

Condensed consolidated financial statements of

QUEBECOR INC.

Three-month and nine-month periods ended September 30, 2024 and 2023

QUEBECOR INC.
CONSOLIDATED STATEMENTS OF INCOME

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

	Note	Three months ended September 30		Nine months ended September 30	
		2024	2023	2024	2023
Revenues	2	\$ 1,389.7	\$ 1,415.4	\$ 4,139.4	\$ 3,929.5
Employee costs	3	195.1	182.3	571.5	557.3
Purchase of goods and services	3	600.5	608.7	1,789.4	1,699.8
Depreciation and amortization		232.9	238.8	706.7	677.9
Financial expenses	4	100.6	109.8	317.6	301.4
Gain on valuation and translation of financial instruments	5	-	(13.4)	(15.5)	(3.7)
Restructuring, acquisition costs and other	6	5.1	10.0	14.3	28.9
Income before income taxes		255.5	279.2	755.4	667.9
Income taxes (recovery):					
Current		55.3	55.7	202.1	180.8
Deferred		10.3	14.4	(10.8)	(6.8)
		65.6	70.1	191.3	174.0
Net income		\$ 189.9	\$ 209.1	\$ 564.1	\$ 493.9
Net income (loss) attributable to					
Shareholders		\$ 189.0	\$ 209.3	\$ 569.8	\$ 504.3
Non-controlling interests		0.9	(0.2)	(5.7)	(10.4)
Earnings per share attributable to shareholders	12				
Basic		\$ 0.81	\$ 0.91	\$ 2.46	\$ 2.18
Diluted		0.81	0.84	2.46	2.14
Weighted average number of shares outstanding (in millions)		234.3	230.9	231.9	230.9
Weighted average number of diluted shares (in millions)		234.7	236.2	232.3	236.2

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)
(unaudited)

	Note	Three months ended September 30		Nine months ended September 30	
		2024	2023	2024	2023
Net income		\$ 189.9	\$ 209.1	\$ 564.1	\$ 493.9
Other comprehensive (loss) income:	15				
Items that may be reclassified to income:					
Cash flow hedges:					
(Loss) gain on valuation of derivative financial instruments		(15.2)	20.3	(21.0)	47.8
Deferred income taxes		4.7	(4.8)	4.6	(9.9)
Loss on translation of investments in foreign associates		(0.7)	(0.2)	(2.6)	(9.9)
Items that will not be reclassified to income:					
Defined benefit plans:					
Re-measurement (loss) gain		(5.7)	-	58.0	-
Deferred income taxes		1.5	-	(15.2)	-
Equity investment:					
(Loss) gain on revaluation of an equity investment		(3.8)	(1.3)	(0.1)	0.1
Deferred income taxes		0.5	0.1	-	-
		<u>(18.7)</u>	<u>14.1</u>	<u>23.7</u>	<u>28.1</u>
Comprehensive income		\$ 171.2	\$ 223.2	\$ 587.8	\$ 522.0
Comprehensive income (loss) attributable to					
Shareholders		\$ 169.9	\$ 223.4	\$ 589.3	\$ 532.4
Non-controlling interests		1.3	(0.2)	(1.5)	(10.4)

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

SEGMENTED INFORMATION

(in millions of Canadian dollars)
(unaudited)

Three months ended September 30, 2024

	Telecommuni- cations	Media	Sports and Enter- tainment	Head office and Inter- segments	Total
Revenues	\$ 1,203.2	\$ 155.1	\$ 64.0	\$ (32.6)	\$ 1,389.7
Employee costs	121.3	42.2	12.1	19.5	195.1
Purchase of goods and services	496.0	98.2	40.2	(33.9)	600.5
Adjusted EBITDA ¹	585.9	14.7	11.7	(18.2)	594.1
Depreciation and amortization					232.9
Financial expenses					100.6
Restructuring, acquisition costs and other					5.1
Income before income taxes					\$ 255.5
Cash flows used for capital expenditures	\$ 161.7	\$ 8.7	\$ 1.5	\$ 0.3	\$ 172.2

Three months ended September 30, 2023

	Telecommuni- cations	Media	Sports and Enter- tainment	Head office and Inter- segments	Total
Revenues	\$ 1,230.1	\$ 166.0	\$ 59.7	\$ (40.4)	\$ 1,415.4
Employee costs	123.7	44.6	9.7	4.3	182.3
Purchase of goods and services	516.9	100.4	35.6	(44.2)	608.7
Adjusted EBITDA ¹	589.5	21.0	14.4	(0.5)	624.4
Depreciation and amortization					238.8
Financial expenses					109.8
Gain on valuation and translation of financial instruments					(13.4)
Restructuring, acquisition costs and other					10.0
Income before income taxes					\$ 279.2
Cash flows used for capital expenditures	\$ 134.3	\$ 3.5	\$ 1.9	\$ 0.3	\$ 140.0

