at fair value with changes in fair value recorded in net earnings. The Corporation does not use derivative financial instruments for speculative or trading purposes.

n) Critical judgments and sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Corporation's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and contingent liabilities on the reporting date, and amounts of revenues and expenses for the relevant period. Although management regularly reviews its estimates, actual results may differ. The impact of changes to accounting estimates is recognized in the period during which the change occurs, and in the affected future periods, when applicable. Areas in which the estimates and assumptions are significant or which are complex, are as follows:

i) Business combinations

The determination of fair values associated with identifiable property, plant and equipment and intangible assets following a business combination requires management to make assumptions. More specifically, this is the case when the Corporation calculates fair values using appropriate valuation techniques, which are generally based on a forecast of expected future cash flows for intangible assets, and on a replacement cost approach, an income-based approach and/or a market-based approach for property, plant and equipment.

These valuations are closely related to the assumptions made by management about the future return and lives of the related assets and the discount rate applied. Significant changes to these assumptions could significantly change the fair values associated with identifiable intangible assets following a business combination, which would impact the amortization expense.

ii) Impairment of non-financial assets

As part of assessing goodwill, property, plant and equipment and intangible assets for impairment, the recoverable amount of a CGU is determined using a complex valuation method that requires the use of a number of methods, including the discounted future cash flow method and the market-based method.

When the discounted future cash flow method is used, estimated cash flows are established based on past experience, certain economic trends as well as industry and market trends, and represent management's best estimates of future results. The recoverable amount of a CGU is also influenced by the discount rate used in the model, by the growth rate used to make the extrapolation and by the weighted average cost of capital.

When a market-based method is used, the Corporation estimates the fair value of the CGU by multiplying operating earnings before depreciation and amortization by a capitalization multiple that is based on market data.

These methods rely on numerous assumptions and estimates that may have a significant impact on the recoverable amount of a CGU, and thereby, on the amount of impairment, if any. The impact of significant changes in assumptions and the revision of estimates, if any, is recognized in net earnings in the period in which the changes occur or the estimates are revised.

iii) Income taxes

The Corporation determines its income tax expense and its income tax assets and liabilities based on its interpretation of applicable tax legislation, including tax treaties between the various countries in which it operates, as well as underlying rules and regulations. Such interpretations involve judgments and estimates that may be challenged in government tax audits, to which the Corporation is regularly subject. New information may also become available, which would cause the Corporation to change its judgment regarding the adequacy of existing income tax assets and liabilities. Any such changes will have an impact on net earnings for the period in which they occur.

In the calculation of income taxes and deferred tax assets and liabilities, estimates must be used to determine the appropriate rates and amounts, and to take into account the probability of realization of tax assets. Deferred tax assets also reflect the benefit of unused tax losses and deductions that can be carried forward to reduce current income taxes in future years. This assessment requires the Corporation to make significant estimates in determining whether or not it is probable that the deferred tax assets can be recovered from future taxable income and therefore, that they can be recognized in the Corporation's consolidated financial statements. The Corporation relies, among other things, on its past experience to make this assessment.

Once the final amounts have been determined, they may result in adjustments to current and deferred tax assets and liabilities.

iv) Employee benefits

The costs of defined benefit pension plans and the defined pension benefit assets (liabilities) are measured using actuarial methods. Actuarial valuations are based on assumptions such as discount rates, expected rates of return on assets, compensation growth rates and mortality rates. Due to the long-term nature of these obligations, these estimates are subject to significant uncertainty. Management revises these assumptions annually and the impact of the revision, if any, is recognized in the Statement of Financial Position and in comprehensive income in the period in which the estimates are revised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Critical judgments and sources of estimation uncertainty (continued)

v) Assets and liabilities held for sale

As part of the measurement process for assets and liabilities held for sale, the Corporation has to make judgments mainly with respect to estimates related to the allocation of goodwill and customer relationships. Making a different judgment could lead to a different result. Assets and liabilities held for sale were reclassified during the period in which all held-for-sale criteria were met.

o) Impact of new accounting standards, amendments and interpretations adopted during the year

i) Amendments to IAS 1 *Presentation of Financial Statements*

During the year ended October 26, 2025, the Corporation adopted the amendment to IAS 1, *Classification of Liabilities as Current or Non-current*. The amendments clarify that the classification of liabilities as current or non-current should be based on the rights existing at the reporting date. Adopting these amendments had no significant impact on the Corporation's consolidated financial statements.

p) New accounting standards, amendments and interpretations issued but not yet adopted

i) Amendments to IFRS 7 *Financial Instruments: Disclosures* and IFRS 9 *Financial Instruments*

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. The amendments clarify the recognition date and derecognition date of certain financial assets and liabilities, clarify and add guidance to assess whether a financial asset meets the solely payments of principal and interest criteria, add new disclosure requirements for certain instruments with contractual terms that could change cash flows and update the disclosure requirements relating to equity instruments at fair value through other comprehensive income. The amendments are effective for years beginning on or after January 1, 2026. The Corporation is assessing the impact of their adoption on its financial statements.

ii) IFRS 18 *Presentation and Disclosures in Financial Statements*

In April 2024, the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements* which will replace *IAS 1 Presentation of Financial Statements*. The standard introduces new required subtotals in the statement of earnings and disclosure requirements for management-defined performance measures. IFRS 18 will be applicable to the Corporation for the fiscal year beginning on November 1, 2027, with earlier application permitted. The Corporation is assessing the impact of this new standard on its consolidated financial statements.

3 SEGMENTED INFORMATION

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 SEGMENTED INFORMATION (CONTINUED)

	Packaging	Retail Services and Printing	Other	Consolidated results
For the year ended October 26, 2025				
Revenues	\$ 1,598.1	\$ 1,057.7	\$ 88.1	\$ 2,743.9
Operating expenses	1,341.3	855.3	81.9	2,278.5
Restructuring and other costs (revenues)	(38.9)	10.4	11.3	(17.2)
Impairment of assets	—	1.2	8.3	9.5
Operating earnings before depreciation and amortization	295.7	190.8	(13.4)	473.1
Depreciation and amortization	136.5	44.6	27.9	209.0
Operating earnings ⁽¹⁾	\$ 159.2	\$ 146.2	\$ (41.3)	\$ 264.1
Adjusted operating earnings before depreciation and amortization ⁽²⁾	\$ 257.6	\$ 202.4	\$ 6.2	\$ 466.2
Adjusted operating earnings ^{(1) & (2)}	175.5	160.1	(19.9)	315.7
Realized gains on non-designated foreign exchange contracts ⁽²⁾	0.8	—	—	0.8
Amortization of intangible assets arising from business combinations ⁽²⁾	54.4	2.3	1.8	58.5
Acquisitions of non-current assets ⁽³⁾	50.8	20.3	26.2	97.3
	Packaging	Retail Services and Printing	Other	Consolidated results
For the year ended October 27, 2024				
Revenues	\$ 1,643.6	\$ 1,069.7	\$ 99.6	\$ 2,812.9
Operating expenses	1,381.4	868.7	93.4	2,343.5
Restructuring and other costs	11.2	22.1	0.6	33.9
Impairment of assets	0.6	9.1	1.1	10.8
Operating earnings before depreciation and amortization	250.4	169.8	4.5	424.7
Depreciation and amortization	135.7	51.2	28.3	215.2
Operating earnings ⁽¹⁾	\$ 114.7	\$ 118.6	\$ (23.8)	\$ 209.5
Adjusted operating earnings before depreciation and amortization ⁽²⁾	\$ 262.2	\$ 201.0	\$ 6.2	\$ 469.4
Adjusted operating earnings ^{(1) & (2)}	187.4	153.2	(20.0)	320.6
Amortization of intangible assets arising from business combinations ⁽²⁾	60.9	3.4	2.1	66.4
Acquisitions of non-current assets ⁽³⁾	69.1	18.7	24.3	112.1

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 SEGMENTED INFORMATION (CONTINUED)

Additional information on revenues

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

	October 26, 2025	October 27, 2024
Packaging Products		
Revenues generated from plants located in Canada	\$ 161.4	\$ 148.1
Revenues generated from plants located in the United States	1,140.1	1,202.5
Revenues generated from plants located outside Canada and the United States	296.6	293.0
	1,598.1	1,643.6
Retail Services and Printing ⁽¹⁾		
Marketing and media solutions ⁽²⁾	362.4	436.5
In-store marketing solutions	231.9	207.4
Magazines and books	191.8	172.6
Specialized solutions	116.7	99.0
Newspapers	80.8	81.7
Content solutions	74.1	72.5
	1,057.7	1,069.7
Media ⁽¹⁾	108.5	116.8
Inter-sector Sales ⁽³⁾	(20.4)	(17.2)
	\$ 2,743.9	\$ 2,812.9

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

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

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

Assets by sector

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

	As at October 26, 2025	As at October 27, 2024
Packaging	\$ 2,170.0	\$ 2,228.7
Retail Services and Printing	855.3	843.6
Other ⁽¹⁾	321.2	569.0
	\$ 3,346.5	\$ 3,641.3

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 SEGMENTED INFORMATION (CONTINUED)

Non-current assets

The following table presents non-current assets disaggregated by geographic area:

	As at October 26, 2025	As at October 27, 2024
Non-current assets ⁽¹⁾		
Canada	\$ 944.9	\$ 921.7
United States	1,150.0	1,205.5
Other	262.4	258.2
	\$ 2,357.3	\$ 2,385.4

⁽¹⁾ These amounts include property, plant and equipment, right-of-use assets, intangible assets, goodwill and other non-current assets, and exclude derivative financial instruments, deferred taxes and defined benefit asset.

4 BUSINESS COMBINATIONS AND DISPOSAL

Business combinations

• Mirazed and Intergraphics

On August 7, 2025, the Corporation acquired all the shares of two Canva Group Inc. businesses, Mirazed Inc. "Mirazed" and Intergraphics Decal Limited "Intergraphics". Mirazed, located in Saint-Hubert, Quebec, is recognized for its cutting-edge expertise in screen printing as well as large format digital printing, the production of promotional displays and point-of-purchase signage. Intergraphics, based in Winnipeg, Manitoba, specializes in industrial screen and digital printing. This acquisition allows the Corporation to accelerate the growth of its in-store marketing activities. The transaction was completed for a consideration of \$22.5 million, subject to adjustments, including a purchase price holdback of up to \$5.0 million payable 18 months after the closing date, and a contingent consideration receivable with a fair value of \$2.2 million that could reach a maximum payable amount of \$8.5 million subject to attaining pre-established financial targets. As of the transaction date, the Corporation assumed and repaid \$38.0 million of long-term debt. The Corporation will measure the fair value of assets acquired and liabilities assumed in the coming quarters.

