



Address by Pierre Karl Péladeau
President and CEO, Quebecor

Annual Meeting of Shareholders
May 9, 2024, 9:30 a.m.

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Thank you, Madame Chair,
Ladies and gentlemen, esteemed shareholders,

On this occasion I would like to begin, as Ms. Lalande did, by paying tribute to the Right Honourable Brian Mulroney. He is sorely missed today, for he always presided over our annual shareholders' meeting with his characteristic aplomb and generosity of spirit.

I consider myself extremely privileged to have had Mr. Mulroney as an advisor and mentor. He was a steadfast ally for Quebecor. Throughout the transformational transactions that took us from the old economy to the new and made us one of the four major national carriers, he was there to support us and to give us the benefit of his wise counsel.

It was an honour to be able to count on this extraordinary man throughout the years. We will never forget him, and I am grateful to the Board for paying tribute to him with an honorary title yesterday.

I would also like to congratulate Sylvie Lalande on her appointment. For more than 20 years, Sylvie has been a valued partner and strong leader on the boards of TVA Group and Quebecor. She has an exceptional track record in media, communications, marketing, telecommunications and governance. Quebecor is in good hands with her expertise and in-depth knowledge of all our operations. We are very proud to have a woman of her calibre leading our Board of Directors.

I will now turn to my review of the past year.

2023 was a transformative year for Quebecor. Despite the significant challenges facing some of our segments, we demonstrated the full strength of our ecosystem, the solidity of

our Corporation's foundations, our customary rigour in executing on our strategies, and our tight financial discipline.

That is borne out by the Corporation's financial performance in fiscal 2023. Revenue was up 19.9%, adjusted EBITDA 15.7%, and adjusted cash flows from operations 16.7%.

TELECOM

In our Telecommunications segment, the acquisition of Freedom Mobile in April 2023 marked a major turning point for our Corporation and was the springboard for our expansion across Canada. This strategic acquisition, combined with the growth of our other telecommunications activities, contributed to our excellent results and transformed Canada's telecommunications landscape in less than a year.

Freedom is:

- More than 1,600 employees;
- Almost 2 million customers;
- Over 800 retail locations in Ontario, Alberta, British Columbia and soon Manitoba.

With the support of our teams, we quickly rolled out a new Freedom: bigger, faster, and more affordable than ever.

We implemented competitive strategies that are reshaping the Canadian wireless market and delivering on our promises to Canadians and to the Minister of Innovation, Science, and Economic Development Canada (ISED).

- We helped drive down wireless prices, as evidenced by the more than 26% decrease in the wireless component of the Consumer Price Index since March 2023.

- We rapidly upgraded the entire Freedom network and introduced affordable, ultra-competitive 5G plans.
- We innovated with unprecedented offerings such as Freedom's Roam Beyond plan and Videotron's Canada-International plan, which let our customers travel to dozens of countries without paying roaming fees.
- We introduced our lifetime Mobility Price Freeze Guarantee.
- And all of this, of course, while continuing to provide our customers with the best possible service.

Powered by its portfolio of complementary brands, which now includes Videotron, Freedom, Fizz and VMedia, our Telecom segment increased its mobile lines by more than 15% in the past 12 months.

Quebecor is proud to have become Canada's fourth major wireless carrier. We are fully committed to bringing affordable prices to all Canadians, as we did in Québec, where we invested \$3.5 billion to build out our own wireless network and increase competition. That is why we have spent \$1.1 billion over the past three years to acquire spectrum across the country. We are now set to build out our own facilities and we are focused on our goal of expanding our reliable, powerful 5G network across Canada in the coming years.

In the meantime, we are taking advantage of the new regulatory framework put in place by the CRTC for Mobile Virtual Network Operators or MVNOs.

We have therefore been able to enter new markets and considerably extend our reach by launching our services as an MVNO, making Freedom's services available in more Canadian cities.

We were also able to roll out our Fizz digital brand across Canada for the first time, bringing it to Ontario, Manitoba, Alberta and British Columbia. Following the success of the beta test, we stepped up Fizz's Canadian expansion with attractive plans that will be available to more than 26 million Canadians in those markets, as well as Quebec.

And just this week, Freedom announced the phased roll-out of its new wireline Internet and TV services, Freedom Home Internet and Freedom TV, to its existing customer base, becoming a true multi-service player. These additions will enable Freedom to reach a new customer segment seeking competitive and affordable service bundles.

As the above makes clear, we are ready and willing to do what it takes to be a market disruptor.

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But for us to continue playing our role as a strong fourth player, the Big Three's constant obstruction of all forms of competition must stop. The CRTC must also continue establishing rules that allow us to compete on a level playing field with the incumbent oligopoly, regardless of market conditions.

In order to continue offering innovative products at better prices, we need measures that are better suited to the current environment. We were therefore disappointed by the CRTC's recent arbitration decision on MVNO access rates to the TELUS wireless network.

This decision will force us to review our wireless offerings and the launch of our services in some parts of Canada, in view of the excessive operating costs it will entail.