QUEBECOR INC.
SEGMENTED INFORMATION (continued)

(in millions of Canadian dollars)
(unaudited)

Nine months ended September 30, 2024

	Telecommuni- cations	Media	Sports and Enter- tainment	Head office and Inter- segments	Total
Revenues	\$ 3,569.6	\$ 508.3	\$ 156.1	\$ (94.6)	\$ 4,139.4
Employee costs	366.7	134.7	34.3	35.8	571.5
Purchase of goods and services	1,433.4	356.7	105.2	(105.9)	1,789.4
Adjusted EBITDA ¹	1,769.5	16.9	16.6	(24.5)	1,778.5
Depreciation and amortization					706.7
Financial expenses					317.6
Gain on valuation and translation of financial instruments					(15.5)
Restructuring, acquisition costs and other					14.3
Income before income taxes					\$ 755.4
Cash flows used for capital expenditures	\$ 482.7	\$ 21.7	\$ 4.8	\$ 0.5	\$ 509.7
Acquisition of spectrum licences	298.9	-	-	-	298.9

Nine months ended September 30, 2023

	Telecommuni- cations	Media	Sports and Enter- tainment	Head office and Inter- segments	Total
Revenues	\$ 3,356.3	\$ 517.1	\$ 157.0	\$ (100.9)	\$ 3,929.5
Employee costs	347.2	155.4	33.1	21.6	557.3
Purchase of goods and services	1,337.8	367.6	103.1	(108.7)	1,699.8
Adjusted EBITDA ¹	1,671.3	(5.9)	20.8	(13.8)	1,672.4
Depreciation and amortization					677.9
Financial expenses					301.4
Gain on valuation and translation of financial instruments					(3.7)
Restructuring, acquisition costs and other					28.9
Income before income taxes					\$ 667.9
Cash flows used for capital expenditures	\$ 389.3	\$ 6.8	\$ 4.5	\$ 0.6	\$ 401.2
Acquisition of spectrum licences	9.9	-	-	-	9.9

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 on valuation and translation of financial instruments, restructuring, acquisition costs and other and income taxes.

See accompanying notes to condensed consolidated financial statements.

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		
	(note 13)			(note 15)		
Balance as of December 31, 2022	\$ 916.2	\$ 17.4	\$ 421.9	\$ 1.8	\$ 126.2	\$ 1,483.5
Net income (loss)	-	-	504.3	-	(10.4)	493.9
Other comprehensive income	-	-	-	28.1	-	28.1
Dividends	-	-	(207.8)	-	(0.2)	(208.0)
Repurchase of Class B Shares	(1.4)	-	(5.7)	-	-	(7.1)
Business disposal	-	-	-	-	(0.4)	(0.4)
Balance as of September 30, 2023	914.8	17.4	712.7	29.9	115.2	1,790.0
Net income (loss)	-	-	146.2	-	(5.0)	141.2
Other comprehensive (loss) income	-	-	-	(24.1)	0.6	(23.5)
Dividends	-	-	(69.3)	-	-	(69.3)
Repurchase of Class B Shares	(0.2)	-	(0.5)	-	-	(0.7)
Balance as of December 31, 2023	914.6	17.4	789.1	5.8	110.8	1,837.7
Net income (loss)	-	-	569.8	-	(5.7)	564.1
Other comprehensive income	-	-	-	19.5	4.2	23.7
Dividends	-	-	(226.0)	-	(0.2)	(226.2)
Repurchase of Class B Shares	(14.0)	-	(54.8)	-	-	(68.8)
Issuance of Class B Shares	150.0	-	-	-	-	150.0
Balance as of September 30, 2024	\$ 1,050.6	\$ 17.4	\$ 1,078.1	\$ 25.3	\$ 109.1	\$ 2,280.5

See accompanying notes to condensed consolidated financial statements

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)
(unaudited)