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 Mirazed and Intergraphics:

	Provisional allocation
Assets acquired	
Cash acquired	\$ 2.1
Current assets	15.2
Property, plant and equipment	5.3
Right-of-use assets	5.8
Intangible assets	26.4
Goodwill	24.4
	\$ 79.2
Liabilities assumed	
Accounts payable and accrued liabilities	\$ 5.6
Long-term debt (including the current portion) ⁽¹⁾	38.2
Lease liabilities (including current portion)	5.8
Deferred taxes	7.1
	56.7
Identifiable net assets	\$ 22.5
Total consideration	
Cash paid	\$ 19.7
Long-term consideration payable	2.8
	\$ 22.5

⁽¹⁾ On August 7, 2025, immediately after the acquisition, long-term debt totalling \$23.4 million and credit facilities totalling \$14.6 million were repaid by the Corporation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4 BUSINESS COMBINATIONS AND DISPOSAL (CONTINUED)

Business combinations (continued)

• Middleton

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

As at October 26, 2025, the accounting for the Mirazed, Intergraphics and Middleton business combinations is not completed and is based on information available as of the date of these consolidated financial statements. The provisional accounting of these acquisitions led to the recognition of a goodwill totalling \$25.0 million as at October 26, 2025. The recognized goodwill is not deductible for tax purpose. The Corporation will complete the fair value measurement of the main items, including intangible assets and the determination of deferred taxes, in the coming fiscal year, once all necessary information has been obtained.

The Corporation's Consolidated Statement of Earnings for the year ended October 26, 2025 includes the operating results of Mirazed, Intergraphics and Middleton since their acquisition dates, namely additional revenues of \$14.7 million and net earnings of \$1.6 million, including adjustments related to the accounting for these acquisitions and excluding transaction costs. If the Corporation had acquired these entities at the beginning of the year ended October 26, 2025, revenues would have increased by an additional amount of \$46.7 million and net earnings would have increased by an additional amount of \$5.5 million.

Business disposal

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

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

	Notes	Business disposal
Consideration received		\$ 132.0
Transaction costs		(0.4)
Total consideration		131.6
Net amount of assets and liabilities disposed		(93.8)
Cumulative net exchange gains on the translation of the financial statements of foreign operations reclassified to net earnings		8.2
Gain on business disposal, before income taxes	6	46.0
Income taxes on the gain on business disposal	10	(20.3)
Gain on business disposal, after income taxes		\$ 25.7

5 OPERATING EXPENSES

	October 26, 2025	October 27, 2024
Employee-related costs	\$ 771.0	\$ 771.2
Supply chain and logistics ⁽¹⁾	1,369.3	1,434.9
Other goods and services ⁽²⁾	138.2	137.4
	\$ 2,278.5	\$ 2,343.5

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

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

The cost of goods sold recognized in operating expenses for the year ended October 26, 2025 was \$1,782.2 million (\$1,827.1 million for the year ended October 27, 2024). An amount of \$4.3 million was recognized as inventory obsolescence expense for the year ended October 26, 2025 (\$6.6 million for the year ended October 27, 2024).

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

6 RESTRUCTURING AND OTHER COSTS (REVENUES)

	Note	October 26, 2025	October 27, 2024
Gain on business disposal	4	\$ (46.0)	\$ —
Workforce reductions ⁽¹⁾		7.4	23.6
Costs related to plant closures and restructuring ⁽²⁾		4.0	10.8
Net gain on the sale of building		—	(5.0)
Configuration and customization costs in cloud computing arrangements		1.1	4.3
Business acquisition, disposal and integration costs ⁽³⁾		11.1	—
Other elements ⁽⁴⁾		5.2	0.2
		\$ (17.2)	\$ 33.9

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

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

⁽³⁾ Includes mainly legal fees and other professional fees for potential or completed business combinations or disposals, as well as costs related to the integration of acquired businesses. For the year ended October 26, 2025, amounts presented under this caption include mainly costs incurred in connection with the disposal of the activities of the Packaging Sector.

⁽⁴⁾ For the year ended October 26, 2025, amounts presented under this caption include mainly costs of \$7.2 million as a result of the labour conflict at Canada Post, less the reversal of the purchase price holdback of \$2.3 million recorded upon the acquisition of Banaplast S.A.S. on June 22, 2022.

7 IMPAIRMENT OF ASSETS

Goodwill and intangible assets with indefinite useful life

The Corporation performed its annual goodwill impairment test for all its groups of CGUs. In performing the annual goodwill impairment test, the carrying amount of groups of CGUs, including goodwill and intangible assets with an indefinite useful life, was compared to their recoverable amount. On July 9, 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 CGU, in the Media Sector. The Corporation concluded that the recoverable amount of the other groups of CGUs tested for impairment exceeded their carrying amount. As a result, no other impairment charges were recognized with respect to the groups of CGUs tested for the year ended October 26, 2025 and the same conclusion had been reached for the impairment test performed during the year ended October 27, 2024.

The recoverable amount of groups of CGUs, established for the annual impairment test of goodwill, has been determined based on the higher of fair value less costs of disposal and value in use.

The fair value less costs of disposal was determined using capitalization multiples applied to the budgeted 2026 operating earnings before depreciation and amortization (earnings before taxes, interest, depreciation and amortization ("EBITDA")) for the group of CGUs concerned. The budget is sensitive to the main assumptions used in this model, such as expected sales volumes, the impact of inflation on operating expenses, mainly raw materials and the ability to adjust the sales prices needed to establish operating earnings before depreciation and amortization. In addition, the evolution of current economic conditions and interest rates may have an impact on capitalization multiples, which are derived from comparable companies whose activities are similar to the group of CGUs concerned. The values applied to these main assumptions are derived from a combination of external and internal factors, based on past experience, as well as management's future expectations of the Corporation's performance. There is a series of factors affecting such supply and demand, including competing products, the availability of materials and other general market conditions.

The value in use was determined using the estimated future cash flow approach, which are also determined based on budgeted EBITDA as described above, based on discounted cash flows over a five-year period and taking into account past experience, but also the business strategy and market or industry economic trends. Beyond the five-year period, cash flows were extrapolated using estimated perpetual growth or decline rates, which do not exceed those forecasted for the specific markets in which the group of CGUs operates. The assumptions used by the Corporation in the discounted expected future cash flows model are categorized within Level 3 of the fair value hierarchy, which means that they are not based on observable market data.

The discount rate used by the Corporation in calculating value in use is the weighted-average cost of capital ("WACC") of comparable companies with operations that are similar to those of the group of CGUs. The WACC is an estimated unified rate of return that holders of equity and debt securities require on their investments, and it reflects the assessment of the current market, the time value of money and the specific risk applicable to the group of CGUs.

The Corporation performs its annual test of impairment during the last quarter of its fiscal year, based on the Corporation's net carrying amount of assets as at the first day of the last quarter of each fiscal year. During the three-month period ended October 26, 2025, the Corporation performed its annual impairment test for the marketing products CGU, which includes the goodwill arising from the acquisition of Mirazed and Intergraphics.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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7 IMPAIRMENT OF ASSETS (CONTINUED)

Goodwill and intangible assets with indefinite useful life (continued)

The following table presents the main groups of CGUs subject to a goodwill impairment test, the basis used for the recoverable amount and key assumptions used as at the date of the impairment test for the years ended October 26, 2025 and October 27, 2024:

	As at October 26, 2025				As at October 27, 2024				
	Carrying amount of goodwill	Basis used for the recoverable amount	Capitalization multiple	Carrying amount of goodwill	Basis used for the recoverable amount	Capitalization multiple	Perpetual growth rate	After-tax discount rate	
Packaging Sector									
Americas Group	\$ 710.6	Fair value	8.5 x	\$ 706.1	Fair value	8.7 x	s.o.	s.o.	
Coatings Group	74.1	Fair value	12.0 x	72.4	Value in use	s.o.	2.0 %	12.0 %	
Retail Services and Printing Sector									
Printing Group	289.4	Fair value	4.0 x	289.4	Fair value	4.0 x	s.o.	s.o.	
Marketing Product Group	54.8	Fair value	5.5 x	29.8	Fair value	5.5 x	s.o.	s.o.	

The Corporation performed a sensitivity analysis on the most significant assumptions used to determine the recoverable amount for groups of CGUs subject to the impairment test. For all the groups of CGUs, a decrease in capitalization multiples of 10.0% or a decrease in operating earnings before depreciation and amortization of 10.0%, taken individually, would not change the conclusions of the impairment test.

The Book Publishing Group CGU was validated as part of the impairment test as at October 26, 2025 and as at October 27, 2024. The carrying amount of goodwill related to this CGU is not significant compared to the total carrying amount of the Corporation's goodwill (Note 16).

Intangible assets with an indefinite useful life

The Corporation performed its annual impairment test for intangible assets with an indefinite useful life, which mainly comprise trade names acquired in book publishing business combinations. No impairment charges were recognized for the year ended October 26, 2025 and the same conclusions had been reached for the impairment test performed during the year ended October 27, 2024.

8 DEPRECIATION AND AMORTIZATION

	Notes	October 26, 2025	October 27, 2024
Property, plant and equipment	13	\$ 100.1	\$ 100.9
Right-of-use assets	14	22.9	21.9
Intangible assets	15	86.0	92.4
		\$ 209.0	\$ 215.2

9 NET FINANCIAL EXPENSES

	Notes	October 26, 2025	October 27, 2024
Financial expenses on long-term debt		\$ 35.9	\$ 44.1
Interest on lease liabilities	24	4.1	3.6
Net interest on defined benefit asset and liability	26	3.7	3.9
Other (income) expenses		(1.0)	6.1
Net foreign exchange (gains) losses ⁽¹⁾		(0.4)	2.3
		\$ 42.3	\$ 60.0

⁽¹⁾ For the year ended October 26, 2025, amounts presented under this line item include realized gains on non-designated foreign exchange contracts of \$0.8 million (nil for the year ended October 27, 2024) and unrealized losses on non-designated foreign exchange contracts of \$3.3 million (nil for the year ended October 27, 2024) (note 28).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10 INCOME TAXES

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

	October 26, 2025	October 27, 2024
Earnings before income taxes	\$ 221.8	\$ 149.5
Canadian statutory tax rate ⁽¹⁾	26.5%	26.5%
Income taxes at the statutory tax rate	58.8	39.6
Effect of differences in tax rates and additional income taxes in other jurisdictions	(13.0)	(10.4)
Income taxes on non-deductible expenses and non-taxable revenues	6.5	1.3
Change in deferred tax assets on tax losses or temporary differences not previously recognized	2.2	0.4
Adjustment for previous years' balances	(3.1)	(2.2)
Other	(1.0)	(1.1)
Income taxes at the effective tax rate	\$ 50.4	\$ 27.6
Income taxes before the following items:	\$ 55.0	\$ 58.6
Income tax recovery on amortization of intangible assets arising from business combinations	(14.5)	(16.3)
Income tax recovery on impairment of assets	(2.5)	(2.7)
Income tax recovery on restructuring and other costs	(7.9)	(8.6)
Income taxes on gain on business disposal	20.3	—
Recognition of previous year tax assets of an acquired company	—	(3.4)
Income taxes at the effective tax rate	\$ 50.4	\$ 27.6

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

The Corporation is present in countries that have adopted the Pillar Two model rules on global minimum tax, which are effective as of its fiscal year ended October 26, 2025. The Corporation has assessed its potential exposure and determined that the transitional safe harbour provided for in these Pillar Two model rules applies in most jurisdictions where it operates. However, there are a limited number of jurisdictions where the transitional safe harbour does not apply and where the effective tax rate is lower than 15.0%. Based on its interpretation of current laws, the Corporation considers that no global minimum tax is applicable. The Corporation monitors the developments in the various jurisdictions in which it operates.