It will therefore help create two classes of Canadians: those living in areas where Freedom has its own network, who will enjoy the fruits of healthy competition, and those who will be denied the benefits of our full presence as Canada's fourth mobile carrier.

Canada's regulated domestic roaming rates are among the highest in the world. Unless roaming and MVNO rates are updated to make them just and reasonable, the goal of giving Canadians access to mobile plans at better prices will not be achieved.

Not surprisingly, the same problem exists with wholesale Internet rates. They too must be reviewed to make them just and reasonable, and to reflect the retail pricing of the Big Three.

These are just a few examples of the difficulties we face as a new player trying to innovate for the benefit of Canadians. The incumbents will do anything to protect their monopoly for as long as possible, in defiance of government policy. A series of measures must therefore be taken to protect the public interest.

At the same time, we continued expanding our network in Québec as part of Operation High Speed, in partnership with the governments of Québec and Canada. This massive effort by Videotron's crews made our ultra-powerful fibre Internet network available to more than 37,000 new households in 259 Québec communities.

In the wake of this success, Videotron has been selected to participate in a new Québec government initiative to improve wireless coverage in outlying regions. Our crews will install at least 37 new cell towers in the Laurentians and in Abitibi-Témiscamingue, a region where we have a growing presence thanks to the investments we have made there since 2019. Finally, I cannot close this section on telecommunications without saying how proud we are of the praise our customer service has again received from the industry and the public.

According to the latest mid-year report from the Commission for Complaints for Telecommunications Services, the volume of complaints about the telecom industry as a whole rose sharply by 43.1% but, alone among the major players, Videotron bucked the trend with a significant 11.4% decrease in complaints.

Videotron was ranked the most respected telecommunications company in Québec for the 18th time since 2006 in Léger's 2024 Reputation survey and it was rated the telecom retailer with the best in-store experience in Québec in Léger's 2024 WOW study.

The WOW study also rated Fizz first in online experience in the Canadian telecom industry for the fifth consecutive year, a strong indication of Fizz's unique posture in the marketplace.

MEDIA

Turning to our Media segment, 2023 was a year of remarkable achievement and renewed success with viewers, readers and clients. However, we continued to face the major financial challenges that have plagued the entire media industry for years, which inevitably impacted our results.

Faced with these relentless pressures, we were forced to review our priorities and cut our operating costs. In February and November 2023, we announced major reorganization plans, which unfortunately meant reducing TVA Group's total workforce by more than 600 employees.

We are currently working hard to implement this plan.

Our last in-house entertainment programs have been or will soon be transferred to outside producers, allowing TVA to focus on its core mission as a broadcaster and a producer of news, public affairs and sports programming.

We have also begun relocating our teams to optimize our real estate portfolio.

As we embark on a new beginning, I want to assure you that we will continue making every effort and taking responsible decisions to put TVA Group back on a solid footing.

To keep its place at the top of the Québec ratings, TVA Group can count on the strength of its program line-up, which includes the best original content.

In 2023, TVA Group increased its market share to 41%, which put it well in the lead and was twice the market share of its two closest rivals.

The TVA Network was again the most popular television network in Québec in 2023 and it remained so in the first quarter of 2024 with a 26.8% market share. TVA had 7 of the top 10 shows in Quebec and 8 shows that drew more than a million viewers, including *La Voix*, *Indéfendable*, *Alertes*, and the smash hit *Sortez-moi d'ici!*, which attracted over 1.6 million viewers for a 46.5% market share. *Chanteurs masqués* was the most-watched show in Canada in any language in 2023.

TVA Group's specialty channels also remained number one in 2023 with a 16.7% share, up 0.5 points from the same period of 2022.

The popularity of our content carried over to TVA+, which drew heavy traffic during the winter season: on-demand viewing on TVA+ was up more than 55% in the first quarter of 2024 compared with 2023.

All of these excellent results confirm the importance and relevance of our commitment to the production of original French-language content. This will always be a key differentiator for TVA's channels and our Club illico and Vrai streaming services in our market.

For example, the series *Mégantic*, the most-watched original production on Club illico in 2023, was a veritable television event, and the documentary *Lac-Mégantic - Ceci n'est pas un accident* was the most popular title on Vrai during the year. Our original productions are also making waves internationally. Our export successes included *La nuit où Laurier Gaudreault s'est réveillé*, a series directed by Xavier Dolan, and *Classé secret*.

Our news division occupies a special place in Quebecers' daily lives. Every edition of the TVA Nouvelles newscast remained in the lead in its time slot, well ahead of the competition. The trusted newscasts on TVA and LCN, Québec's most popular specialty channel, reach an impressive 4.6 million viewers every week.

In line with our commitment to high-calibre journalism and news coverage, we decided to add two more reporters at each of our four regional bureaus—in Saguenay-Lac-Saint-Jean, Rimouski, Trois-Rivières and Sherbrooke.

