May 9, 2024

For immediate release

QUEBECOR INC. REPORTS CONSOLIDATED RESULTS FOR FIRST QUARTER 2024

Montréal, Québec - Quebecor Inc. (“Quebecor” or “the Corporation”) today reported its consolidated financial results for the first quarter of 2024.

First quarter 2024 highlights

- Quebecor recorded revenues of $1.36 billion, up $247.2 million (22.2%), adjusted EBITDA[1] of $559.5 million, up $116.7 million (26.4%), and adjusted cash flows from operations[2] of $419.0 million, up $73.0 million (21.1%) compared with the same period in 2023.
- The Telecommunications segment increased its revenues by $254.5 million (27.5%), its adjusted EBITDA by $101.3 million (21.4%), and its adjusted cash flows from operations by $63.1 million (16.6%) in the first quarter of 2024, reflecting, among other things, the contribution of the Freedom Mobile ("Freedom") acquisition on April 3, 2023.
- The Telecommunications segment increased its revenues from mobile services and equipment ($264.2 million or 95.7%) due to the impact of the Freedom acquisition, as well as its revenues from Internet access ($5.8 million or 1.8%).
- There was a net increase of 17,400 revenue-generating units[3] (“RGUs”) (0.2%) in the first quarter of 2024, including 60,200 connections (1.6%) to the mobile telephony service.
- TVA Group Inc. ("TVA Group") recorded a $6.9 million (-5.1%) decrease in revenues and a $4.7 million favourable variance in adjusted EBITDA compared with the first quarter of 2023.
- The Sports and Entertainment segment’s revenues decreased by $1.8 million (-3.7%) and its adjusted EBITDA increased by $0.5 million (14.7%) in the first quarter of 2024.
- Quebecor’s consolidated net income attributable to shareholders: $173.2 million ($0.75 per basic share), up $52.3 million ($0.23 per basic share) or 43.3%.
- Adjusted income from operating activities[4]: $163.1 million ($0.71 per basic share), an increase of $27.1 million ($0.12 per basic share) or 19.9%.
- The consolidated net debt leverage ratio[5] improved from 3.39x at December 31, 2023 to 3.31x at March 31, 2024.
- On April 10, 2024, Videotron Ltd. ("Videotron") announced that it would help improve wireless coverage in outlying regions of Québec by installing at least 37 new cell towers in Abitibi-Témiscamingue and the Laurentians in partnership with the Québec government.
- On May 6, 2024, credit rating agency S&P Global Ratings (“S&P”) upgraded Videotron’s credit rating from BB+ to BBB-. S&P also raised Videotron's unsecured debt rating from BB+ to BBB-.

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[1] See “Adjusted EBITDA” under “Definitions.”

[2] See “Adjusted cash flows from operations” under “Definitions.”

[3] See “Key performance indicator” under “Definitions.”

[4] See “Adjusted income from operating activities” under “Definitions.”

[5] See “Consolidated net debt leverage ratio” under “Definitions.”

Comments by Pierre Karl Péladeau, President and Chief Executive Officer of Quebecor

2024 will be remembered as the year of the passing of our esteemed Chair of the Board, the Right Honourable Brian Mulroney. Mr. Mulroney had been a pillar of our Board of Directors from the beginning of the millennium and an exemplary Chair for the past 10 years. With his unique experience, deep wisdom and sound advice, he made a major contribution to Quebecor's current growth and success. We are immensely grateful to him. As an expression of our deep gratitude, we are honoured to posthumously name Mr. Mulroney a Director Emeritus of the Corporation to forever enshrine his contribution and his attachment to Quebecor.

One year after the successful acquisition of Freedom, it is with immense pride that we mark this milestone in the history of Quebecor, which has established itself as Canada's fourth major national wireless carrier. By offering Canadians the best wireless products, services and prices, we have transformed Canada's telecommunications industry, as indicated by the 26.2% drop in the wireless component of the Consumer Price Index (CPI) between March 2023 and March 2024.

Quebecor posted an excellent performance in the first quarter of 2024, growing its revenues by 22.2%, its adjusted EBITDA by 26.4% and its adjusted cash flows from operations by 21.1%. The financial leverage generated by the Freedom acquisition is also reflected in the 19.9% increase in adjusted income from continuing operations. In addition, through disciplined management of our operating costs, we were able to reduce our consolidated net debt by more than $140 million in the first quarter of 2024, which brought our consolidated net debt leverage ratio down by 0.08x during the quarter to 3.31x at March 31, 2024, the lowest in the Canadian telecom industry.

With its portfolio of complementary brands, which now consists of Videotron, Freedom and Fizz, our Telecommunications segment had a solid first quarter in 2024, increasing its revenues by 27.5%, its adjusted EBITDA by 21.4% and its adjusted cash flow from operations by 16.6%. Our line of competitively priced plans, with true nationwide coverage, drove customer base growth; we have added 264,100 lines (15.2%) to our mobile telephony services over the past 12 months. We also announced that, following a successful beta test, our Fizz brand will be stepping up its Canadian expansion and offering extremely attractive plans to the 26 million residents of Québec, Ontario, Manitoba, Alberta and British Columbia over the coming months. Demonstrating our ability to innovate while offering the best prices, Freedom announced the gradual roll-out of its new wireline Internet and TV services, Freedom Home Internet and Freedom TV, to its existing customer base, becoming a true multiservice player and positioning itself to reach a new customer segment seeking bundled plans.

Under a new Québec government initiative to improve wireless coverage in outlying regions of Québec, Videotron was chosen to install at least 37 new cell towers in Abitibi-Témiscamingue and the Laurentians. As we have been present in Abitibi-Témiscamingue since 2019 and continue to invest in the region, we are pleased to help bring Videotron customers even more complete wireless coverage.