	Note	Three months ended		Nine months ended	
		2024	2023	2024	2023
Cash flows related to operating activities					
Net income		\$ 189.9	\$ 209.1	\$ 564.1	\$ 493.9
Adjustments for:					
Depreciation of property, plant and equipment		139.4	150.9	423.3	441.0
Amortization of intangible assets		62.1	58.3	190.1	166.2
Depreciation of right-of-use assets		31.4	29.6	93.3	70.7
Gain on valuation and translation of financial instruments	5	-	(13.4)	(15.5)	(3.7)
Impairment of assets	6	1.4	8.0	11.8	8.0
Amortization of financing costs	4	2.4	2.3	7.1	6.2
Deferred income taxes		10.3	14.4	(10.8)	(6.8)
Other		(1.3)	2.3	(9.1)	2.4
		435.6	461.5	1,254.3	1,177.9
Net change in non-cash balances related to operating activities		110.6	34.7	72.3	(51.4)
Cash flows provided by operating activities		546.2	496.2	1,326.6	1,126.5
Cash flows related to investing activities					
Capital expenditures	17	(172.2)	(140.0)	(509.7)	(401.2)
Deferred subsidies (used) received to finance capital expenditures	8, 17	-	(5.4)	37.0	(39.3)
Acquisitions of spectrum licences	9	-	-	(298.9)	(9.9)
Business acquisition	7	-	(1.8)	(7.0)	(2,069.6)
Proceeds from disposals of assets		-	-	0.5	0.8
Acquisitions of investments and other		(17.6)	(2.8)	(33.0)	(6.7)
Cash flows used in investing activities		(189.8)	(150.0)	(811.1)	(2,525.9)
Cash flows related to financing activities					
Net change in bank indebtedness		3.6	12.5	3.0	12.5
Net change under revolving facilities, net of financing costs		(163.6)	(259.2)	(380.8)	383.0
Issuance of long-term debt, net of financing costs	10	-	-	992.6	2,092.5
Repayment of long-term debt	10	-	-	(825.3)	(1,138.1)
Settlement of hedging contracts	10	-	-	163.0	307.2
Repayment of lease liabilities		(32.8)	(30.3)	(92.7)	(63.4)
Repurchase of Class B Shares	13	(41.1)	(7.1)	(68.8)	(7.1)
Dividends		(76.2)	(69.2)	(226.2)	(208.0)
Cash flows (used in) provided by financing activities		(310.1)	(353.3)	(435.2)	1,378.6
Net change in cash, cash equivalents and restricted cash		46.3	(7.1)	80.3	(20.8)
Cash, cash equivalents and restricted cash at beginning of period		45.1	32.2	11.1	45.9
Cash, cash equivalents and restricted cash at end of period	17	\$ 91.4	\$ 25.1	\$ 91.4	\$ 25.1

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars)
(unaudited)

		September 30	December 31
	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents		\$ 54.4	\$ 11.1
Restricted cash	8	37.0	-
Accounts receivable		1,152.1	1,175.1
Contract assets		138.7	125.4
Income taxes		32.2	49.0
Inventories		394.1	512.1
Derivative financial instruments		-	129.3
Other current assets		193.1	192.3
		<u>2,001.6</u>	<u>2,194.3</u>
Non-current assets			
Property, plant and equipment		3,369.0	3,417.9
Intangible assets	9	3,615.5	3,385.1
Right-of-use assets		359.5	340.8
Goodwill		2,713.4	2,721.2
Derivative financial instruments		43.3	35.8
Deferred income taxes		25.4	23.4
Other assets		709.0	622.8
		<u>10,835.1</u>	<u>10,547.0</u>
Total assets		<u>\$ 12,836.7</u>	<u>\$ 12,741.3</u>
Liabilities and equity			
Current liabilities			
Bank indebtedness		\$ 12.6	\$ 9.6
Accounts payable, accrued charges and provisions		1,059.6	1,185.9
Deferred revenue		384.6	370.6
Deferred subsidies	8	37.0	-
Income taxes		23.4	24.7
Convertible debentures	11	-	150.0
Current portion of long-term debt	10	400.0	1,480.6
Current portion of lease liabilities		103.1	98.5
		<u>2,020.3</u>	<u>3,319.9</u>
Non-current liabilities			
Long-term debt	10	7,132.4	6,151.8
Lease liabilities		290.1	277.7
Derivative financial instruments		10.2	54.3
Deferred income taxes		811.5	809.7
Other liabilities		291.7	290.2
		<u>8,535.9</u>	<u>7,583.7</u>
Equity			
Capital stock	13	1,050.6	914.6
Contributed surplus		17.4	17.4
Retained earnings		1,078.1	789.1
Accumulated other comprehensive income	15	25.3	5.8
Equity attributable to shareholders		<u>2,171.4</u>	<u>1,726.9</u>
Non-controlling interests		109.1	110.8
		<u>2,280.5</u>	<u>1,837.7</u>
Subsequent event	19		
Total liabilities and equity		<u>\$ 12,836.7</u>	<u>\$ 12,741.3</u>