The following table presents components of income tax expense for the years ended:

	October 26, 2025	October 27, 2024
Current taxes		
Current year	\$ 76.9	\$ 45.2
Adjustment for previous year's balances	(2.8)	(4.6)
	74.1	40.6
Deferred taxes		
Adjustment for previous year's balances	(0.3)	2.4
Origination and reversal of temporary differences	(25.6)	(15.5)
Change in deferred tax assets on tax losses or temporary differences not previously recognized	2.2	0.4
Impact of tax rate changes	—	(0.3)
	(23.7)	(13.0)
Income taxes	\$ 50.4	\$ 27.6

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10 INCOME TAXES (CONTINUED)

The following table presents components of the deferred tax assets and liabilities:

	As at October 26, 2025		As at October 27, 2024	
	Asset	Liability	Asset	Liability
Property, plant and equipment	\$ —	\$ 80.8	\$ —	\$ 79.8
Right-of-use assets	—	25.3	—	25.8
Intangible assets and goodwill	—	90.1	—	92.8
Non-deductible provisions for the year	18.9	—	16.7	—
Lease liabilities	30.1	—	31.0	—
Defined benefit plans	22.2	—	21.0	—
Loss carryforwards	18.0	—	23.9	—
Interest expense	55.1	—	50.5	—
Experimental research expenditure	20.0	—	16.4	—
Other	7.1	—	4.5	—
	171.4	196.2	164.0	198.4
Offsetting of assets and liabilities	(124.1)	(124.1)	(128.1)	(128.1)
	\$ 47.3	\$ 72.1	\$ 35.9	\$ 70.3

Loss carryforwards included in deferred tax assets, that have an expiration date, expire between 2027 and 2045.

Changes in deferred tax assets and liabilities for the year ended October 26, 2025 are as follows:

	Balance as at October 27, 2024	Recognized in net earnings	Exchange rate change	Recognized in other comprehensive income	Assets disposed of and held for sale	Business combinations	Balance as at October 26, 2025
Property, plant and equipment	\$ (79.8)	\$ 4.0	\$ (0.5)	\$ —	\$ (4.8)	\$ 0.3	\$ (80.8)
Right-of-use assets	(25.8)	2.5	(0.1)	—	—	(1.9)	(25.3)
Intangible assets and goodwill	(92.8)	18.3	(0.3)	—	(6.3)	(9.0)	(90.1)
Non-deductible provisions for the year	16.7	1.5	—	—	—	0.7	18.9
Lease liabilities	31.0	(2.9)	0.1	—	—	1.9	30.1
Defined benefit plans	21.0	(0.1)	—	1.3	—	—	22.2
Loss carryforwards	23.9	(5.0)	(0.7)	(0.4)	—	0.2	18.0
Interest expense	50.5	4.2	0.4	—	—	—	55.1
Experimental research expenditure	16.4	3.4	0.2	—	—	—	20.0
Other	4.5	(2.2)	0.7	3.8	—	0.3	7.1
	\$ (34.4)	\$ 23.7	\$ (0.2)	\$ 4.7	\$ (11.1)	\$ (7.5)	\$ (24.8)

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10 INCOME TAXES (CONTINUED)

Changes in deferred tax assets and liabilities for the year ended October 27, 2024 are as follows:

	Balance as at October 27, 2023	Recognized in net earnings	Exchange rate change	Recognized in other comprehensive income	Assets held for sale	Balance as at October 27, 2024
Property, plant and equipment	\$ (83.0)	\$ 2.1	\$ (0.2)	\$ —	\$ 1.3	\$ (79.8)
Right-of-use assets	(25.5)	(0.1)	(0.2)	—	—	(25.8)
Intangible assets and goodwill	(113.1)	14.0	—	—	6.3	(92.8)
Non-deductible provisions for the year	13.8	2.9	—	—	—	16.7
Lease liabilities	30.7	0.2	0.1	—	—	31.0
Defined benefit plans	19.5	0.7	—	0.8	—	21.0
Loss carryforwards	39.8	(16.9)	(0.1)	1.1	—	23.9
Interest expense	45.9	4.4	0.2	—	—	50.5
Experimental research expenditure	7.1	9.1	0.2	—	—	16.4
Other	5.4	(3.4)	(0.4)	2.9	—	4.5
	\$ (59.4)	\$ 13.0	\$ (0.4)	\$ 4.8	\$ 7.6	\$ (34.4)

As at October 26, 2025, the Corporation had \$16.9 million in capital losses that can be carried forward indefinitely and for which the potential benefits have not been recognized. In addition to losses for which the tax impact was recorded, the Corporation has deductible temporary differences as well as loss carryforwards in various jurisdictions for which, considering that it is unlikely that a sufficient future taxable income will be available to use a portion of those items, the Corporation has not recognized a deferred tax asset totalling \$20.4 million. Loss carryforwards related to this unrecognized asset expire for the most part between 2026 and 2041.

As at October 26, 2025, no deferred tax liability was recognized for temporary differences arising from investments in subsidiaries because the Corporation controls the decisions affecting the realization of such liabilities and it is probable that the temporary differences will not reverse in the foreseeable future.

11 ACCOUNTS RECEIVABLE

	As at October 26, 2025	As at October 27, 2024
Trade receivables ⁽¹⁾	\$ 423.7	\$ 454.1
Allowance account for credit losses	(4.5)	(5.1)
Other receivables	48.9	55.4
	\$ 468.1	\$ 504.4

⁽¹⁾ As at October 26, 2025, trade receivables totalling \$39.7 million (\$30.5 million as at October 27, 2024) had been sold under a trade receivable purchase agreement. These trade receivables were derecognized upon their sale, as substantially all the risks and rewards were transferred to the acquirer under the terms and conditions of the agreement.

12 INVENTORIES

	As at October 26, 2025	As at October 27, 2024
Raw materials	\$ 220.8	\$ 202.9
Work in progress and finished goods	177.0	182.0
Provision for obsolescence	(19.4)	(19.2)
	\$ 378.4	\$ 365.7

Years ended October 26, 2025 and October 27, 2024

13 PROPERTY, PLANT AND EQUIPMENT

(1) During the year ended October 26, 2025, impairment charges of \$1.2 million were recognized following the revision of estimates for the expected future economic benefits of machinery in the Retail Services and Printing sector.

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13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

October 27, 2024	Land	Buildings	Leasehold improvements	Machinery and equipment	Other equipment	Assets under construction and deposits on equipment	Total
Cost							
Balance, beginning of year	\$ 50.7	\$ 343.7	\$ 51.9	\$ 1,461.7	\$ 88.6	\$ 140.7	\$ 2,137.3
Acquisitions	0.2	3.4	0.1	21.8	3.9	56.3	85.7
Made available for use	—	9.1	1.6	58.9	1.4	(71.0)	—
Disposals and retirement	(0.6)	(5.8)	(2.4)	(37.6)	(13.2)	—	(59.6)
Held for sale	(2.1)	(22.5)	—	(26.1)	(0.5)	—	(51.2)
Exchange rate change and other	0.1	0.8	—	2.3	0.1	6.9	10.2
Balance as at October 27, 2024	\$ 48.3	\$ 328.7	\$ 51.2	\$ 1,481.0	\$ 80.3	\$ 132.9	\$ 2,122.4
Accumulated depreciation and impairment losses							
Balance, beginning of year	\$ —	\$ (159.2)	\$ (35.4)	\$ (1,068.9)	\$ (77.3)	\$ —	\$ (1,340.8)
Depreciation ⁽¹⁾	—	(14.0)	(3.1)	(78.1)	(5.7)	—	(100.9)
Disposals and retirement	—	4.0	2.4	36.7	13.1	—	56.2
Impairment	—	(0.7)	—	(8.8)	(0.2)	—	(9.7)
Held for sale	—	12.3	—	20.1	0.3	—	32.7
Exchange rate change and other	—	(0.3)	—	(8.2)	—	—	(8.5)
Balance as at October 27, 2024	\$ —	\$ (157.9)	\$ (36.1)	\$ (1,107.2)	\$ (69.8)	\$ —	\$ (1,371.0)
Net carrying amount	\$ 48.3	\$ 170.8	\$ 15.1	\$ 373.8	\$ 10.5	\$ 132.9	\$ 751.4

⁽¹⁾ During the year ended October 27, 2024, impairment charges of \$9.7 million were recognized following the revision of estimates for the expected future economic benefits of machinery in the Retail Services and Printing and Packaging sectors as well as a result of a restructuring initiative in the Retail Services and Printing Sector.

Borrowing costs capitalized to property, plant and equipment

During the year ended October 26, 2025, a negligible amount was capitalized to property, plant and equipment as borrowing costs (amount of \$2.9 million had been capitalized during the year ended October 27, 2024).

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14 LEASES

The Corporation leases real estate properties (office or warehousing spaces and buildings for plants) and other assets (production equipment, office equipment and other). Leases for real estate properties usually have a fixed term of 1 to 10 years, while other types of leases usually have a fixed term of 1 to 5 years. Leases may include extension and/or termination options that are taken into account when it is reasonably certain that the option will be exercised. Lease provisions are negotiated on an individual basis and contain a wide variety of terms and conditions.

A number of leases entered into throughout the Corporation include extension and termination options. These options are intended to provide as much flexibility as possible in managing leases. Most extension and termination options may only be exercised by the Corporation and not by the lessor.

The Consolidated Statement of Financial Position presents the following amounts related to leases for the years ended:

	October 26, 2025			October 27, 2024		
Right-of-use assets	Real estate properties	Other	Total	Real estate properties	Other	Total
Balance, beginning of year	\$ 97.7	\$ 1.9	\$ 99.6	\$ 97.8	\$ 0.8	\$ 98.6
Additions	4.3	1.8	6.1	—	1.9	1.9
Business combinations	7.0	—	7.0	—	—	—
Impairment ⁽¹⁾	—	—	—	(1.1)	—	(1.1)
Remeasurement of contracts	8.8	—	8.8	23.4	—	23.4
Depreciation	(21.8)	(1.1)	(22.9)	(21.2)	(0.7)	(21.9)
Exchange rate change and other	(0.2)	0.1	(0.1)	(1.2)	(0.1)	(1.3)
Balance, end of year	\$ 95.8	\$ 2.7	\$ 98.5	\$ 97.7	\$ 1.9	\$ 99.6

⁽¹⁾ During the year ended October 26, 2025, an impairment charge of nil (\$1.1 million as at October 27, 2024) was recognized following the revision of estimates for the expected future economic benefits of certain leases of real estate properties.