We take great pride in Videotron's customer service, which has earned another series of honours since the beginning of 2024. For example, Videotron was ranked the most respected telecommunications provider in Québec for the 18th time since 2006 in the 2024 Léger reputation survey. Videotron and its Fizz brand hit a double when Léger released its 2024 WOW Index. According to the study, Videotron was rated the telecommunications retailer with the best in-store experience in Québec, while Fizz ranked first in Canada for online experience for the fifth year in a row. Videotron and Freedom also stood out from the competition in the mid-year report released on April 25, 2024 by the Commission for Complaints for Telecom-television Services. While the volume of complaints about the telecom industry as a whole rose by 43.1%, Videotron contrasted with the other major players with a significant drop of 11.4% and Freedom's proportion of total complaints fell from 6.5% to 4.7%.

We were disappointed by the arbitration decision rendered on April 22, 2024 by the Canadian Radio-television and Telecommunications Commission (CRTC) regarding rates for access to the TELUS wireless network under the Mobile Virtual Network Operator ("MVNO") regime. This decision will considerably increase our operating costs in MVNO areas, forcing us to review our pricing and the launch of our services in some parts of Canada. The decision is out of sync with current wireless market realities and will have the effect of creating two classes of Canadians, preventing part of the population from getting access to better rates and innovative new plans. It is imperative that regulatory and governmental authorities keep pace with the rapidly evolving wireless industry, particularly characterized by the sharp increase in data consumption.

Although there was improvement in most of its lines of business, TVA Group continued to be affected by the industry-wide decline in revenues. Its adjusted EBITDA for the first quarter of 2024 was negative $19.3 million.

2024 is a transitional year for TVA Group. Implementation of the reorganization plan announced on November 2, 2023 is under way. The purpose of the plan is to streamline TVA Group's activities: TVA Group's mission is being refocused on broadcasting and its operations and real estate assets are being optimized. These reorganization measures will generate significant recurring savings in the coming quarters. Despite the many challenges facing the industry, TVA Group continues to hold the highest market share in Québec at close to 41% in the first quarter of 2024. TVA Network was number 1 every day of the week. It had 7 of the top 10 shows in Québec and 8 programs that drew more than a million viewers. The TVA Nouvelles newscast was the leader in all its time slots with 4.1 million viewers per week.

In the Film Production & Audiovisual Services segment, our services were in high demand in the first quarter of 2024. Volume was up significantly for soundstage and equipment rentals. We were very pleased to welcome two major foreign productions from Apple and Skydance to our studios.

I welcome S&P's recent decision to upgrade Videotron's credit rating to investment grade, confirming Videotron's superior operating performance, rigorous financial discipline and strong balance sheet. S&P's BBB- rating will improve Videotron's access to capital markets and reduce its cost of borrowing.

In the lead-up to Quebecor's Annual General Meeting today, I am pleased to announce the appointment of Sylvie Lalande as Chair of the Board of Quebecor, succeeding Mr. Mulroney, and the appointment of André P. Brosseau as Vice-Chair of the Board. A member of the Board since 2011, Ms. Lalande has an exceptional track record in media, communications, marketing, telecommunications and governance. Ms. Lalande has been Vice-Chair and Lead Director of the Corporation since 2018. Over the course of his career, Mr. Brosseau has acquired extensive experience in financing, complex mergers and acquisitions, digital transformation management and telecom infrastructure management. He has been a director of the Corporation since 2016.

Having firmly established itself as Canada's fourth major wireless carrier, Quebecor has a solid foundation from which to continue its expansion across the country and offer an ever-increasing number of Canadians ultra-competitive rates combined with exceptional customer service. Building on our track record of successful execution, we are maintaining our financial discipline and implementing a judicious, disciplined investment plan that will steadily reduce our debt leverage ratio. We are upbeat about the future, confident that we have the right strategy, the right objectives and the right team to continue generating long-term value for all our stakeholders.

Non-IFRS financial measures

The Corporation uses financial measures not standardized under International Financial Reporting Standards ("IFRS"), such as adjusted EBITDA, adjusted income from operating activities, adjusted cash flows from operations, free cash flows from operating activities and consolidated net debt leverage ratio, and key performance indicators, including RGUs. Definitions of the non-IFRS measures and key performance indicator used by the Corporation in this press release are provided in the "Definitions" section.

Financial table

Table 1
Consolidated summary of income, cash flows and balance sheet
(in millions of Canadian dollars, except per basic share data)

	Three months ended March 31	
	2024	2023
Income		
Revenues:		
Telecommunications	**$ 1,179.5**	$ 925.0
Media	**168.8**	170.8
Sports and Entertainment	**46.7**	48.5
Inter-segments	**(32.2)**	(28.7)
	1,362.8	1,115.6
Adjusted EBITDA (negative adjusted EBITDA):		
Telecommunications	**575.5**	474.2
Media	**(16.7)**	(26.4)
Sports and Entertainment	**3.9**	3.4
Head Office	**(3.2)**	(8.4)
	559.5	442.8
Depreciation and amortization	**(236.2)**	(188.5)
Financial expenses	**(108.9)**	(77.9)
Gain (loss) on valuation and translation of financial instruments	**9.8**	(11.3)
Restructuring, acquisition costs and other	**(2.2)**	(5.6)
Income taxes	**(54.4)**	(46.0)
Net income	**$ 167.6**	$ 113.5
Net income attributable to shareholders	**173.2**	120.9
Adjusted income from operating activities	**163.1**	136.0
Per basic share:		
Net income attributable to shareholders	**0.75**	0.52
Adjusted income from operating activities	**0.71**	0.59