The numbers are a sure indication of our strength in news coverage: *Le Journal de Montréal* and *Le Journal de Québec* reached more than 3.2 million Quebecers on all platforms.

But despite the popularity of our television channels and our news division, the situation remains critical because of the industry-wide decline in advertising revenues.

In an environment where television is struggling to survive, and where CBC/Radio-Canada has received \$42 million to compensate for the loss of advertising revenues, it's hard to understand the governments' decision not to extend the journalism labour tax credit to TV news. Once again, they are creating two classes of journalists, print and television, when the work of all journalists must be supported if we want to preserve the strong media coverage that is essential to our democracy.

At the risk of repeating myself, the future of TV depends on modernizing our regulatory system, which is no longer suitable in an environment where we must take on Web giants that compete directly with us, and CBC/Radio-Canada, which acts like a private broadcaster but has the advantage of receiving lavish government funding. These inequities must be corrected. Advertising should be eliminated on all of the public broadcaster's platforms and private broadcasters must be given regulatory relief and flexibility to more adequately and fairly reflect the realities of today's television industry. We're talking about our culture. Its future is at stake.

MELS and INCENDO

MELS and Incendo were hard hit by the writers' and actors' strikes in the U.S., which shut down many foreign productions in 2023.

Since the first quarter, business has picked up again, and our services have been in high demand. Currently, two blockbusters from the American studios Apple and Skydance are shooting at MELS' facilities.

We welcome the Québec government's decision to increase the film production services tax credit for foreign film shoots, which will help Montréal and Québec as a whole remain attractive locations.

SPORTS AND ENTERTAINMENT

Our commitment to culture is also front and centre in our Sports & Entertainment segment and our Book Group.

We continued to leverage our ecosystem of venues, presenting over 450 cultural and sporting events in 2023.

The Videotron Centre set an attendance record in 2023. It hosted concerts by French-speaking artists such as Les Cowboys Fringants, Roxane Bruneau, Michel Sardou, and Angèle, as well as international headliners Morgan Wallen, Muse, Kiss and Depeche Mode.

And global superstar Billie Eilish has chosen the Videotron Centre to officially kick off her international tour in September 2024!

Our GesteV subsidiary has been making waves with its flagship cultural events in Québec City. In 2023, the Cigale and Igloofest Québec music festivals were both resounding successes.

Finally, our general literature publishing houses published 7 of the 15 bestselling books in Québec in 2023. Michel Jean's novel *Qimmik*, published by Libre Expression, was among the top 3 for the year.

SOCIAL RESPONSABILITY

We take pride in our achievements and are proud to share our success with the community.

In 2023, our commitment to “Cultivating the Art of the Possible” translated into more than \$33 million in donations and sponsorships to more than 400 organizations.

As in every year, we allocated almost half the value of our contributions to supporting, developing and promoting culture in all its forms: music, film, theatre, literature, dance, visual arts.

Of course, we maintained our commitment to preserving and promoting our cinematic heritage through *Éléphant: The Memory of Québec Cinema*. This project, fully funded by Quebecor, is digitizing and restoring landmark Québec feature films and giving them a second life by making them available to audiences again.

On the environmental front, the fight against climate change is a major issue for our society, and one in which we are fully engaged.

As a result of our fleet electrification program, we now have 127 all-electric vehicles, almost 60 hybrid vehicles, and 164 charging stations. To cut our greenhouse gas emissions, we are constantly striving to reduce the size of our vehicle fleets.

We also continued our We Recycle program, which has collected millions of electronic products from our customers, and we supported the Rolling Green program, which is encouraging growing numbers of film and television producers and broadcasters to adopt environmentally friendly practices.

And we are proud to support the development of the next generation of entrepreneurs.

We supported the creation of a specialized entrepreneurship training program at Université de Montréal and construction of the future Pavillon Pierre-Péladeau with a \$40 million donation from Quebecor and the Fondation-Chopin-Péladeau, the largest gift ever received by the university.

We invested in start-ups through our asterX venture capital unit.

And, on the 25th anniversary of the Pierre Péladeau Bursaries, we again distributed \$200,000 to support university student entrepreneurs.

Making our society more inclusive and egalitarian society is another key concern for us. For the packing and shipping of Videotron and Fizz products, we have had a partnership for 45 years with Groupe AFFI, a social economy business that employs people with functional limitations. We contributed to the opening of Espace Autiste & majeur in 2023, and Videotron helped build the Fondation Les Petits Rois' smart home.

In conclusion, the successes and challenges of the past year clearly show the power of our strong ecosystem and, of course, the talent, agility, creativity and unwavering commitment that our employees demonstrate every day. We are truly grateful to them.

We also thank our valued customers, partners, advertisers, directors and shareholders for placing their trust in us.

In 2023, Quebecor began a new chapter, one that will strengthen the foundations on which our Corporation rests. As Mr. Mulroney so aptly put it, the acquisition of Freedom was Quebecor's second transformative transaction, and it is what lets us look to the future with confidence, knowing that we possess all the ingredients to ensure Quebecor's long-term growth and success.