For the years ended October 26, 2025 and October 27, 2024, the expense related to short-term leases, low-value leases and variable payments not included in lease liabilities was \$10.9 million and \$11.2 million, respectively.

The Corporation entered into subleasing transactions for some of its locations under leases. For the years ended October 26, 2025 and October 27, 2024, subleasing revenues amounted to \$3.9 million and \$3.5 million, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

15 INTANGIBLE ASSETS

	Finite useful life				Indefinite useful life		Total
	Customer relationships	Book prepublication costs	Technology project costs	Other ⁽¹⁾	Trade names and others		
October 26, 2025							
Cost							
Balance, beginning of year	\$ 768.8	\$ 202.1	\$ 92.6	\$ 34.9	\$ 17.6	\$	1,116.0
Additions	—	18.8	11.4	—	—		30.2
Made available for use	—	—	(1.6)	1.6	—		—
Disposals and retirement	—	—	(4.0)	—	—		(4.0)
Business combinations	24.2	—	0.5	1.7	—		26.4
Exchange rate change and other	5.0	—	0.2	—	—		5.2
Balance as at October 26, 2025	\$ 798.0	\$ 220.9	\$ 99.1	\$ 38.2	\$ 17.6	\$	1,173.8
Accumulated amortization and impairment losses							
Balance, beginning of year	\$ (520.8)	\$ (153.5)	\$ (58.5)	\$ (28.7)	\$ —	\$	(761.5)
Amortization	(56.7)	(16.7)	(10.5)	(2.1)	—		(86.0)
Impairment ⁽²⁾	—	(2.6)	—	—	—		(2.6)
Disposals and retirement	0.2	—	3.8	—	—		3.8
Held for sale ⁽³⁾	4.1	—	—	—	—		4.1
Exchange rate change and other	(3.5)	—	(0.1)	—	—		(3.6)
Balance as at October 26, 2025	\$ (576.7)	\$ (172.8)	\$ (65.3)	\$ (30.8)	\$ —	\$	(845.8)
Net carrying amount	\$ 221.1	\$ 48.1	\$ 33.8	\$ 7.4	\$ 17.6	\$	328.0

⁽¹⁾ The "Other" category mainly comprises educational book titles, non-compete agreements, development costs, right of first refusal, acquired printing contracts and trade names with finite useful life.

⁽²⁾ During the year ended October 26, 2025, impairment charges of \$2.6 million were recognized following the revision of estimates for the expected future economic benefits of book prepublication costs in the Media Sector.

⁽³⁾ During the year ended October 26, 2025, an adjustment of \$4.1 million related to the accumulated amortization of customer relationships included in the sale of the industrial packaging operations to Hood Packaging Corporation was recognized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

15 INTANGIBLE ASSETS (CONTINUED)

	Finite useful life				Indefinite useful life		Total
	Customer relationships	Book prepublication costs	Technology project costs	Other ⁽¹⁾	Trade names and others		
October 27, 2024							
Cost							
Balance, beginning of year	\$ 815.1	\$ 185.4	\$ 87.3	\$ 35.5	\$ 17.6	\$	1,140.9
Additions	—	17.0	9.3	0.1	—		26.4
Disposals and retirement	(0.2)	—	(5.4)	—	—		(5.6)
Held for sale	(47.5)	—	—	—	—		(47.5)
Exchange rate change and other	1.4	(0.3)	1.4	(0.7)	—		1.8
Balance as at October 27, 2024	\$ 768.8	\$ 202.1	\$ 92.6	\$ 34.9	\$ 17.6	\$	1,116.0
Accumulated amortization and impairment losses							
Balance, beginning of year	\$ (476.1)	\$ (137.6)	\$ (53.5)	\$ (26.6)	\$ —	\$	(693.8)
Amortization	(64.4)	(15.9)	(10.0)	(2.1)	—		(92.4)
Disposals and retirement	0.2	—	5.4	—	—		5.6
Held for sale	21.7	—	—	—	—		21.7
Exchange rate change and other	(2.2)	—	(0.4)	—	—		(2.6)
Balance as at October 27, 2024	\$ (520.8)	\$ (153.5)	\$ (58.5)	\$ (28.7)	\$ —	\$	(761.5)
Net carrying amount	\$ 248.0	\$ 48.6	\$ 34.1	\$ 6.2	\$ 17.6	\$	354.5

⁽¹⁾ The "Other" category mainly comprises educational book titles, non-compete agreements, development costs, right of first refusal and acquired printing contracts.

16 GOODWILL

	Notes	October 26, 2025	October 27, 2024
Balance, beginning of year		\$ 1,154.0	\$ 1,194.9
Business combinations	4	25.0	—
Impairment related to ceased activities	7	(5.7)	—
Assets held for sale		—	(43.7)
Exchange rate change		6.2	2.8
Balance, end of year		\$ 1,179.5	\$ 1,154.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

16 GOODWILL (CONTINUED)

The carrying amount of goodwill is allocated to the groups of CGUs as follows:

	As at October 26, 2025	As at October 27, 2024
Operating sectors		
Packaging Sector		
Americas Group	\$ 710.6	\$ 706.1
Coatings Group	74.1	72.4
	784.7	778.5
Retail Services and Printing Sector		
Printing Group	289.4	289.4
Marketing Product Group	54.8	29.8
	344.2	319.2
Other		
Book Publishing Group	50.6	50.6
Business Solutions Group	—	5.7
	50.6	56.3
	\$ 1,179.5	\$ 1,154.0

17 OTHER ASSETS

	Note	As at October 26, 2025	As at October 27, 2024
Contract acquisition costs		\$ 9.3	\$ 4.7
Defined benefit asset	26	1.6	1.9
Income tax credits receivable		1.7	12.7
Other		17.4	12.0
		\$ 30.0	\$ 31.3

18 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Notes	As at October 26, 2025	As at October 27, 2024
Accounts payable and other accruals		\$ 240.9	\$ 289.1
Salaries and other benefits payable		100.4	110.6
Stock-based compensation	22	19.5	17.0
Derivative financial instruments	28	33.4	23.4
Financial expenses payable		3.3	7.0
Provisions		1.3	5.1
Other		36.4	42.9
		\$ 435.2	\$ 495.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

19 LONG-TERM DEBT

	Effective Interest Rate as at October 26, 2025	Maturity	As at October 26, 2025	As at October 27, 2024
Unsecured notes (issued in 2021)	2.41%	July 13, 2026	\$ 250.0	\$ 250.0
U.S. dollar term loan (issued in 2021)	6.18	June 14, 2028	160.8	161.3
U.S. dollar term loan (extended in 2022)	6.01	June 30, 2027	157.4	156.3
Unified Debenture	4.84	February 1, 2028	100.0	100.0
Unsecured notes (issued in 2022)	—	—	—	199.0
Other loans		2026-2031	3.9	4.4
			\$ 672.1	\$ 871.0
Issuance costs on long-term debt at amortized cost			(1.3)	(1.9)
Total long-term debt			\$ 670.8	\$ 869.1
Current portion of long-term debt			\$ 253.2	\$ 201.0
Non-current portion of long-term debt			\$ 417.6	\$ 668.1

Repayment of unsecured notes

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

Credit facilities

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

The Corporation has another credit facility with a maximum amount of US\$15.0 million (\$21.0 million), which was maturing in March 2025. On February 6, 2025, the maturity was extended for an additional year, until March 2026, with similar terms. The applicable interest rate for this credit facility is SOFR plus 1.350%.

As at October 26, 2025, no amount was drawn on the credit facilities and the unused amount under the credit facilities was \$421.0 million.

As at October 26, 2025, letters of credit amounting to \$19.2 million (\$18.5 million as at October 27, 2024) were issued, mainly to secure unpaid contributions with respect to the solvency deficiency of the Corporation's defined benefit plans (Note 26). The Corporation has revolving letters of credit facilities for an aggregate amount of \$40.0 million, of which \$18.5 million (\$16.4 million as at October 27, 2024) had been issued on these facilities. Fees applicable to the issued portion of these letters of credit facilities are 0.80% annually.

The Corporation must comply with certain restrictive covenants, including maintaining certain financial ratios. During the year ended October 26, 2025, the Corporation has not been in default under any covenants.

Hedging instruments

The Corporation owns two interest rate swaps to hedge itself against future interest rate fluctuations on the U.S. dollar term loan (extended in 2022). The swaps have a notional amount of US\$56.3 millions each and convert the floating interest rate into a fixed interest rate of 3.35% for one and 3.42% for the other. The Corporation applies cash flow hedge accounting by designating these swaps as hedging items (Note 28).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

20 OTHER LIABILITIES

	Notes	As at October 26, 2025	As at October 27, 2024
Defined benefit liability	26	\$ 90.7	\$ 86.2
Stock-based compensation	22	18.2	13.2
Derivative financial instruments	28	6.9	25.2
Accrued liabilities and other liabilities		4.9	2.1
Long-term provisions		0.3	0.3
		\$ 121.0	\$ 127.0

21 SHARE CAPITAL

Class A Subordinate Voting Shares: subordinate participating voting shares carrying one vote per share, authorized in unlimited number, no par value.

Class B Shares: participating voting shares carrying 20 votes per share, convertible into Class A Subordinate Voting Shares, authorized in unlimited number, no par value.

The following table presents changes in the Corporation's share capital for the years ended:

	As at October 26, 2025		As at October 27, 2024	
	Number of shares	Amount	Number of shares	Amount
Class A Subordinate Voting Shares				
Balance, beginning of year	71,199,125	\$ 601.0	73,259,342	\$ 618.4
Conversion of Class B Shares into Class A Subordinate Voting Shares	3,847,956	5.2	—	—
Class A Shares repurchased and cancelled	(934,434)	(7.8)	(2,060,217)	(17.4)
Balance, end of year	74,112,647	\$ 598.4	71,199,125	\$ 601.0
Class B Shares				
Balance, beginning of year	13,357,828	\$ 18.2	13,364,828	\$ 18.2
Conversion of Class B Shares into Class A Subordinate Voting Shares	(3,847,956)	(5.2)	—	—
Class B Shares repurchased and cancelled	(3,600)	—	(7,000)	—
Balance, end of year	9,506,272	13.0	13,357,828	18.2
	83,618,919	\$ 611.4	84,556,953	\$ 619.2

Conversion of Class B Shares into Class A Subordinate Voting Shares

During the year ended October 26, 2025, the Corporation completed a series of related party transactions that resulted in the conversion of 3,847,956 Class B Shares into Class A Subordinate Voting Shares. These transactions had no impact on the total value of the Corporation's share capital.