Table 1 (continued)

	Three months ended March 31	
	2024	2023
Additions to property, plant and equipment and to intangible assets:		
Telecommunications	**$ 132.9**	$ 94.7
Media	**6.2**	1.0
Sports and Entertainment	**1.4**	0.9
Head Office	**–**	0.2
	140.5	96.8
Acquisition of spectrum licences, including deposits	**59.8**	9.9
Cash flows:		
Adjusted cash flows from operations:		
Telecommunications	**442.6**	379.5
Media	**(22.9)**	(27.4)
Sports and Entertainment	**2.5**	2.5
Head Office	**(3.2)**	(8.6)
	419.0	346.0
Free cash flows from operating activities[1]	**222.6**	147.0
Cash flows provided by operating activities	**388.8**	271.9

	Mar. 31, 2024	Dec. 31, 2023
Balance sheet:		
Cash and cash equivalents	**$ 25.9**	$ 11.1
Working capital	**(1,187.5)**	(1,125.6)
Net assets related to derivative financial instruments	**207.2**	110.8
Total assets	**12,831.4**	12,741.3
Total long-term debt (including current portion)	**7,647.8**	7,668.2
Lease liabilities (current and long term)	**362.6**	376.2
Convertible debentures, including embedded derivatives	**155.5**	165.0
Equity attributable to shareholders	**1,868.6**	1,726.9
Equity	**1,977.1**	1,837.7
Consolidated net debt leverage ratio[1]	**3.31x**	3.39x

[1] See “Non-IFRS financial measures.”

2024/2023 first quarter comparison

Revenues: $1.36 billion, a $247.2 million (22.2%) increase.

- Revenues increased in Telecommunications ($254.5 million or 27.5% of segment revenues), due to the impact of the Freedom acquisition.
- Revenues decreased in Media ($2.0 million or -1.2%) and in Sports and Entertainment ($1.8 million or -3.7%).

Adjusted EBITDA: $559.5 million, a $116.7 million (26.4%) increase.

- Adjusted EBITDA increased in Telecommunications ($101.3 million or 21.4% of segment adjusted EBITDA), due primarily to Freedom's contribution. There were favourable variances in Media ($9.7 million) and Head Office ($5.2 million), due in both cases to reductions in some operating expenses.
- The change in the fair value of Quebecor stock options and stock-price-based share units resulted in an $8.8 million favourable variance in the Corporation's stock-based compensation charge in the first quarter of 2024 compared with the same period of 2023.

Net income attributable to shareholders: $173.2 million ($0.75 per basic share) in the first quarter of 2024, compared with $120.9 million ($0.52 per basic share) in the same period of 2023, an increase of $52.3 million ($0.23 per basic share) or 43.3%.

- The favourable variances were:
    - $116.7 million increase in adjusted EBITDA;
    - $21.1 million favourable variance in gains and losses on valuation and translation of financial instruments, including $21.4 million without any tax consequences;
    - $3.4 million favourable variance in the charge for restructuring, acquisition costs and other.
- The main unfavourable variances were:
    - $47.7 million increase in the depreciation and amortization charge;
    - $31.0 million increase related to financial expenses;
    - $8.4 million increase in the income tax expense.

Adjusted income from operating activities: $163.1 million ($0.71 per basic share) in the first quarter of 2024, compared with $136.0 million ($0.59 per basic share) in the same period of 2023, an increase of $27.1 million ($0.12 per basic share) or 19.9%.

Adjusted cash flows from operations: $419.0 million, a $73.0 million (21.1%) increase in the first quarter of 2024 due primarily to the $116.7 million increase in adjusted EBITDA, partially offset by a $43.7 million increase in additions to property, plant and equipment and to intangible assets.

Cash flows provided by operating activities: $388.8 million, a $116.9 million (43.0%) increase due primarily to the increase in adjusted EBITDA and the favourable net change in non-cash balances related to operating activities, partially offset by increases in the cash portion of financial expenses and in current income taxes.

Acquisition

On April 3, 2023, Videotron acquired Freedom from Shaw Communications Inc. Videotron paid $2.07 billion in cash and assumed certain liabilities, mainly lease obligations. The acquisition included the Freedom brand's entire wireless and Internet customer base, as well as its owned infrastructure, spectrum and retail outlets.

Dividends declared

On May 8, 2024, the Board of Directors of Quebecor declared a quarterly dividend of $0.325 per share on its Class A Multiple Voting Shares and Class B Subordinate Voting Shares ("Class B Shares"), payable on June 18, 2024 to shareholders of record at the close of business on May 24, 2024. This dividend is designated an eligible dividend, as provided under subsection 89(14) of the Canadian *Income Tax Act* and its provincial counterpart.

Board of Directors

On May 8, 2024, the members of the Corporation's Board of Directors appointed Sylvie Lalande as Chair of the Board of Quebecor, succeeding the Right Honourable Brian Mulroney who passed away on February 29, 2024. A member of the Board since 2011, Ms. Lalande has an exceptional track record in media, communications, marketing, telecommunications and governance. In 2017, she received the Corporate Director Emeritus Award from the Institute of Corporate Directors. Ms. Lalande has been Vice-Chair and Lead Director of the Corporation since 2018. She has also served as a director of TVA Group since 2001 and as Chair of its Board since 2014. She will continue to chair the Human Resources and Corporate Governance Committee of Quebecor.

Concurrently with Ms. Lalande's appointment as Chair of the Board, André P. Brosseau was appointed Vice-Chair of the Board. Mr. Brosseau has been a director of the Corporation since 2016. He also sits on the Audit and Risk Management Committee and the Human Resources and Corporate Governance Committee. Over the course of his career, Mr. Brosseau has acquired extensive experience in financing, complex mergers and acquisitions, digital transformation management and telecom infrastructure management. He has also been a director of Alithya Group Inc. since 2022.