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month and nine-month periods ended September 30, 2024 and 2023
(tabular amounts in millions of Canadian dollars, except for per share data and option data)
(unaudited)

Quebecor Inc. (“Quebecor” or the “Corporation”) is incorporated under the laws of Québec. The Corporation’s head office and registered office is located at 612 rue Saint-Jacques, Montréal, Québec, Canada. Quebecor is a holding corporation with a 100% interest in Quebecor Media Inc. (“Quebecor Media”). Unless the context otherwise requires, Quebecor or the Corporation refers to Quebecor Inc. and its subsidiaries, and Quebecor Media refers to Quebecor Media Inc. and its subsidiaries.

The Corporation operates, through its subsidiaries, in the following industry segments: Telecommunications, Media, and Sports and Entertainment. The Telecommunications segment offers Internet access, television distribution, mobile and wireline telephony, business solutions and over-the-top (OTT) video services in Canada. The operations of the Media segment in Québec include the operation of an over-the-air television network and specialty television services, the operation of soundstage and equipment rental and postproduction services for the film and television industries, the printing, publishing and distribution of daily newspapers, the operation of news and entertainment digital platforms, the publishing and distribution of magazines, the production and distribution of audiovisual content, and the operation of an out-of-home advertising business. The activities of the Sports and Entertainment segment in Québec encompass the operation and management of the Videotron Centre in Québec City, show production, sporting and cultural event management, the publishing and distribution of books, the production of music, and the operation of a Québec Maritimes Junior Hockey League team.

The Media segment experiences significant seasonality due, among other factors, to seasonal advertising patterns and influences on people’s viewing, reading and listening habits. Given that the Media segment depends on advertising sales for a significant portion of its revenue, operating results are also sensitive to prevailing economic conditions, as they may affect the advertising expenditures of corporations. Accordingly, the interim-period results of operations for the Media segment should not necessarily be considered indicative of its full-year results due to the seasonality of certain of its operations.

1. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB), except that they do not include all disclosures required under IFRS for annual consolidated financial statements. In particular, these consolidated financial statements were prepared in accordance with IAS 34, *Interim Financial Reporting*, and, accordingly, they are condensed consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the Corporation’s 2023 annual consolidated financial statements, which contain a description of the material accounting policies used in the preparation of these condensed consolidated financial statements.

These condensed consolidated financial statements were approved for issue by the Board of Directors of Quebecor on November 6, 2024.

Comparative figures for previous periods have been restated to conform to the presentation adopted for the three-month and nine-month periods ended September 30, 2024.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month and nine-month periods ended September 30, 2024 and 2023
(tabular amounts in millions of Canadian dollars, except for per share data and option data)
(unaudited)

2. REVENUES

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Telecommunications:				
Mobile telephony	\$ 422.0	\$ 411.9	\$ 1,241.4	\$ 1,014.6
Internet	307.8	323.2	944.0	959.8
Television	191.8	200.8	586.9	603.4
Wireline telephony	61.4	68.9	188.9	211.2
Mobile equipment sales	177.1	159.9	456.0	374.1
Wireline equipment sales	1.1	18.9	26.3	52.8
Other	42.0	46.5	126.1	140.4
Media:				
Advertising	60.3	65.6	213.5	231.3
Subscription	45.5	46.0	146.4	139.0
Other	49.3	54.4	148.4	146.8
Sports and Entertainment	64.0	59.7	156.1	157.0
Inter-segments	(32.6)	(40.4)	(94.6)	(100.9)
	\$ 1,389.7	\$ 1,415.4	\$ 4,139.4	\$ 3,929.5

3. EMPLOYEE COSTS AND PURCHASE OF GOODS AND SERVICES

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Employee costs	\$ 235.5	\$ 221.2	\$ 703.3	\$ 681.1
Less employee costs capitalized to property, plant and equipment and to intangible assets	(40.4)	(38.9)	(131.8)	(123.8)
	195.1	182.3	571.5	557.3
Purchase of goods and services:				
Royalties, rights and creation costs	165.2	170.1	532.5	578.4
Cost of products sold	222.8	225.4	634.9	528.7
Service contracts	39.4	45.2	110.5	114.3
Marketing, circulation and distribution expenses	31.4	36.0	86.4	81.7
Other	141.7	132.0	425.1	396.7
	600.5	608.7	1,789.4	1,699.8
	\$ 795.6	\$ 791.0	\$ 2,360.9	\$ 2,257.1