Repurchase of shares

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

21 SHARE CAPITAL (CONTINUED)

Repurchase of shares (continued)

During the year ended October 26, 2025, the Corporation repurchased and cancelled 934,434 Class A Subordinate Voting Shares at a weighted average price of \$17.38 and 3,600 Class B Shares at a weighted average price of \$17.27, for a total cash consideration of \$16.3 million. The excess of the total consideration over the carrying amount of the shares, amounting to \$8.5 million, taxes payable on share repurchase, amounting to \$0.3 million, as well as the reversal of the \$17.6 million liability for share repurchases recorded as at October 27, 2024, were applied against retained earnings. The taxes payable on share repurchase are presented under Income taxes payable. As at October 26, 2025, the Corporation had no share repurchase program in effect.

During the year ended October 27, 2024, the Corporation had repurchased and cancelled 2,060,217 Class A Subordinate Voting Shares at a weighted average price of \$15.65 and 7,000 Class B Shares at a weighted average price of \$15.66, for a total cash consideration of \$32.3 million. The excess of the total consideration over the carrying amount of the shares, amounting to \$14.9 million, and the related taxes payable, amounting to \$0.7 million, were applied against retained earnings. On October 16, 2024, the Corporation had authorized its broker to repurchase shares between October 28, 2024, and December 13, 2024, inclusively, in accordance with parameters set by the Corporation. As at October 27, 2024, this had led to the recognition of a \$17.6 million liability presented under Accounts payable and accrued liabilities.

Net earnings per share

For the years ended October 26, 2025 and October 27, 2024, there were no dilutive items.

Dividends

Dividends of \$0.90 per share were declared and paid to shareholders for each of the years ended October 26, 2025 and October 27, 2024.

In addition, a special dividend of \$1.00 per share was declared and paid to shareholders for the year ended October 26, 2025.

22 STOCK-BASED COMPENSATION

Share unit plans

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

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

The following table presents the changes in the plans' status for the years ended:

	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
	Number of units			
	DSUs		RSUs	
Balance as at October 27, 2024	973,201	851,001	1,312,173	1,180,654
Units granted	52,333	115,524	525,946	560,344
Units cancelled	—	—	(29,429)	(138,241)
Units paid	(173,666)	(55,988)	(358,936)	(360,376)
Incentive compensation paid in units	10,444	8,986	—	—
Dividends paid in units	91,383	53,678	150,295	69,792
Balance, end of year	953,695	973,201	1,600,049	1,312,173

As at October 26, 2025, the liability related to the share unit plans was \$37.7 million, of which \$18.2 million was presented under Other liabilities (\$30.2 million as at October 27, 2024, of which \$13.2 million was presented under Other liabilities) and the remaining balance was presented under Accounts payable and accrued liabilities. Expenses recorded in the Consolidated Statements of Earnings for each of the years ended October 26, 2025 and October 27, 2024 were \$17.7 million and \$19.0 million, respectively. Amounts of \$10.2 million and \$5.7 million were paid under these plans for the years ended October 26, 2025 and October 27, 2024, 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 year ended October 26, 2025, the Corporation settled, at maturity, the contract covering 900,000 units at a weighted average price of \$15.12 per unit for a consideration received of \$3.1 million. Concurrently with the settlement, the Corporation entered into a new contract covering 900,000 units at a weighted average price of \$18.61 per unit maturing on April 30, 2026.

During the years ended October 26, 2025 and October 27, 2024, amounts recognized in the Consolidated Statements of Earnings under Operating expenses, corresponding to the change in fair value of the total return swap for hedged units, before taking into account dividends received and interest paid, were gains of \$2.1 million and \$6.2 million, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

23 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Cash flow hedges	Net investment hedges	Cumulative translation differences	Actuarial gains and losses related to defined benefit plans	Accumulated other comprehensive income
Balance as at October 27, 2024	\$ (3.0)	\$ (24.7)	\$ 114.9	\$ (35.5)	\$ 51.7
Net change in (losses) gains, net of income taxes	(2.2)	(8.6)	4.9	(3.5)	(9.4)
Balance as at October 26, 2025	\$ (5.2)	\$ (33.3)	\$ 119.8	\$ (39.0)	\$ 42.3
Balance as at October 29, 2023	\$ (3.6)	\$ (25.4)	\$ 99.5	\$ (33.5)	\$ 37.0
Net change in gains (losses), net of income taxes	0.6	0.7	15.4	(2.0)	14.7
Balance as at October 27, 2024	\$ (3.0)	\$ (24.7)	\$ 114.9	\$ (35.5)	\$ 51.7

As at October 26, 2025, the amounts expected to be reclassified to net earnings in future years are as follows:

	2026	2027	2028	Total
Net change in the fair value of derivatives designated as cash flow hedges	\$ 2.5	\$ 2.6	\$ 1.9	\$ 7.0
Income taxes	0.6	0.7	0.5	1.8
	\$ 1.9	\$ 1.9	\$ 1.4	\$ 5.2

24 SUPPLEMENTAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOWS

Changes in non-cash operating items are as follows for the years ended:

	October 26, 2025	October 27, 2024
Accounts receivable	\$ 46.3	\$ 2.6
Inventories	(5.6)	15.3
Prepaid expenses and other current assets	(2.0)	3.3
Accounts payable and accrued liabilities	(62.9)	10.4
Deferred revenues and deposits	(2.4)	0.6
Defined benefit plans	(0.1)	1.5
	\$ (26.7)	\$ 33.7

The following table presents changes in financial liabilities for the year ended October 26, 2025:

	Opening balance	Cash flows related to financing activities	Business acquisitions and disposals	Non-cash changes				Financial expenses	Closing balance
				Fair value adjustments and additions ⁽¹⁾	Foreign exchange rate effect	Amortization of deferred financing fees			
Long term debts	\$ 871.0	\$ (225.8)	\$ 23.6	\$ 1.0	\$ 2.3	\$ —	\$ —	\$ —	\$ 672.1
Credit facility	—	(14.6)	14.6	—	—	—	—	—	—
Lease liabilities	119.9	(28.8)	7.0	14.1	0.3	—	4.1	—	116.6
Issuance costs	(1.9)	(0.5)	—	—	—	1.1	—	—	(1.3)
Accrued interest	7.0	(38.8)	—	—	0.3	—	34.8	—	3.3
	\$ 996.0	\$ (308.5)	\$ 45.2	\$ 15.1	\$ 2.9	\$ 1.1	\$ 38.9	\$ —	\$ 790.7

⁽¹⁾ Additions to lease liabilities include additions resulting from signing new contracts and modifying existing contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 26, 2025 and October 27, 2024

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

25 RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly, including any director (whether executive or otherwise) of the Corporation.

The following table presents key management personnel compensation for the years ended:

	October 26, 2025	October 27, 2024
Salaries and other short-term benefits	\$ 11.6	\$ 13.2
Post-employment benefits	0.6	0.6
Stock-based compensation	14.6	13.5
	\$ 26.8	\$ 27.3

26 EMPLOYEE BENEFITS

The Corporation offers its employees various contributory and non-contributory defined benefit pension plans and other post-employment defined benefit plans, defined contribution pension plans, group registered savings plans and multi-employer pension plans. Since June 1, 2010, most of the employees participate only in the defined contribution pension plans. For the defined benefit plans, the amount of benefits is generally calculated based on the employees' years of service and salaries. Plan funding is calculated based on actuarial estimates and is subject to limitations under applicable income tax and other regulations. Actuarial estimates prepared during the year were based on assumptions related to projected employee compensation levels up to the time of retirement and the anticipated long-term rate of return on pension plan assets. Certain obligations of the Corporation under the defined benefit plans are secured by letters of credit, drawn on the Corporation's credit facilities, which are pledged as collateral for unpaid contributions with respect to the solvency deficiency of the plans. The assets of the Corporation's defined benefit pension plans are held in a trust. The Corporation recognizes the annual amounts related to its defined benefit pension plans using calculations based on various actuarial assumptions, in particular regarding discount rates, mortality rates and annual rates of return on plan assets. These estimates may vary significantly from period to period based on the return on plan assets, actuarial valuations and market conditions. The Corporation reviews its actuarial assumptions each year and revises them based on prevailing rates and current trends. The Corporation believes that the assumptions used to account for its accrued benefit obligation are reasonable based on its experience, market conditions and data provided by its external actuary and investment advisor.

For defined contribution pension plans, multi-employer pension plans and group registered savings plans, the sole obligation of the Corporation is to make the monthly employer's contribution. The contributions paid by the Corporation to defined contribution pension plans are expensed in the period in which they are earned by employees.

In the United States, the defined benefit pension plans in which the Corporation's employees participated were closed to new participants before January 1, 2014. Consequently, the calculation of final benefits under the U.S. plans represented the benefits earned under the U.S. plans as of the date these plans stopped accepting new participants. Since then, new employees of the Corporation join 401(k)-type defined contribution pension plans. The obligations of the Corporation for this type of plan are limited to making the monthly employer's contribution.

The Board of Directors of the Corporation, with assistance from the pension committee, is responsible for the oversight and governance of the pension plans. The pension committee assists the Board in fulfilling its general oversight responsibilities with respect to pension plans, especially with regards to investment decisions, contributions to defined benefit plans and the selection of investment opportunities for defined contribution plans. Pension plan assets are held in a trust, except insured annuities. The Corporation's pension plans are managed in accordance with laws applicable to pension plans, which have determined minimum and maximum funding requirements for defined benefit pension plans.

The Corporation's funding policy is to make contributions to its pension plans based on various actuarial valuation methods, as permitted by regulatory bodies for pension plans. The Corporation's contributions to its pension plans reflect the most recent actuarial valuations for investment returns, salary projections and benefits related to future services. The funding of pension plans is based on funding measurement bases that are different from the accounting basis and for which the methods and assumptions may differ from those used for accounting purposes.

Defined benefit pension plans and other post-employment plans expose the Corporation to certain risks, including investment returns, changes in the discount rate used to measure the obligation, the mortality rate for plan participants, inflation and health care costs.