Quebecor salutes the memory of the Right Honourable Brian Mulroney. His enduring legacy will live on in the political, economic, and philanthropic life of Québec and Canada. He was also a pillar of the Corporation's Board of Directors for more than 20 years and served as its Chair since 2014. On May 8, 2024, as an expression of our deep gratitude, Mr. Mulroney was posthumously named a Director Emeritus of the Corporation to forever enshrine his contribution and his attachment to Quebecor.

Detailed financial information

For a detailed analysis of Quebecor's first quarter 2024 results, please refer to the Management Discussion and Analysis and condensed consolidated financial statements of Quebecor, available on the Corporation's website at www.quebecor.com/en/investors/financial-documentation and the SEDAR+ website at www.sedarplus.ca.

Conference call for investors and webcast

Quebecor will hold a conference call to discuss its first quarter 2024 results on May 9, 2024, at 3:15 p.m. EDT. There will be a question period reserved for financial analysts. To access the conference call, please dial 1-877-293-8052, access code for participants 32876#. The conference call will also be broadcast live on Quebecor's website at www.quebecor.com/en/investors/conferences-and-annual-meeting. It is advisable to ensure the appropriate software is installed before accessing the call. Instructions and links to free player downloads are available at the Internet address shown above. Anyone unable to attend the conference call will be able to listen to a recording by dialing 1-877-293-8133, access code 32876#, recording access code 0114400#. The recording will be available until August 9, 2024.

Cautionary statement regarding forward-looking statements

The statements in this press release that are not historical facts are forward-looking statements and are subject to significant known and unknown risks, uncertainties and assumptions that could cause the Corporation's actual results for future periods to differ materially from those set forth in the forward-looking statements. Forward-looking statements may be identified by the use of the conditional or by forward-looking terminology such as the terms "plans," "expects," "may," "anticipates," "intends," "estimates," "projects," "seeks," "believes," or similar terms, variations of such terms or the negative of such terms. Certain factors that may cause actual results to differ from current expectations include the possibility that the Corporation is unable to successfully implement its business strategies, including but not limited to the geographic expansion of its telecommunications activities and the reorganization of TVA Group, seasonality (including seasonal fluctuations in customer orders), operating risk (including fluctuations in demand for Quebecor's products and the pricing of competitors' products and services), new competition and Quebecor's ability to retain its current customers and attract new ones, Quebecor's ability to penetrate new highly competitive markets and the accuracy of estimates of the size of potential markets, risks related to fragmentation of the advertising market, insurance risk, risks associated with capital investments (including risks related to technological development and equipment availability and breakdown), environmental risks, risks associated with cybersecurity and the protection of personal information, risks associated with service interruptions resulting from equipment breakdown, network failure, the threat of natural disaster, epidemics, pandemics or other public health crises, political instability in some countries, risks associated with emergency measures implemented by various governments, risks associated with labour agreements, credit risk, financial risks, debt risks, risks related to interest rate fluctuations, foreign exchange risks, risks associated with government acts and regulations, risks related to unfavourable legal decisions or settlements, risks related to changes in tax legislation, and changes in the general political and economic environment.

In addition, there are risks associated with the acquisition of Freedom and the strategy for expanding outside Québec, including Quebecor's ability to successfully integrate Freedom's operations following the acquisition and to capture synergies, and risks related to potential unknown liabilities or costs associated with the acquisition of Freedom. Furthermore, the anticipated benefits and effects of the acquisition of Freedom may not be realized in a timely manner or at all, and ongoing operating costs and capital expenditures could be different than anticipated. In addition, the outcome of unanticipated litigation or other regulatory proceedings associated with the acquisition of Freedom could result in changes to the parameters of the transaction. Finally, the impacts of the significant and recurring investments that will be required in the new markets of Freedom and Videotron, operating as an MVNO or otherwise, for development and expansion and to compete effectively with the incumbent local exchange carriers (ILECs) and other current or potential competitors in these markets, including the fact that the post-acquisition Videotron business will continue to face the same risks that Videotron currently faces, but will also face increased risks relating to new geographies and markets.

Investors and others are cautioned that the foregoing list of factors that may affect future results is not exhaustive and that undue reliance should not be placed on any forward-looking statements. For more information on the risks, uncertainties and assumptions that could cause Quebecor's actual results to differ from current expectations, please refer to Quebecor’s public filings, available at www.sedarplus.ca and www.quebecor.com, including, in particular, the “Trend Information” and “Risks and Uncertainties” sections of the Corporation’s Management Discussion and Analysis for the year ended December 31, 2023.

The forward-looking statements in this press release reflect the Corporation’s expectations as of May 9, 2024 and are subject to change after this date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

About Quebecor

Quebecor, a Canadian leader in telecommunications, entertainment, news media and culture, is one of the best-performing integrated communications companies in the industry. Driven by their determination to deliver the best possible customer experience, all of Quebecor’s subsidiaries and brands are differentiated by their high-quality, multiplatform, convergent products and services.

Quebecor (TSX: QBR.A, QBR.B) is headquartered in Québec and employs more than 11,000 people in Canada.

A family business founded in 1950, Quebecor is strongly committed to the community. Every year, it actively supports more than 400 organizations in the vital fields of culture, health, education, the environment, and entrepreneurship.