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month and nine-month periods ended September 30, 2024 and 2023
(tabular amounts in millions of Canadian dollars, except for per share data and option data)
(unaudited)

4. FINANCIAL EXPENSES

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Interest on long-term debt and on debentures	\$ 91.9	\$ 99.3	\$ 287.3	\$ 277.9
Amortization of financing costs	2.4	2.3	7.1	6.2
Interest on lease liabilities	5.5	5.6	15.7	13.5
(Gain) loss on foreign currency translation on short-term monetary items	(0.3)	1.0	1.8	1.0
Other	1.1	1.6	5.7	2.8
	\$ 100.6	\$ 109.8	\$ 317.6	\$ 301.4

5. GAIN ON VALUATION AND TRANSLATION OF FINANCIAL INSTRUMENTS

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Gain on embedded derivatives related to convertible debentures	\$ -	\$ (13.1)	\$ (15.5)	\$ (3.4)
Other	-	(0.3)	-	(0.3)
	\$ -	\$ (13.4)	\$ (15.5)	\$ (3.7)

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month and nine-month periods ended September 30, 2024 and 2023
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6. RESTRUCTURING, ACQUISITION COSTS AND OTHER

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Restructuring	\$ 2.3	\$ 0.7	\$ 7.9	\$ 6.7
Acquisition costs ¹	0.7	0.6	1.5	14.7
Impairment of assets ²	1.4	8.0	11.8	8.0
Other ³	0.7	0.7	(6.9)	(0.5)
	\$ 5.1	\$ 10.0	\$ 14.3	\$ 28.9

¹ Includes acquisition costs mainly related to the Freedom acquisition in 2023 (note 7).

² During the second quarter of 2024, the Corporation performed an impairment test on the production and distribution cash-generating unit ("CGU") due to the competitive industry environment and the slowdown in the volume of its activities. The Corporation concluded that the recoverable amount of this CGU was less than the carrying amount, and a goodwill impairment charge of \$7.8 million (without any tax consequence) was recorded in 2024.

During the third quarter of 2023, unfavourable market conditions and the evolution of the television sector ecosystem led the Corporation to perform an impairment test on the television CGU. The Corporation concluded that the recoverable amount of this CGU was less than the carrying amount. As a result, a goodwill impairment charge of \$4.8 million (without any tax consequence) and an impairment charge of \$2.9 million on intangible assets were recorded in 2023.

³ Includes share of results of associates and other items.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month and nine-month periods ended September 30, 2024 and 2023
(tabular amounts in millions of Canadian dollars, except for per share data and option data)
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7. BUSINESS ACQUISITION

On April 3, 2023, Videotron Ltd. ("Videotron") acquired all the issued shares of Freedom Mobile Inc. ("Freedom") from Shaw Communications Inc. ("Shaw") for a cash consideration of \$2.07 billion, net of cash acquired of \$103.2 million. As part of this transaction, Videotron assumed certain debts, mainly lease obligations. The consideration paid is still subject to certain post-closing adjustments. This acquisition immediately preceded the acquisition of Shaw by Rogers Communications Inc. ("Rogers"). The acquisition of Freedom included the Freedom Mobile brand's entire wireless and Internet customer base, as well as its owned infrastructure, spectrum and retail outlets. It also includes a long-term undertaking by Shaw and Rogers to provide Videotron with transport services (including backhaul and backbone), roaming services and wholesale Internet services. Videotron has also made certain commercial commitments to the Minister of Innovation, Science and Industry. These transactions support the expansion of the Corporation's telecommunications services in Ontario and Western Canada.

The table below presents the fair value of the net assets acquired as of the acquisition date:

Assets	
Accounts receivable	\$ 257.3
Other current assets ¹	181.3
Property, plant and equipment ²	709.1
Intangible assets ³	1,177.7
Right-of-use of assets	226.2
Other assets	65.8
	2,617.4
Liabilities	
Accounts payable, accrued charges and provisions	(127.2)
Other current liabilities	(94.2)
Lease liabilities	(226.2)
Deferred income taxes	(17.9)
Other liabilities	(84.1)
	(549.6)
Net assets acquired	\$ 2,067.8
Cash consideration paid	\$ 2,171.0
Cash acquired	(103.2)
	\$ 2,067.8

¹ Includes mainly inventories and contract assets.

² Includes mainly the wireless network.