The Corporation also offers other long-term employee benefit plans that provide for continued dental and health care benefits in case of long-term disability. The most recent actuarial valuations of the Corporation's pension plans for funding purposes were done as at December 31, 2021 for plans registered in Quebec, as at December 31, 2022 for plans registered in Ontario and as at December 1, 2022 for plans registered in the United States.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

26 EMPLOYEE BENEFITS (CONTINUED)

The defined benefit obligation and the fair value of the plan assets are measured on the date of the annual consolidated financial statements. The following table presents the changes in the defined benefit obligation and in the fair value of plan assets for the years ended:

	Pension benefits		Other defined benefit plans		Total	
	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
Defined benefit obligation						
Balance, beginning of year	\$ 577.0	\$ 555.9	\$ 16.4	\$ 13.9	\$ 593.4	\$ 569.8
Current service cost ⁽¹⁾	—	—	1.0	1.2	1.0	1.2
Interest cost on the defined benefit obligation	27.1	30.1	0.4	0.3	27.5	30.4
Actuarial gains or losses from:						
Plan experience	5.0	2.9	—	—	5.0	2.9
Changes in financial assumptions	5.5	35.4	0.2	2.2	5.7	37.6
Benefits paid	(44.0)	(47.5)	(1.0)	(1.2)	(45.0)	(48.7)
Exchange rate change and other	0.6	0.2	0.2	—	0.8	0.2
Balance, end of year	\$ 571.2	\$ 577.0	\$ 17.2	\$ 16.4	\$ 588.4	\$ 593.4
Fair value of plan assets						
Balance, beginning of year	\$ 509.5	\$ 491.5	\$ —	\$ —	\$ 509.5	\$ 491.5
Interest income on plan assets	23.8	26.6	—	—	23.8	26.6
Actuarial losses on plan assets	6.0	36.1	—	—	6.0	36.1
Administrative costs (other than asset management costs)	(2.8)	(3.0)	—	—	(2.8)	(3.0)
Benefits paid	(44.0)	(47.5)	(1.0)	(1.2)	(45.0)	(48.7)
Employer contributions	6.7	7.2	1.0	1.2	7.7	8.4
Purchase of annuities (buy-out)	—	(1.7)	—	—	—	(1.7)
Exchange rate change and other	0.6	0.3	—	—	0.6	0.3
Balance, end of year	\$ 499.8	\$ 509.5	\$ —	\$ —	\$ 499.8	\$ 509.5
Plan deficit	\$ (71.4)	\$ (67.5)	\$ (17.2)	\$ (16.4)	\$ (88.6)	\$ (83.9)
Effect of the asset ceiling	(0.5)	(0.4)	—	—	(0.5)	(0.4)
Defined benefit liability	\$ (71.9)	\$ (67.9)	\$ (17.2)	\$ (16.4)	\$ (89.1)	\$ (84.3)

⁽¹⁾ The current service cost for the other defined benefit plans includes the net change in the long-term disability plan, consisting of current service cost and actuarial gains or losses. The past service cost for this plan, if any, is presented on a separate line.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26 EMPLOYEE BENEFITS (CONTINUED)

The defined benefit asset (liability) is included as follows in the Consolidated Statements of Financial Position:

	Notes	As at October 26, 2025	As at October 27, 2024
Other assets	17	\$ 1.6	\$ 1.9
Other liabilities	20	(90.7)	(86.2)
		\$ (89.1)	\$ (84.3)

The following table presents the composition of the fair value of the pension plan assets:

	As at October 26, 2025	As at October 27, 2024
Quoted in an active market		
Cash	\$ 0.5	\$ 1.3
Real estate fund	36.6	37.1
Fixed-income securities investment funds	251.9	250.1
Mortgage securities investment funds	17.2	17.1
Canadian and foreign equities investment funds	47.3	50.1
	353.5	355.7
Not quoted in an active market		
Insured annuities	146.3	153.8
	\$ 499.8	\$ 509.5

For the years ended October 26, 2025 and October 27, 2024, the plan assets did not include any shares of the Corporation.

The matching strategy for the Corporation's assets and liabilities consists in minimizing risk through the purchase of insured annuities and debt securities. For the years ended October 26, 2025 and October 27, 2024, the plans invested in buy-in insured annuities. Their fair value is considered equal to the defined benefit obligation for participants targeted by the annuities purchases, calculated using assumptions applicable at the reporting date.

The following table presents the funded status of defined benefit plans:

	Pension benefits		Other defined benefit plans		Total	
	As at October 26, 2025	As at October 27, 2024	As at October 26, 2025	As at October 27, 2024	As at October 26, 2025	As at October 27, 2024
Fair value of plan assets for funded or partially funded plans	\$ 499.8	\$ 509.5	\$ —	\$ —	\$ 499.8	\$ 509.5
Defined benefit obligation of funded or partially funded plans	552.5	557.3	—	—	552.5	557.3
Effect of the asset ceiling	(0.5)	(0.4)	—	—	(0.5)	(0.4)
Funded status of funded or partially funded plans - deficit	\$ (53.2)	\$ (48.2)	\$ —	\$ —	\$ (53.2)	\$ (48.2)
Defined benefit obligation of unfunded plans	(18.7)	(19.7)	(17.2)	(16.4)	(35.9)	(36.1)
Total funded status - deficit	\$ (71.9)	\$ (67.9)	\$ (17.2)	\$ (16.4)	\$ (89.1)	\$ (84.3)

The Corporation expects to contribute an estimated amount of \$9.5 million to its defined benefit plans during the year ending October 25, 2026. The actual amount paid may differ from the estimate based on the results of the actuarial valuations, investment returns, volatility in discount rates, regulatory requirements and other factors.

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26 EMPLOYEE BENEFITS (CONTINUED)

The following table presents the significant assumptions used to calculate the Corporation's defined benefit obligation:

	As at October 26, 2025	As at October 27, 2024
Discount rate, end of year		
Canada	4.69 %	4.80 %
United States	5.10	5.30
Weighted average rate of compensation increase		
Canada	2.62	2.62

As at October 26, 2025, in Canada, the growth rate of health care costs for other post-employment defined benefit plans was estimated at 6.0%, gradually decreasing over 15 years to reach 4.5% and remain at this level afterwards.

The following table presents the impact of changes in the significant assumptions on the defined benefit obligation for the year ended October 26, 2025 and has some limitations. The sensitivities of each significant assumption have been calculated without taking into account any changes in the other assumptions. Actual results could therefore lead to changes in other assumptions simultaneously. Any change in one factor may result in changes in another factor, which could amplify or reduce the impact of changes in significant assumptions.

Increase (decrease)	Defined benefit obligation
Impact of 10 bps increase in discount rate	\$ (5.1)
Impact of 10 bps decrease in discount rate	5.1
Impact of 100 bps increase in growth rate of health care costs	0.4
Impact of 100 bps decrease in growth rate of health care costs	(0.4)

The following table presents the composition of the defined benefit plan cost for the years ended:

	Pension benefits		Other defined benefit plans		Total	
Note	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
Current service cost	\$ —	\$ —	\$ 1.0	\$ 1.2	\$ 1.0	\$ 1.2
Administrative costs	2.8	3.0	—	—	2.8	3.0
Purchase of annuities (buy-out)	—	1.7	—	—	—	1.7
Plan cost recognized in net earnings	2.8	4.7	1.0	1.2	3.8	5.9
Interest cost on the defined benefit obligation	27.1	30.1	0.4	0.3	27.5	30.4
Interest income on plan assets	(23.8)	(26.6)	—	—	(23.8)	(26.6)
Interest on the effect of the asset ceiling	—	0.1	—	—	—	0.1
Net interest on the defined benefit liability	3.3	3.6	0.4	0.3	3.7	3.9
Defined benefit plan cost	\$ 6.1	\$ 8.3	\$ 1.4	\$ 1.5	\$ 7.5	\$ 9.8

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26 EMPLOYEE BENEFITS (CONTINUED)

The following table presents the costs recognized under Operating expenses in the Consolidated Statement of Earnings for defined contribution pension plans and state plans for the years ended:

	October 26, 2025	October 27, 2024
Defined contribution pension plans	\$ 20.1	\$ 20.5
State plans	16.7	16.3
	\$ 36.8	\$ 36.8

27 COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

Commitments

The Corporation leases real estate properties (office or warehousing spaces and buildings for plants) and other assets (production equipment, office equipment and other). Minimum payments related to most of the Corporation's lease commitments have been recognized as lease liabilities in the Statement of Financial Position. For more details, see Note 28.

As at October 26, 2025, the Corporation had commitments with suppliers for capital expenditures totalling \$9.9 million. The Corporation has commitments for rental payments under short-term leases and leases of low-value, that are not included in lease liabilities. In the normal course of business, the Corporation enters from time to time into various goods purchase agreements under which it is required to purchase annually a minimum amount or quantity of raw materials. Any failure to meet these requirements could lead to renegotiating the terms and conditions of the agreements.

Guarantees

In the normal course of business, the Corporation has provided the following significant guarantees to third parties:

a) Indemnification of third parties

Under the terms of debt agreements, the Corporation has agreed to indemnify the holders of such debt instruments against any increase in costs incurred or reduction in the amounts otherwise payable to them resulting from changes in laws and regulations. These indemnification commitments are in effect for the term of the agreements and have no limitations. Given the nature of these indemnification agreements, the Corporation is unable to estimate its maximum potential liability to third parties. Historically, the Corporation has not made any indemnification payments and, as at October 26, 2025, the Corporation had not recorded a liability associated with these indemnification agreements.

b) Business disposals

In connection with the disposal of operations or assets, the Corporation agreed to indemnify against any claims that may result from its previous activities or arise under in-force agreements at the transaction date. Given the nature of these indemnification agreements, the Corporation is unable to estimate its maximum potential liability to guaranteed parties. Historically, the Corporation has not made any significant indemnification payments and, as at October 26, 2025, the Corporation had not recorded any liability associated with these indemnification agreements.

Contingent liabilities

In the normal course of operations, the Corporation is involved in various claims and legal proceedings. Although the outcome of these pending cases as at October 26, 2025, cannot be determined with certainty, the Corporation considers that their outcome is unlikely to have a material adverse effect on its financial position and operating results, given the provisions or insurance coverage with regards to some of these claims and legal proceedings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28 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 October 26, 2025		As at October 27, 2024	
	Fair value hierarchy	Fair value	Carrying amount	Fair value	Carrying amount
Prepaid expenses and other current assets					
Foreign exchange forward contracts	Level 2	\$ 0.7	\$ 0.7	\$ 0.1	\$ 0.1
Total return swap	Level 2	0.9	0.9	2.0	2.0
Other assets					
Foreign exchange forward contracts	Level 2	2.5	2.5	2.1	2.1
Interest rate swaps	Level 2	—	—	1.5	1.5
Accounts payable and accrued liabilities					
Cross-currency fixed-to-floating interest rate swaps	Level 2	—	—	(19.2)	(19.2)
Cross-currency fixed interest rate swaps	Level 2	(26.9)	(26.9)	—	—
Foreign exchange forward contracts	Level 2	(6.5)	(6.5)	(4.2)	(4.2)
Long-term debt					
Long-term debt	Level 2	(684.9)	(670.8)	(877.4)	(869.1)
Other liabilities					
Interest rate swaps	Level 2	(0.4)	(0.4)	—	—
Cross-currency fixed interest rate swaps	Level 2	—	—	(21.8)	(21.8)
Foreign exchange forward contract	Level 2	(6.5)	(6.5)	(3.4)	(3.4)

During the years ended October 26, 2025 and October 27, 2024, no financial instruments were transferred between Levels 1, 2 and 3.