Visit our website: www.quebecor.com

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DEFINITIONS

Adjusted EBITDA

In its analysis of operating results, the Corporation defines adjusted EBITDA, as reconciled to net income under IFRS, as net income before depreciation and amortization, financial expenses, gain (loss) on valuation and translation of financial instruments, restructuring, acquisition costs and other, and income taxes. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS. It is not intended to be regarded as an alternative to IFRS financial performance measures or to the statement of cash flows as a measure of liquidity. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Corporation's management and Board of Directors use this measure in evaluating its consolidated results as well as the results of the Corporation's operating segments. This measure eliminates the significant level of impairment and depreciation/amortization of tangible and intangible assets and is unaffected by the capital structure or investment activities of the Corporation and its business segments.

Adjusted EBITDA is also relevant because it is a component of the Corporation's annual incentive compensation programs. A limitation of this measure, however, is that it does not reflect the periodic costs of tangible and intangible assets used in generating revenues in the Corporation's segments. The Corporation also uses other measures that do reflect such costs, such as adjusted cash flows from operations and free cash flows from operating activities. The Corporation's definition of adjusted EBITDA may not be the same as similarly titled measures reported by other companies.

Table 2 provides a reconciliation of adjusted EBITDA to net income as disclosed in Quebecor's condensed consolidated financial statements.

Table 2
Reconciliation of the adjusted EBITDA measure used in this press release to the net income measure used in the condensed consolidated financial statements
(in millions of Canadian dollars)

	Three months ended March 31	
	2024	2023
Adjusted EBITDA (negative adjusted EBITDA):		
Telecommunications	**$ 575.5**	$ 474.2
Media	**(16.7)**	(26.4)
Sports and Entertainment	**3.9**	3.4
Head Office	**(3.2)**	(8.4)
	559.5	442.8
Depreciation and amortization	**(236.2)**	(188.5)
Financial expenses	**(108.9)**	(77.9)
Gain (loss) on valuation and translation of financial instruments	**9.8**	(11.3)
Restructuring, acquisition costs and other	**(2.2)**	(5.6)
Income taxes	**(54.4)**	(46.0)
Net income	**$ 167.6**	$ 113.5

Adjusted income from operating activities

The Corporation defines adjusted income from operating activities, as reconciled to net income attributable to shareholders under IFRS, as net income attributable to shareholders before the gain (loss) on valuation and translation of financial instruments, and restructuring, acquisition costs and other, net of income tax related to adjustments and net income attributable to non-controlling interest related to adjustments. Adjusted income from operating activities, as defined above, is not a measure of results that is consistent with IFRS. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Corporation uses adjusted income from operating activities to analyze trends in the performance of its businesses. The above-listed items are excluded from the calculation of this measure because they impair the comparability of financial results. Adjusted income from operating activities is more representative for forecasting income. The Corporation's definition of adjusted income from operating activities may not be identical to similarly titled measures reported by other companies.

Table 3 provides a reconciliation of adjusted income from operating activities to the net income attributable to shareholders measure used in Quebecor's condensed consolidated financial statements.

Table 3
Reconciliation of the adjusted income from operating activities measure used in this press release to the net income attributable to shareholders measure used in the condensed consolidated financial statements
(in millions of Canadian dollars)

	Three months ended March 31	
	2024	2023
Adjusted income from operating activities	**$ 163.1**	$ 136.0
Gain (loss) on valuation and translation of financial instruments	**9.8**	(11.3)
Restructuring, acquisition costs and other	**(2.2)**	(5.6)
Income taxes related to adjustments[1]	**2.4**	1.6
Non-controlling interest related to adjustments	**0.1**	0.2
Net income attributable to shareholders	**$ 173.2**	$ 120.9

1 Includes impact of fluctuations in income tax applicable to adjusted items, either for statutory reasons or in connection with tax transactions.

Adjusted cash flows from operations and free cash flows from operating activities

Adjusted cash flows from operations

Adjusted cash flows from operations represents adjusted EBITDA, less additions to property, plant and equipment and to intangible assets (excluding licence acquisitions and renewals). Adjusted cash flows from operations represents funds available for interest and income tax payments, expenditures related to restructuring programs, business acquisitions, licence acquisitions and renewals, payment of dividends, repayment of long-term debt and lease liabilities, and share repurchases. Adjusted cash flows from operations is not a measure of liquidity that is consistent with IFRS. It is not intended to be regarded as an alternative to IFRS financial performance measures or to the statement of cash flows as a measure of liquidity. Adjusted cash flows from operations is used by the Corporation's management and Board of Directors to evaluate the cash flows generated by the operations of all of its segments, on a consolidated basis, in addition to the operating cash flows generated by each segment. Adjusted cash flows from operations is also relevant because it is a component of the Corporation's annual incentive compensation programs. The Corporation's definition of adjusted cash flows from operations may not be identical to similarly titled measures reported by other companies.

Free cash flows from operating activities

Free cash flows from operating activities represents cash flows provided by operating activities calculated in accordance with IFRS, less cash flows used for additions to property, plant and equipment and to intangible assets (excluding expenditures related to licence acquisitions and renewals), plus proceeds from disposal of assets. Free cash flows from operating activities is used by the Corporation's management and Board of Directors to evaluate cash flows generated by the Corporation's operations. Free cash flows from operating activities represents available funds for business acquisitions, licence acquisitions and renewals, payment of dividends, repayment of long-term debt and lease liabilities, and share repurchases. Free cash flows from operating activities is not a measure of liquidity that is consistent with IFRS. It is not intended to be regarded as an alternative to IFRS financial performance measures or to the statement of cash flows as a measure of liquidity. The Corporation's definition of free cash flows from operating activities may not be identical to similarly titled measures reported by other companies.

Tables 4 and 5 provide a reconciliation of adjusted cash flows from operations and free cash flows from operating activities to cash flows provided by operating activities reported in the condensed consolidated financial statements.