³ Includes mainly spectrum licences, software, customer relationships, the Freedom brand and others.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month and nine-month periods ended September 30, 2024 and 2023
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8. RESTRICTED CASH AND DEFERRED SUBSIDIES

In March 2024, Videotron and the Québec government signed an agreement under the government's new initiative to improve wireless coverage in outlying regions of Québec. The government has committed to provide financial assistance in the amount of approximately \$63.0 million for the construction of new cell towers in certain regions. In accordance with the agreement, an amount of \$37.0 million received in advance from the government in March 2024 was recorded as restricted cash and as deferred subsidies on the consolidated balance sheet as of September 30, 2024.

9. SPECTRUM LICENCES

On May 29, 2024, Videotron acquired 305 blocks of spectrum in the 3800 MHz band across the country for a total price of \$298.9 million (of which \$59.8 million was paid in January 2024 and \$239.1 million was paid in May 2024). Approximately 61% of the 305 blocks of wireless spectrum are located outside Québec, mainly in southern Ontario, Alberta and British Columbia.

10. LONG-TERM DEBT

Components of long-term debt are as follows:

	September 30, 2024	December 31, 2023
Total long-term debt	\$ 7,565.1	\$ 7,668.2
Change in fair value related to hedged interest rate risk	-	(2.2)
Financing costs, net of amortization	(32.7)	(33.6)
	7,532.4	7,632.4
Less current portion	(400.0)	(1,480.6)
	\$ 7,132.4	\$ 6,151.8

As of September 30, 2024, the carrying value of long-term debt denominated in U.S. dollars, excluding financing costs, was \$3,585.5 million (\$4,484.5 million as of December 31, 2023) while the net fair value of related hedging derivative instruments was in an asset position of \$41.0 million (\$106.9 million as of December 31, 2023).

2024

On June 13, 2024, Videotron amended its term credit facility by extending the maturity of the first tranche of \$700.0 million from October 2024 to October 2025 and transitioning to the Canadian Overnight Repo Rate Average (CORRA).

On June 13, 2024, all liens on Videotron's assets granted to the bank lenders were terminated and all the related debt instruments (including derivative financial instruments) are now unsecured.

On June 17, 2024, Videotron redeemed at maturity its Senior Notes in aggregate principal amount of US\$600.0 million, bearing interest at 5.375%, and unwound the related hedging contracts for a total cash consideration of \$662.3 million.

On June 21, 2024, Videotron issued \$600.0 million aggregate principal amount of Senior Notes bearing interest at 4.650% and maturing on July 15, 2029, and \$400.0 million aggregate principal amount of Senior Notes bearing interest at 5.000% and maturing on July 15, 2034, for total proceeds of \$992.6 million, net of \$7.4 million related to the discount at issuance and financing costs. The proceeds were used to redeem its 5.375% Senior Notes on June 17, 2024 and to reduce drawings on Videotron's revolving credit facility.

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10. LONG-TERM DEBT (continued)

2023

On January 17, 2023, Quebecor Media redeemed at maturity its Senior Notes in aggregate principal amount of US\$850.0 million, bearing interest at 5.75%, and unwound the related hedging contracts for a total cash consideration of \$830.9 million. Drawings from the Videotron revolving credit facility were used to finance this redemption.

On April 3, 2023, Videotron entered into a new \$2.10 billion term credit facility with a syndicate of financial institutions, consisting of three tranches of equal size maturing in October 2024, April 2026 and April 2027, respectively. On April 10, 2023, Videotron also entered into a floating-to-fixed interest rate swap in relation with the \$700.0 million tranche maturing in April 2027.

On June 28, 2023, TVA Group Inc. ("TVA Group") terminated its secured revolving credit facility in the amount of \$75.0 million.

11. CONVERTIBLE DEBENTURES

On June 25, 2024, the Corporation redeemed of all its outstanding 4.0% convertible debentures for a total aggregate principal amount of \$150.0 million. Pursuant to the terms of the debentures, the Corporation elected to settle the redemption in shares and consequently issued and delivered 5,161,237 Class B Subordinate Voting Shares ("Class B Shares") to the holders (note 13).

12. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS

Basic earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by taking into account the potentially dilutive effect of stock options and convertible debentures.