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28 FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management

In the normal course of business, the Corporation is exposed to various financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

Credit risk

Credit risk is the risk that the Corporation will incur losses arising from the failure of third parties to meet their contractual obligations. The Corporation is exposed to credit risk with regard to its accounts receivable and loans receivable, as well as through its normal activities involving cash. The Corporation's maximum exposure to credit risk for these elements is represented by their carrying amount in the Consolidated Statements of Financial Position. The Corporation is also exposed to credit risk with regard to its derivative financial instrument assets. However, the Corporation estimates this risk as low because it deals only with recognized financial institutions with investment-grade credit ratings. As at October 26, 2025, the Corporation's maximum exposure to credit risk related to derivative financial instrument assets was low.

The Corporation regularly analyzes and examines the financial position of customers and applies rigorous evaluation procedures to all new customers. The Corporation establishes a specific credit limit for each customer and periodically reviews the limits for customers that are significant or considered at risk. As well, the Corporation believes that it is protected against any concentration of risk through its products, customer base and geographic diversity.

In addition, under the terms and conditions of a trade receivable purchase agreement, the Corporation may sell on an ongoing basis the trade receivables from certain designated customers to a third party financial institution in exchange for a cash payment corresponding to the face value of the trade receivables sold less an applicable discount. The Corporation retains all responsibilities related to servicing the trade receivables, including collection, but does not retain any credit risk related to sold trade receivables. All trade receivables sold under the trade receivables purchase agreement are derecognized from the Consolidated Statements of Financial Position, as the sale of trade receivables qualifies for derecognition.

As at October 26, 2025, no single customer represented 10.0% or more of the revenues of the Corporation, or 10.0% or more of the related accounts receivable.

The Corporation determines whether receivables are past due according to the types of customers, their payment history and the industry in which they conduct business. An allowance account for credit losses is set up based on factors such as the credit risk of specific customers, historical trends and other data. The allowance account for credit losses is reviewed at each reporting date by management. Loss allowances for credit losses are set up, if needed, to reflect credit losses risks.

a) Definition of default

The Corporation considers the following items as a default for internal credit risk management purposes, as past experience indicates that financial assets meeting any of these conditions are generally not recoverable:

- breaches of financial covenants by a debtor;
- information prepared internally or from external sources indicating that it is unlikely that the debtor will fully repay its creditors, including the Corporation (without considering any collateral held by the Corporation).

b) Write-down policy

The Corporation writes down the value of a financial asset when information indicates that the debtor has significant financial difficulties and there are no realistic prospects of recovery, for instance at the earliest of when the debtor is in liquidation or enters into bankruptcy proceedings or, in the case of accounts receivable, when amounts more than 12 months past due. Derecognized financial assets may continue to be subject to measures under the Corporation's recovery procedures, based on legal advice, if applicable. Amounts recovered are recognized in net earnings.

Receivables are detailed as follows:

	As at October 26, 2025	As at October 27, 2024
Trade receivables		
Current balance	\$ 355.5	\$ 352.7
1 - 30 days past due	41.5	64.9
31 - 60 days past due	11.4	13.7
More than 60 days past due	15.3	22.8
	423.7	454.1
Allowance account for credit losses	(4.5)	(5.1)
	\$ 419.2	\$ 449.0

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28 FINANCIAL INSTRUMENTS (CONTINUED)

b) Write-down policy (continued)

The change in the allowance account for credit losses is as follows for the years ended:

	October 26, 2025	October 27, 2024
Balance, beginning of year	\$ 5.1	\$ 3.8
Loss allowance for credit losses	1.8	2.8
Receivables recovered or written off	(2.4)	(1.5)
Balance, end of year	\$ 4.5	\$ 5.1

To assess whether the credit risk on a financial instrument has increased significantly since initial recognition, the Corporation compares the risk of default as at the reporting date with the risk of default as at the initial recognition date of the financial instrument. In making this assessment, the Corporation considers reasonable and supportable quantitative and qualitative information, including past experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered include future prospects for the industries in which the Corporation's debtors operate from reports prepared by experts in economics, financial analysts, government agencies, relevant think tanks and other similar organizations, as well as various external sources of economic information and forecasts related to the Corporation's core operations. Based on its analysis, the Corporation is of the opinion that the allowance account for credit losses is adequate to cover risks of non-payment.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they mature. The Corporation is exposed to liquidity risk with regard to its accounts payable, long-term debt, lease liabilities, derivative financial instrument liabilities and contractual obligations. The Corporation manages liquidity risk by analyzing on an ongoing basis current and projected cash flows. The Board of Directors reviews and approves the Corporation's operating and investment budgets as well as all material transactions that are not carried out in the normal course of business.

The following table presents the contractual maturities of financial liabilities as at October 26, 2025:

	Carrying amount	Contractual cash flows	Less than 1 year	1-3 years	3-5 years	Over 5 years
Non-derivative financial liabilities						
Accounts payable and accrued liabilities	\$ 398.5	\$ 398.5	\$ 398.5	\$ —	\$ —	\$ —
Long-term debt	670.8	730.2	282.9	446.1	0.4	0.8
Lease liabilities	116.6	125.5	28.3	45.4	35.3	16.5
Other monetary liabilities	21.4	21.4	—	21.4	—	—
	\$ 1,207.3	\$ 1,275.6	\$ 709.7	\$ 512.9	\$ 35.7	\$ 17.3
Derivative financial instruments in liabilities						
Interest rate swaps (liabilities)	\$ 0.4	\$ 0.4	\$ 0.4	\$ —	\$ —	\$ —
Cross-currency interest rate swaps	26.9	30.6	30.6	—	—	—
Foreign exchange forward contracts in liabilities ⁽¹⁾	13.0	13.0	6.5	6.5	—	—
	\$ 1,247.6	\$ 1,319.6	\$ 747.2	\$ 519.4	\$ 35.7	\$ 17.3

⁽¹⁾ As at October 26, 2025, the Corporation held foreign exchange forward contracts that were not designated as part of hedging relationships. These contracts, whose notional amount totalled \$351.9 million (US\$255.0 million), are maturing by February 2026, and their fair value was \$3.3 million.

Market risk

The market risk is the risk that the Corporation will incur losses arising from adverse changes in underlying market factors, including interest and exchange rates.

a) Interest rate risk

The Corporation is exposed to market risk related to interest rate fluctuations because a portion of its long-term debt bears interest at floating rates. The Corporation manages this risk by maintaining a mix of fixed and floating rate borrowings in accordance with the Corporation's policies and by entering into interest rate swaps.

For the year ended October 26, 2025, all other things being equal, if interest rates had increased or decreased by 50 basis points, the Corporation's net earnings would have decreased or increased by \$1.0 million.

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28 FINANCIAL INSTRUMENTS (CONTINUED)

b) Foreign currency risk

The Corporation operates in various countries and is exposed to foreign currency risk resulting from transactions in different foreign currencies. Foreign currency risk arise mainly from future business transactions denominated in currencies other than the functional currency of the Corporation's entity that is party to the transaction, from the recognition of assets and liabilities in currencies other than the functional currency of the Corporation and from investments in foreign operations. The Corporation manages foreign currency risk by entering into various foreign exchange contracts related to future transactions, among other things. The Corporation also manages foreign currency risk by entering into various cross-currency interest rate swaps that are designated as hedges of its net investment in foreign operations having the U.S. dollar as functional currency. In addition to the derivative financial instruments described above, the Corporation may designate a portion of its term loans and credit facilities denominated in U.S. dollars as hedging instruments for its net investment in foreign operations, thereby enabling it to limit its foreign currency risk. In addition, in order to mitigate the impact of foreign currency fluctuations when consolidating the Packaging Sector's, the Corporation sometimes uses foreign exchange contracts. These contracts are not designated as part of a hedge accounting relationship and resulting exchange gains or losses are recognized to net earnings.

For the year ended October 26, 2025, all other things being equal, a hypothetical 10% appreciation of the U.S. dollar against the Canadian dollar would have increased the Corporation's net earnings by \$20.9 million and increased the Corporation's other comprehensive income by \$0.7 million. A hypothetical 10% depreciation of the U.S. dollar against the Canadian dollar would have the opposite effect on net earnings and other comprehensive income.

Hedging relationships

To mitigate the market risks described above, the Corporation uses various derivative financial instruments that are designated as hedging instruments in hedging relationships, in particular interest rate swaps that are detailed as follows:

					October 26, 2025	October 27, 2024
Derivative financial instruments	Receivable interest rate	Payable interest rate	Maturity date	Notional amount	Carrying amount	Carrying amount
Floating-to-fixed interest rate swap ⁽¹⁾	SOFR 1 month	3.350%	June 30, 2027	US\$ 56.3	\$ (0.2)	\$ 0.8
Floating-to-fixed interest rate swap ⁽¹⁾	SOFR 1 month	3.420%	June 30, 2027	US\$ 56.3	(0.2)	0.7
Cross-currency fixed interest rate swaps ⁽²⁾	2.280%	2.055%	July 13, 2026	\$ 250.0	(26.9)	(21.8)
Cross-currency fixed-to-floating interest rate swaps ⁽³⁾	2.667%	SOFR + 1.088%	February 3, 2025	\$ 200.0	—	(19.2)
					\$ (27.3)	\$ (39.5)

⁽¹⁾ These floating-to-fixed interest rate swaps have been designated as hedging instruments in cash flow hedging relationships to mitigate interest rate risk.

⁽²⁾ These cross-currency fixed interest rate swaps (CAD/USD) amounting to \$250.0 million (US\$200.4 million) have been designated as hedging instruments in net investment hedging relationships to mitigate foreign currency risk.

⁽³⁾ On February 3, 2025, the Corporation repaid the cross-currency fixed-to-floating interest rate swaps (fixed CAD/floating USD) amounting to \$200.0 million (US\$157.1 million). The fixed CAD/floating CAD portion of these cross-currency interest rate swaps had been designated as a hedging instrument to hedge the change in fair value of unsecured notes (issued in 2022) resulting from fluctuations in the benchmark rate. The floating CAD/floating USD portion of these cross-currency interest rate swaps had been designated in a net investment hedging relationship to mitigate foreign currency risk.

In addition to interest rate swaps, the Corporation may designate a portion of its existing term loans and credit facilities denominated in U.S. dollars as a hedging instrument for its net investment in foreign operations. As at October 26, 2025, the Corporation had designated an amount of \$226.5 million (US\$161.8 million) of existing term loans and credit facilities denominated in U.S. dollars as net investment hedge.

