



Management's Discussion and Analysis

For the years ended October 26, 2025 and October 27, 2024

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.

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 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

(in millions of dollars)	Three months ended		Year ended	
	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

(in millions of dollars)	Three months ended		Year ended	
	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

(in millions of dollars)	Three months ended		Year ended	
	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

(in millions of dollars)	2025				2024			
	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

(in millions of dollars, except per share amounts)	Three months ended		Year ended	
	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 SEAO 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:

(in millions of dollars, unless otherwise indicated and per share amounts)	2025				2024			
	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:

(in millions of dollars)	Three months ended		Year ended	
	October 26, 2025	October 27, 2024	October 26, 2025	October 27, 2024
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