The following table sets forth the computation of basic and diluted earnings per share attributable to shareholders:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Net income attributable to shareholders	\$ 189.0	\$ 209.3	\$ 569.8	\$ 504.3
Impact of assumed conversion of convertible debentures	–	(12.0)	–	(0.1)
Net income attributable to shareholders, adjusted for dilution effect	\$ 189.0	\$ 197.3	\$ 569.8	\$ 504.2
Weighted average number of shares outstanding (in millions)	234.3	230.9	231.9	230.9
Potentially dilutive effect of stock options and convertible debentures (in millions)	0.4	5.3	0.4	5.3
Weighted average number of diluted shares outstanding (in millions)	234.7	236.2	232.3	236.2

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13. CAPITAL STOCK

(a) Authorized capital stock

An unlimited number of Class A Multiple Voting Shares ("Class A Shares") with voting rights of 10 votes per share convertible at any time into Class B Shares on a one-for-one basis.

An unlimited number of Class B Shares convertible into Class A Shares on a one-for-one basis, only if a takeover bid for Class A Shares is made to holders of Class A Shares without being made concurrently and under the same terms to holders of Class B Shares, for the sole purpose of allowing the holders of Class B Shares to accept the offer and subject to certain other stated conditions provided in the articles, including the acceptance of the offer by the majority holder.

Holders of Class B Shares are entitled to elect 25% of the Board of Directors of Quebecor. Holders of Class A Shares may elect the other members of the Board of Directors.

(b) Issued and outstanding capital stock

	Class A Shares		Class B Shares	
	Number	Amount	Number	Amount
Balance as of December 31, 2023	76,692,135	\$ 8.6	153,983,455	\$ 906.0
Shares purchased and cancelled	–	–	(2,200,000)	(14.0)
Shares issued upon redemption of convertible debentures (note 11)	–	–	5,161,237	150.0
Balance as of September 30, 2024	76,692,135	\$ 8.6	156,944,692	\$ 1,042.0

Repurchase of shares

On August 7, 2024, the Corporation filed a normal course issuer bid for a maximum of 1,000,000 Class A Shares representing approximately 1.3% of issued and outstanding Class A Shares, and for a maximum of 5,000,000 Class B Shares representing approximately 3.2% of issued and outstanding Class B Shares as of August 1, 2024. The purchases can be made from August 15, 2024 to August 14, 2025, at prevailing market prices on the open market through the facilities of the Toronto Stock Exchange or other alternative trading systems. All shares purchased under the bid will be cancelled.

During the nine-month period ended September 30, 2024, the Corporation purchased and cancelled 2,200,000 Class B Shares for a total cash consideration of \$68.8 million (236,100 Class B Shares for a total cash consideration of \$7.1 million in 2023). The excess of \$54.8 million of the purchase price over the carrying value of Class B Shares repurchased was recorded as a reduction of retained earnings (\$5.7 million in 2023).

Dividends

On November 6, 2024, the Corporation declared a dividend of \$0.325 per share on Class A Shares and Class B Shares, or approximately \$75.9 million, payable on December 17, 2024, to shareholders of record at the close of business on November 22, 2024.

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14. STOCK-BASED COMPENSATION PLANS

The following table provides details of changes to outstanding options in the principal stock-based compensation plans in which management of the Corporation and its subsidiaries participate, for the nine-month period ended September 30, 2024:

	Outstanding options	
	Number	Weighted average exercise price
Quebecor		
As of December 31, 2023	7,002,214	\$ 31.35
Granted	6,182,000	29.82
Exercised	(134,420)	28.54
Cancelled	(394,003)	30.73
As of September 30, 2024	12,655,791	\$ 30.65
Vested options as of September 30, 2024	1,982,100	\$ 31.38
TVA Group		
As of December 31, 2023	393,774	\$ 2.42
Granted	312,000	1.35
As of September, 2024	705,774	\$ 1.95
Vested options as of September, 2024	175,390	\$ 2.59

For the three-month period ended September 30, 2024, a \$20.2 million charge was recorded related to all stock-based compensation plans (a \$5.6 million reversal of the charge in 2023). For the nine-month period ended September 30, 2024, a \$16.8 million charge was recorded related to all stock-based compensation plans (a \$1.5 million charge in 2023).

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15. ACCUMULATED OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS

	Cash flow hedges ¹	Translation of investments in foreign associates	Defined benefit plans ²	Equity investment	Total
Balance as of December 31, 2022	\$ (26.4)	\$ (23.4)	\$ 60.6	\$ (9.0)	\$ 1.8
Other comprehensive income (loss)	37.9	(9.9)	–	0.1	28.1
Balance as of September 30, 2023	11.5	(33.3)	60.6	(8.9)	29.9
Other comprehensive (loss) income	(32.0)	(1.4)	11.8	(2.5)	(24.1)
Balance as of December 31, 2023	(20.5)	(34.7)	72.4	(11.4)	5.8
Other comprehensive (loss) income	(16.4)	(2.6)	38.6	(0.1)	19.5
Balance as of September 30, 2024	\$ (36.9)	\$ (37.3)	\$ 111.0	\$ (11.5)	\$ 25.3

¹ No significant amount is expected to be reclassified in income over the next 12 months in connection with derivatives designated as cash flow hedges. The balance is expected to reverse over a 4 3/4-year period.