Table 4
Adjusted cash flows from operations
(in millions of Canadian dollars)

	Three months ended March 31	
	2024	2023
Adjusted EBITDA (negative adjusted EBITDA)		
Telecommunications	**$ 575.5**	$ 474.2
Media	**(16.7)**	(26.4)
Sports and Entertainment	**3.9**	3.4
Head Office	**(3.2)**	(8.4)
	559.5	442.8
Minus		
Additions to property, plant and equipment:[1]		
Telecommunications	**(96.9)**	(74.9)
Media	**(6.3)**	(0.5)
Sports and Entertainment	**(0.4)**	(0.1)
Head Office	**–**	–
	(103.6)	(75.5)
Additions to intangible assets:[2]		
Telecommunications	**(36.0)**	(19.8)
Media	**0.1**	(0.5)
Sports and Entertainment	**(1.0)**	(0.8)
Head Office	**–**	(0.2)
	(36.9)	(21.3)
Adjusted cash flows from operations		
Telecommunications	**442.6**	379.5
Media	**(22.9)**	(27.4)
Sports and Entertainment	**2.5**	2.5
Head Office	**(3.2)**	(8.6)
	$ 419.0	$ 346.0

[1] **Reconciliation to cash flows used for additions to property, plant and equipment as per condensed consolidated financial statements**

	Three months ended March 31	
	2024	2023
Additions to property, plant and equipment	**$ (103.6)**	$ (75.5)
Net variance in current operating items related to additions to property, plant and equipment (excluding government credits receivable for major capital projects)	**(23.4)**	(14.0)
Cash flows used for additions to property, plant and equipment	**$ (127.0)**	$ (89.5)

[2] **Reconciliation to cash flows used for additions to intangible assets as per condensed consolidated financial statements**

	Three months ended March 31	
	2024	2023
Additions to intangible assets	**$ (36.9)**	$ (21.3)
Net variance in current operating items related to additions to intangible assets (excluding government credits receivable for major capital projects)	**(2.3)**	(14.4)
Cash flows used for licence acquisitions	**–**	(9.9)
Cash flows used for additions to intangible assets	**$ (39.2)**	$ (45.6)

Table 5
Free cash flows from operating activities and cash flows provided by operating activities reported in the condensed consolidated financial statements.
(in millions of Canadian dollars)

	Three months ended March 31	
	2024	2023
Adjusted cash flows from operations from Table 4	**$ 419.0**	$ 346.0
<u>Plus (minus)</u>		
Cash portion of financial expenses	**(106.6)**	(76.2)
Cash portion of restructuring, acquisition costs and other	**(0.4)**	(6.5)
Current income taxes	**(82.1)**	(67.5)
Other	**1.3**	0.3
Net change in non-cash balances related to operating activities	**17.1**	(20.7)
Net variance in current operating items related to additions to property, plant and equipment (excluding government credits receivable for major capital projects)	**(23.4)**	(14.0)
Net variance in current operating items related to additions to intangible assets (excluding government credits receivable for major capital projects)	**(2.3)**	(14.4)
Free cash flows from operating activities	**222.6**	147.0
<u>Plus (minus)</u>		
Cash flows used for additions to property, plant and equipment	**127.0**	89.5
Cash flows used for additions to intangible assets (excluding expenditures related to licence acquisitions and renewals)	**39.2**	35.7
Proceeds from disposal of assets	**–**	(0.3)
Cash flows provided by operating activities	**$ 388.8**	$ 271.9

Consolidated net debt leverage ratio

The consolidated net debt leverage ratio represents consolidated net debt, excluding convertible debentures, divided by the trailing 12-month adjusted EBITDA. Consolidated net debt, excluding convertible debentures, represents total long-term debt plus bank indebtedness, lease liabilities and liabilities related to derivative financial instruments, less assets related to derivative financial instruments and cash and cash equivalents. The consolidated net debt leverage ratio serves to evaluate the Corporation's financial leverage and is used by management and the Board of Directors in its decisions on the Corporation's capital structure, including its financing strategy, and in managing debt maturity risks. The consolidated net debt leverage ratio excludes convertible debentures because, subject to certain conditions, those debentures can be repurchased at the Corporation's discretion by issuing Quebecor Class B Shares. Consolidated net debt leverage ratio is not a measure established in accordance with IFRS. It is not intended to be used as an alternative to IFRS measures or the balance sheet to evaluate the Corporation's financial position. The Corporation's definition of consolidated net debt leverage ratio may not be identical to similarly titled measures reported by other companies.

Table 6 provides the calculation of consolidated net debt leverage ratio and the reconciliation to balance sheet items reported in Quebecor's condensed consolidated financial statements.

Table 6
Consolidated net debt leverage ratio
(in millions of Canadian dollars)

	March 31, 2024	Dec. 31, 2023
Total long-term debt[1]	**$ 7,647.8**	$ 7,668.2
Plus (minus)		
Lease liabilities[2]	**362.6**	376.2
Bank indebtedness	**12.3**	9.6
Derivative financial instruments[3]	**(207.2)**	(110.8)
Cash and cash equivalents	**(25.9)**	(11.1)
Consolidated net debt excluding convertible debentures	**7,789.6**	7,932.1
Divided by:		
Trailing 12-month adjusted EBITDA[4]	**$ 2,354.5**	$ 2,337.1
Consolidated net debt leverage ratio[4]	**3.31x**	3.39x

1 Excluding changes in the fair value of long-term debt related to hedged interest rate risk and financing costs.

2 Current and long-term liabilities.

3 Current and long-term assets less long-term liabilities.

4 On a pro forma basis as at December 31, 2023, using Freedom's trailing 12-month adjusted EBITDA.

Key performance indicator

Revenue-generating unit

The Corporation uses RGU, an industry metric, as a key performance indicator. An RGU represents, as the case may be, subscriber connections to the mobile and wireline telephony services and subscriptions to the Internet access and television services. RGU is not a measurement that is consistent with IFRS and the Corporation's definition and calculation of RGU may not be the same as identically titled measurements reported by other companies or published by public authorities.