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28 FINANCIAL INSTRUMENTS (CONTINUED)

In addition, the Corporation uses various derivative financial instruments that are designated as hedging instruments in cash flow hedging relationships, in particular foreign exchange forward contracts that are detailed as follows:

October 26, 2025	Maturity	Payable notional amount	Receivable notional amount	Average exchange rate	Carrying amount
Derivative financial instruments in assets					
Foreign exchange contracts	November 2025 - October 2028	US\$ 190.5	\$ 262.6	1.379	\$ 3.1
Derivative financial instruments in liabilities					
Foreign exchange contracts	October 2025 - October 2028	US\$ 308.3	\$ 423.8	1.375	(9.7)
					\$ (6.6)

October 27, 2024	Maturity	Payable notional amount	Receivable notional amount	Average exchange rate	Carrying amount
Derivative financial instruments in assets					
Foreign exchange contracts	November 2024 - July 2028	US\$ 70.5	\$ 97.4	1.382	\$ 2.1
Derivative financial instruments in liabilities					
Foreign exchange contracts	October 2024 - October 2028	US\$ 195.9	\$ 265.1	1.353	(7.6)
					\$ (5.5)

Impact of cash flow hedging relationships

The following table summarizes the impact of, and gains (losses) on cash flow hedges on the consolidated financial statements:

	October 26, 2025		October 27, 2024	
Cash flow hedges	Interest rate risk	Foreign currency risk	Interest rate risk	Foreign currency risk
Balance, beginning of year	\$ 1.5	\$ (5.5)	\$ 5.8	\$ (10.6)
Change in fair value recognized in other comprehensive income (loss)	(0.4)	(7.0)	(1.4)	0.7
Amounts from the cash flow hedge reserve recognized in net financial expenses	(1.5)	5.9	(2.9)	4.4
Balance, end of year	\$ (0.4)	\$ (6.6)	\$ 1.5	\$ (5.5)

For the years ended October 26, 2025 and October 27, 2024, no expenses related to the ineffectiveness of the hedging relationships presented above were recognized in net earnings.

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28 FINANCIAL INSTRUMENTS (CONTINUED)

Impact of net investment hedging relationships

The following table summarizes the impact of and gains (losses) on net investment hedges on the consolidated financial statements:

	Net investment hedge reserve	Cost of hedging reserve	Total
October 26, 2025			
Balance, beginning of year	\$ (29.5)	\$ 4.9	\$ (24.6)
Change in fair value recognized in other comprehensive income	(8.9)	(3.3)	(12.2)
Amounts from the cost of hedging reserve recognized in net financial expenses	—	1.4	1.4
Balance, end of year	\$ (38.4)	\$ 3.0	\$ (35.4)

The following table summarizes the impact of and gains (losses) on net investment hedges on the consolidated financial statements:

	Net investment hedge reserve	Cost of hedging reserve	Total
October 27, 2024			
Balance, beginning of year	\$ (23.8)	\$ 2.7	\$ (21.1)
Change in fair value recognized in other comprehensive income	(5.7)	(1.7)	(7.4)
Amounts from the cost of hedging reserve recognized in net financial expenses	—	3.9	3.9
Balance, end of year	\$ (29.5)	\$ 4.9	\$ (24.6)

Gains of \$0.1 million have been recognized in net earnings as hedging relationships ineffectiveness for each of the years ended October 26, 2025 and October 27, 2024.

Impact of fair value hedging relationships

During the year ended October 26, 2025, following the repayment of the unsecured notes (issued in 2022), the interest rate and foreign currency hedging relationship was discontinued. As at October 27, 2024, the carrying amount of the hedged item, namely a portion of long-term debt, was \$199.0 million (Note 19). This amount included a cumulative fair value hedge adjustment of \$1.0 million to the carrying amount of the hedged item. For the years ended October 26, 2025 and October 27, 2024 no expenses related to hedging relationship ineffectiveness were recognized in net earnings.

29 CAPITAL MANAGEMENT

The Corporation's main capital management objectives are as follows:

- Optimize the financial structure by targeting a ratio of net debt to operating earnings before depreciation and amortization excluding restructuring and other costs (revenues) and impairment of assets ("adjusted operating earnings before depreciation and amortization") in order to maintain a high credit rating;
- Preserve its financial flexibility in order to seize strategic investment opportunities.

The Corporation relies on the ratio of net indebtedness to adjusted operating earnings before depreciation and amortization as the main indicator of financial leverage. The net indebtedness ratio is as follows for the years ended:

	October 26, 2025	October 27, 2024
Long-term debt	\$ 417.6	\$ 668.1
Lease liabilities	91.1	95.8
Current portion of long-term debt	253.2	201.0
Current portion of lease liabilities	25.5	24.1
Cash	(47.0)	(185.2)
Net indebtedness	740.4	803.8
Adjusted operating earnings before depreciation and amortization	466.2	469.4
Net indebtedness ratio	1.59x	1.71x

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

30 SUBSEQUENT EVENT

On December 8, 2025, the Company announced that it had entered into an agreement to sell its Packaging Sector activities to ProAmpac Holdings Inc. for a total purchase price of approximately \$2.1 billion⁽¹⁾, subject to customary adjustments for debt and debt-like items, cash, and net working capital. The transaction is subject to shareholder approval, applicable regulatory approvals and other customary closing conditions. In this period of industry consolidation, this agreement enables the Company to maximize shareholder value by acting decisively and from a position of strength. In addition, it will allow the Company to focus its resources on its growth strategy in the retail services and printing sector, notably in-store marketing activities and in the media sector. The transaction is expected to close during the first quarter of calendar year 2026.

(1) Converted at an exchange rate of 1.38 Canadian dollars per 1.00 U.S. dollar.

CORPORATE INFORMATION

TC TRANSCONTINENTAL HEAD OFFICE

Transcontinental Inc.
1 Place Ville Marie, Suite 3240
Montréal, Québec, Canada H3B 0G1
t. 514 954-4000 f. 514 954-4016
www.tc.tc

OTHER INFORMATION

Shareholders, Investors and Analysts

For further financial information or to order supplementary documentation about the Corporation, please contact the Investor Relations Department or visit the “[Investors](#)” section of TC Transcontinental's website at www.tc.tc

Media

For general information about the Corporation, please contact the Communications Department at 514 954-4000 or contactmedia@tc.tc

Donation

For more information about the Transcontinental Inc. Donation Policy, visit the Corporation's website at www.tc.tc under the “[Governance – Policies](#)” section. To request a donation, please send an email to communications@tc.tc with relevant information regarding your activity, event or campaign.

Information

This annual report is also available in the “[Investors](#)” section of the Corporation's website. The list of Transcontinental Inc. business units is also available on the Corporation's website.

Des exemplaires en français du rapport annuel, de la notice annuelle, des rapports de gestion et des états financiers consolidés résumés intermédiaires sont disponibles sur demande en communiquant avec le Service des relations avec les investisseurs et sur www.tc.tc

INVESTOR RELATIONS

Yan Lapointe

Senior Director, Investor Relations and Treasury
t. 514 954-3574
e. yan.lapointe@tc.tc

Transfer Agent and Registrar

TSX Trust Company
1701 – 1190 Avenue des Canadiens-de-Montréal
PO Box 33
Montréal, Québec H3B 0G7
t. 1 800 387-0825

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Transcontinental Inc.'s Annual and Special Meeting of Shareholders will be held virtually on **March 10, 2026 at 2:00 p.m.** All details are available on our website at www.tc.tc/investors.

GOVERNANCE

BOARD OF DIRECTORS

Isabelle Marcoux, C.M., F.ICD
Executive Chair of the Board,
Transcontinental Inc.

Serge Boulanger ^{1 2}
Chief Executive Officer,
Mistral Ingredients Inc.

Jacynthe Côté, F.ICD ^{2 4}
Chair of the Board,
Royal Bank of Canada
and Corporate Director

Nelson Gentiletti, FCPA ^{1 3}
Corporate Director

Nathalie Marcoux
President,
Capinabel Inc.

Pierre Marcoux
President,
Contex Group Inc.

Anna Martini, FCPA ^{1 2}
President and Chief Executive Officer,
Psycho Bunny

Mario Plourde ³
Corporate Director

Jean Raymond ²
Vice-Chairman, Managing Director
and Head of CIBC Capital Markets –
Québec, CIBC World Markets Inc.

Annie Thabet ^{1 3}
Corporate Director

EXECUTIVE MANAGEMENT TEAM OF THE CORPORATION

Isabelle Marcoux, C.M., F.ICD
Executive Chair of the Board

Thomas Morin
President and Chief Executive Officer

Donald LeCavalier
Executive Vice President and
Chief Financial Officer

Sam Bendavid
Chief Corporate Development
and Procurement Officer

Patrick Brayley
Senior Vice President, Retail Services
and Printing Sector

Rebecca Casey
Senior Vice President,
Sales and Strategic Marketing

Christine Desaulniers
Chief Legal Officer and
Corporate Secretary

Dustin Dyer
Senior Vice President,
Operational Excellence

Alexander Hayden
Senior Vice President, R&D,
Sustainability and ESG

Jeffery Lasley
Senior Vice President, Dairy, Protein
and Pet Food, and Latin America
TC Transcontinental Packaging

Patrick Lutzy
President,
TC Media

Roopesh Nangia
Senior Vice President,
Consumer and Beverage
TC Transcontinental Packaging

OTHER OFFICERS OF THE CORPORATION

Viktorya Aksoy
Assistant General Counsel
and Assistant Secretary

Manon Sigouin
Vice President, Financial Operations
and Corporate Controller

¹ Member of the Audit Committee

² Member of the Human Resources and Compensation

Committee ³ Member of the Governance and Social

Responsibility Committee ⁴ Lead Director

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 its will or control. These factors include, but are not limited to the impact of digital product development and adoption thereof, 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 Corporation, 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 our ability to meet deadlines, the worldwide outbreak of a disease, a virus or any other contagious disease that could have an adverse impact on the Corporation's operations, the inability to generate organic long-term growth and face competition, a significant increase in the cost of raw materials, the unavailability of those materials and energy consumption could have an adverse impact on the Corporation's activities, the inability to complete acquisitions and disposals and properly integrate them, cybersecurity, data protection, warehousing and usage, the impact of digital product development and adoption on the demand for printed products other than flyers, the failure of patents, trademarks and confidentiality agreements to protect intellectual property, the difficulty to attract and retain employees in the main operating sectors, the non safety and poor quality of packaging products used in the food industry, bad debts from certain customers, import and export controls, duties, tariffs or taxes, exchange rate fluctuations, increase in market interest rates with respect to our financial instruments as well as availability of capital at a reasonable cost, the legal risks related to our activities and the non compliance of our 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 December 10, 2025. The forward-looking statements in this annual report are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. The forward-looking statements in this annual report are based on current expectations and information available as at December 10, 2025. Such forward-looking information may also be found in other documents filed with Canadian securities regulators or in other communications. The Corporation's management disclaims any intention or obligation to update or revise these statements unless otherwise required by the securities authorities.

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