² The re-measurement gain in the consolidated statement of comprehensive income for the nine-month period ended September 30, 2024 is mainly due to an increase in the fair value of defined pension plan assets.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with IFRS 13, *Fair Value Measurement*, the Corporation considers the following fair value hierarchy, which reflects the significance of the inputs used in measuring its financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs that are not based on observable market data (unobservable inputs).

The fair value of long-term debt and convertible debentures is estimated based on quoted market prices when available or on valuation models using Level 1 and Level 2 inputs. When the Corporation uses valuation models, the fair value is estimated based on discounted cash flows using period-end market yields or the market value of similar instruments with the same maturity.

The fair value of derivative financial instruments recognized on the consolidated balance sheets is estimated as per the Corporation's valuation models. These models project future cash flows and discount the future amounts to a present value using the contractual terms of the derivative financial instrument and factors observable in external market data, such as period-end swap rates and foreign exchange rates (Level 2 inputs). An adjustment is also included to reflect non-performance risk, impacted by the financial and economic environment prevailing at the date of the valuation, in the recognized measure of the fair value of the derivative financial instruments by applying a credit default premium, estimated using a combination of observable and unobservable inputs in the market (Level 3 inputs), to the net exposure of the counterparty or the Corporation. Derivative financial instruments are classified as Level 2.

The fair value of embedded derivatives related to convertible debentures was determined by option-pricing models using Level 2 market inputs, including volatility, discount factors, and the underlying instrument's implicit interest rate and credit premium.

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16. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The carrying value and fair value of long-term debt, convertible debentures and derivative financial instruments as of September 30, 2024 and December 31, 2023 are as follows:

Asset (liability)	September 30, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Long-term debt ¹	\$ (7,565.1)	\$ (7,524.0)	\$ (7,668.2)	\$ (7,391.0)
Convertible debentures ²	–	–	(165.0)	(165.0)
Derivative financial instruments				
Foreign exchange forward contracts	(0.3)	(0.3)	(1.5)	(1.5)
Interest rate swaps	(7.6)	(7.6)	5.4	5.4
Cross-currency swaps	41.0	41.0	106.9	106.9

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

² The carrying value and fair value of convertible debentures consist of the principal amount and the value of the conversion features related to the floor and ceiling prices, recognized as embedded derivatives as of December 31, 2023.

17. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Cash flows used for capital expenditures				
Additions to property, plant and equipment	\$ 131.7	\$ 96.3	\$ 385.2	\$ 284.3
Additions to intangible assets (excluding acquisitions of spectrum licences)	40.5	43.7	124.5	116.9
	172.2	140.0	509.7	401.2
Cash, cash equivalents and restricted cash consist of				
Cash and cash equivalents	\$ 54.4	\$ 25.1	\$ 54.4	\$ 25.1
Restricted cash	37.0	–	37.0	–
	91.4	25.1	91.4	25.1
Interest and income taxes reflected as operating activities				
Cash interest payments	\$ 58.8	\$ 68.1	\$ 265.6	\$ 245.7
Cash income tax payments (net of refunds)	71.8	64.8	187.9	248.1

In the respective three-month and nine-month periods ended September 30, 2023, deferred subsidies of \$5.4 million and \$39.3 million, related to the roll-out of telecommunications services in various regions of Québec, have been used and are presented as a reduction of the related additions to plant, property and equipment.

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18. INCOME TAXES

In the second quarter of 2024, Pillar Two legislation, which introduces new taxing mechanisms that could impose a minimum tax on income from the Corporation and its subsidiaries, was substantively enacted in Canada. The Corporation does not expect any impact related to the implementation of these new tax rules that are effective on January 1, 2024.

19. SUBSEQUENT EVENT

On November 4, 2024, Videotron announced the pricing of its US\$700 million aggregate principal amount of 5.700% Senior Notes due January 15, 2035. The closing of the offering is expected on or about November 8, 2024. Videotron intends to use the net proceeds, together with drawings under its revolving credit facility, for repayment in full of its \$700.0 million tranche A term loan due October 2025, and for the redemption in full of its \$375.0 million 5.750% Senior Notes due 2026.