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF INCOME

(in millions of Canadian dollars, except for earnings per share data)
(unaudited)

	Three months ended March 31	
	2024	2023
Revenues	**$ 1,362.8**	$ 1,115.6
Employee costs	**189.2**	176.5
Purchase of goods and services	**614.1**	496.3
Depreciation and amortization	**236.2**	188.5
Financial expenses	**108.9**	77.9
(Gain) loss on valuation and translation of financial instruments	**(9.8)**	11.3
Restructuring, acquisition costs and other	**2.2**	5.6
Income before income taxes	**222.0**	159.5
Income taxes (recovery):		
Current	**82.1**	67.5
Deferred	**(27.7)**	(21.5)
	54.4	46.0
Net income	**$ 167.6**	$ 113.5
Net income (loss) attributable to		
Shareholders	**$ 173.2**	$ 120.9
Non-controlling interests	**(5.6)**	(7.4)
Earnings per share attributable to shareholders		
Basic	**$ 0.75**	$ 0.52
Diluted	**0.70**	0.52
Weighted average number of shares outstanding (in millions)	**230.7**	230.9
Weighted average number of diluted shares (in millions)	**236.0**	231.2

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)
(unaudited)

	Three months ended March 31	
	2024	2023
Net income	**$ 167.6**	$ 113.5
Other comprehensive income:		
Items that may be reclassified to income:		
Cash flow hedges:		
Gain on valuation of derivative financial instruments	**7.9**	4.0
Deferred income taxes	**(2.5)**	(0.2)
Loss on translation of investments in foreign associates	**(1.2)**	(0.4)
Items that will not be reclassified to income:		
Defined benefit plans:		
Re-measurement gain	**53.8**	-
Deferred income taxes	**(14.1)**	-
Equity investment:		
Gain on revaluation of an equity investment	**3.3**	6.8
Deferred income taxes	**(0.4)**	(0.8)
	46.8	9.4
Comprehensive income	**$ 214.4**	$ 122.9
Comprehensive income (loss) attributable to		
Shareholders	**$ 216.7**	$ 130.3
Non-controlling interests	**(2.3)**	(7.4)

QUEBECOR INC.
SEGMENTED INFORMATION

(in millions of Canadian dollars)
(unaudited)

	Three months ended March 31, 2024				
	Telecommuni-cations	**Media**	**Sports and Enter-tainment**	**Head office and Inter-segments**	**Total**
Revenues	**$ 1,179.5**	**$ 168.8**	**$ 46.7**	**$ (32.2)**	**$ 1,362.8**
Employee costs	**123.2**	**47.6**	**11.1**	**7.3**	**189.2**
Purchase of goods and services	**480.8**	**137.9**	**31.7**	**(36.3)**	**614.1**
Adjusted EBITDA[1]	**575.5**	**(16.7)**	**3.9**	**(3.2)**	**559.5**
Depreciation and amortization					**236.2**
Financial expenses					**108.9**
Gain on valuation and translation of financial instruments					**(9.8)**
Restructuring, acquisition costs and other					**2.2**
Income before income taxes					**$ 222.0**
Cash flows used for					
Additions to property, plant and equipment	**$ 123.8**	**$ 2.8**	**$ 0.4**	**$ -**	**$ 127.0**
Additions to intangible assets	**37.2**	**1.0**	**1.0**	**-**	**39.2**

	Three months ended March 31, 2023				
	Telecommuni-cations	Media	Sports and Enter-tainment	Head office and Inter-segments	Total
Revenues	$ 925.0	$ 170.8	$ 48.5	$ (28.7)	$ 1,115.6
Employee costs	97.9	56.6	11.6	10.4	176.5
Purchase of goods and services	352.9	140.6	33.5	(30.7)	496.3
Adjusted EBITDA[1]	474.2	(26.4)	3.4	(8.4)	442.8
Depreciation and amortization					188.5
Financial expenses					77.9
Loss on valuation and translation of financial instruments					11.3
Restructuring, acquisition costs and other					5.6
Income before income taxes					$ 159.5
Cash flows used for					
Additions to property, plant and equipment[2]	$ 87.4	$ 2.0	$ 0.1	$ -	$ 89.5
Additions to intangible assets	44.1	0.5	0.8	0.2	45.6

[1] The Chief Executive Officer uses adjusted EBITDA as the measure of profit to assess the performance of each segment. Adjusted EBITDA is a non-IFRS measure and is defined as net income before depreciation and amortization, financial expenses, (gain) loss on valuation and translation of financial instruments, restructuring, acquisition costs and other and income taxes.

[2] Deferred subsidies of $20.0 million in the three-month period ended March 31, 2023 related to the roll-out of telecommunications services in various regions of Quebec have been used and are presented as a reduction of the corresponding additions to property, plant and equipment in the Telecommunications segment.

QUEBECOR INC.
CONSOLIDATED STATEMENTS OF EQUITY

(in millions of Canadian dollars)
(unaudited)

	Equity attributable to shareholders				Equity attributable to non-controlling interests	Total equity
	Capital stock	Contributed surplus	Retained earnings	Accumulated other comprehensive income		
Balance as of December 31, 2022	$ 916.2	$ 17.4	$ 421.9	$ 1.8	$ 126.2	$ 1,483.5
Net income (loss)	-	-	120.9	-	(7.4)	113.5
Other comprehensive income	-	-	-	9.4	-	9.4
Dividends	-	-	(69.3)	-	(0.1)	(69.4)
Balance as of March 31, 2023	916.2	17.4	473.5	11.2	118.7	1,537.0
Net income (loss)	-	-	529.6	-	(8.0)	521.6
Other comprehensive (loss) income	-	-	-	(5.4)	0.6	(4.8)
Dividends	-	-	(207.8)	-	(0.1)	(207.9)
Repurchase of Class B Shares	(1.6)	-	(6.2)	-	-	(7.8)
Business disposal	-	-	-	-	(0.4)	(0.4)
Balance as of December 31, 2023	914.6	17.4	789.1	5.8	110.8	1,837.7
Net income (loss)	-	-	173.2	-	(5.6)	167.6
Other comprehensive income	-	-	-	43.5	3.3	46.8
Dividends	-	-	(75.0)	-	-	(75.0)
Balance as of March 31, 2024	**$ 914.6**	**$ 17.4**	**$ 887.3**	**$ 49.3**	**$ 108.5**	**$ 1,977.1**

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)
(unaudited)

	Three months ended March 31	
	2024	2023
Cash flows related to operating activities		
Net income	**$ 167.6**	$ 113.5
Adjustments for:		
Depreciation of property, plant and equipment	**141.9**	133.9
Amortization of intangible assets	**65.3**	43.4
Depreciation of right-of-use assets	**29.0**	11.2
(Gain) loss on valuation and translation of financial instruments	**(9.8)**	11.3
Impairment of assets	**2.4**	-
Amortization of financing costs	**2.3**	1.7
Deferred income taxes	**(27.7)**	(21.5)
Other	**0.7**	(0.9)
	371.7	292.6
Net change in non-cash balances related to operating activities	**17.1**	(20.7)
Cash flows provided by operating activities	**388.8**	271.9
Cash flows related to investing activities		
Additions to property, plant and equipment	**(127.0)**	(89.5)
Deferred subsidies received (used) to finance additions to property, plant and equipment	**37.0**	(20.0)
	(90.0)	(109.5)
Additions to intangible assets	**(39.2)**	(45.6)
Deposit on acquisition of spectrum licences	**(59.8)**	-
Proceeds from disposals of assets	**-**	0.3
Acquisitions of investments and other	**(14.6)**	(0.6)
Cash flows used in investing activities	**(203.6)**	(155.4)
Cash flows related to financing activities		
Net change in bank indebtedness	**2.7**	24.2
Net change under revolving facilities, net of financing costs	**(107.8)**	680.5
Repayment of long-term debt	**-**	(1,138.1)
Repayment of lease liabilities	**(28.3)**	(10.9)
Settlement of hedging contracts	**-**	307.2
Dividends paid to non-controlling interests	**-**	(0.1)
Cash flows used in financing activities	**(133.4)**	(137.2)
Net change in cash, cash equivalents and restricted cash	**51.8**	(20.7)
Cash, cash equivalents and restricted cash at beginning of period	**11.1**	45.9
Cash, cash equivalents and restricted cash at end of period	**$ 62.9**	$ 25.2
Cash, cash equivalents and restricted cash consist of		
Cash	**$ 25.5**	$ 5.9
Cash equivalents	**0.4**	-
Restricted cash	**37.0**	19.3
	$ 62.9	$ 25.2
Interest and taxes reflected as operating activities		
Cash interest payments	**$ 63.7**	$ 37.5
Cash income tax payments (net of refunds)	**59.9**	106.5

QUEBECOR INC.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars)
(unaudited)

	March 31 2024	December 31 2023
Assets		
Current assets		
Cash and cash equivalents	**$ 25.9**	$ 11.1
Restricted cash	**37.0**	-
Accounts receivable	**1,113.5**	1,175.1
Contract assets	**122.7**	125.4
Income taxes	**28.3**	49.0
Inventories	**511.1**	512.1
Derivative financial instruments	**148.4**	129.3
Other current assets	**211.2**	192.3
	2,198.1	2,194.3
Non-current assets		
Property, plant and equipment	**3,374.0**	3,417.9
Intangible assets	**3,356.8**	3,385.1
Right-of-use assets	**326.5**	340.8
Goodwill	**2,721.2**	2,721.2
Derivative financial instruments	**66.9**	35.8
Deferred income taxes	**31.4**	23.4
Other assets	**756.5**	622.8
	10,633.3	10,547.0
Total assets	**$ 12,831.4**	$ 12,741.3
Liabilities and equity		
Current liabilities		
Bank indebtedness	**$ 12.3**	$ 9.6
Accounts payable, accrued charges and provisions	**1,186.2**	1,185.9
Deferred revenue	**371.6**	370.6
Deferred subsidies	**37.0**	-
Income taxes	**24.5**	24.7
Convertible debentures	**150.0**	150.0
Current portion of long-term debt	**1,509.7**	1,480.6
Current portion of lease liabilities	**94.3**	98.5
	3,385.6	3,319.9
Non-current liabilities		
Long-term debt	**6,105.6**	6,151.8
Lease liabilities	**268.3**	277.7
Derivative financial instruments	**8.1**	54.3
Deferred income taxes	**807.0**	809.7
Other liabilities	**279.7**	290.2
	7,468.7	7,583.7
Equity		
Capital stock	**914.6**	914.6
Contributed surplus	**17.4**	17.4
Retained earnings	**887.3**	789.1
Accumulated other comprehensive income	**49.3**	5.8
Equity attributable to shareholders	**1,868.6**	1,726.9
Non-controlling interests	**108.5**	110.8
	1,977.1	1,837.7
Total liabilities and equity	**$ 12,831.4**	$ 12,741.3