

Condensed consolidated financial statements of

QUEBECOR INC.

Three-month periods ended March 31, 2024 and 2023

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF INCOME

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

Three months ended
March 31

	Note	2024	2023
Revenues	2	\$ 1,362.8	\$ 1,115.6
Employee costs	3	189.2	176.5
Purchase of goods and services	3	614.1	496.3
Depreciation and amortization		236.2	188.5
Financial expenses	4	108.9	77.9
(Gain) loss on valuation and translation of financial instruments	5	(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	10		
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

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)
(unaudited)

Three months ended
March 31

	Note	2024	2023
Net income		\$ 167.6	\$ 113.5
Other comprehensive income:	13		
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)

See accompanying notes to condensed consolidated financial statements.

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.

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 11)			(note 13)		
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

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)
(unaudited)

Three months ended
March 31

	Note	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	5	(9.8)	11.3
Impairment of assets		2.4	-
Amortization of financing costs	4	2.3	1.7
Deferred income taxes		(27.7)	(21.5)
Other		0.7	(0.9)
		<u>371.7</u>	<u>292.6</u>
Net change in non-cash balances related to operating activities		17.1	(20.7)
Cash flows provided by operating activities		<u>388.8</u>	<u>271.9</u>
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	7	37.0	(20.0)
		<u>(90.0)</u>	<u>(109.5)</u>
Additions to intangible assets		(39.2)	(45.6)
Deposit on acquisition of spectrum licences	8	(59.8)	-
Proceeds from disposals of assets		-	0.3
Acquisitions of investments and other		(14.6)	(0.6)
Cash flows used in investing activities		<u>(203.6)</u>	<u>(155.4)</u>
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	9	-	(1,138.1)
Repayment of lease liabilities		(28.3)	(10.9)
Settlement of hedging contracts	9	-	307.2
Dividends paid to non-controlling interests		-	(0.1)
Cash flows used in financing activities		<u>(133.4)</u>	<u>(137.2)</u>
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		<u>\$ 62.9</u>	<u>\$ 25.2</u>
Cash, cash equivalents and restricted cash consist of			
Cash		\$ 25.5	\$ 5.9
Cash equivalents		0.4	-
Restricted cash		37.0	19.3
		<u>\$ 62.9</u>	<u>\$ 25.2</u>
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

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars)
(unaudited)

		March 31	December 31
	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents		\$ 25.9	\$ 11.1
Restricted cash	7	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	8	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	7	37.0	-
Income taxes		24.5	24.7
Convertible debentures		150.0	150.0
Current portion of long-term debt	9	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	9	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	11	914.6	914.6
Contributed surplus		17.4	17.4
Retained earnings		887.3	789.1
Accumulated other comprehensive income	13	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

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month periods ended March 31, 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 Quebec 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 May 8, 2024.

Comparative figures for the previous period have been restated to conform to the presentation adopted for the three-month period ended March 31, 2024.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2024 and 2023

(tabular amounts in millions of Canadian dollars, except for per share data and option data)

(unaudited)

2. REVENUES

	Three months ended March 31	
	2024	2023
Telecommunications:		
Mobile telephony	\$ 409.1	\$ 201.1
Internet	320.5	314.7
Television	199.2	199.4
Wireline telephony	64.7	71.3
Mobile equipment sales	131.3	75.1
Wireline equipment sales	13.1	15.9
Other	41.6	47.5
Media:		
Advertising	76.9	81.3
Subscription	44.5	46.4
Other	47.4	43.1
Sports and Entertainment	46.7	48.5
Inter-segments	(32.2)	(28.7)
	\$ 1,362.8	\$ 1,115.6

3. EMPLOYEE COSTS AND PURCHASE OF GOODS AND SERVICES

	Three months ended March 31	
	2024	2023
Employee costs	\$ 234.6	\$ 214.6
Less employee costs capitalized to property, plant and equipment and to intangible assets	(45.4)	(38.1)
	189.2	176.5
Purchase of goods and services:		
Royalties, rights and creation costs	204.2	213.5
Cost of products sold	202.2	112.2
Service contracts	35.2	32.2
Marketing, circulation and distribution expenses	29.8	23.8
Other	142.7	114.6
	614.1	496.3
	\$ 803.3	\$ 672.8

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 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 March 31	
	2024	2023
Interest on long-term debt and on debentures	\$ 98.5	\$ 72.6
Amortization of financing costs	2.3	1.7
Interest on lease liabilities	4.6	2.1
Loss on foreign currency translation on short-term monetary items	1.6	0.6
Other	1.9	0.9
	\$ 108.9	\$ 77.9

5. (GAIN) LOSS ON VALUATION AND TRANSLATION OF FINANCIAL INSTRUMENTS

	Three months ended March 31	
	2024	2023
(Gain) loss on embedded derivatives related to convertible debentures	\$ (9.8)	\$ 11.6
Other	–	(0.3)
	\$ (9.8)	\$ 11.3

6. 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.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2024 and 2023

(tabular amounts in millions of Canadian dollars, except for per share data and option data)

(unaudited)

6. BUSINESS ACQUISITION (continued)

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.

7. RESTRICTED CASH AND DEFERRED SUBSIDIES

In March 2024, Videotron and the Québec government signed an agreement as part of 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 March 31, 2024.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2024 and 2023

(tabular amounts in millions of Canadian dollars, except for per share data and option data)

(unaudited)

8. SPECTRUM LICENCES

On January 17, 2024, Videotron made an initial deposit of \$59.8 million on a \$298.9 million investment to acquire 305 blocks of spectrum in the 3800 MHz band across the country, following the conclusion of the latest spectrum auction that ended on November 30, 2023. Approximately 61% of the 305 blocks of wireless spectrum are located outside Québec, mainly in southern Ontario, Alberta and British Columbia. The balance of \$239.1 million will be paid in May 2024. The initial deposit of \$59.8 million is presented in other non-current assets on the consolidated balance sheet as of March 31, 2024.

9. LONG-TERM DEBT

Components of long-term debt are as follows:

	March 31, 2024	December 31, 2023
Total long-term debt	\$ 7,647.8	\$ 7,668.2
Change in fair value related to hedged interest rate risk	(1.2)	(2.2)
Financing costs, net of amortization	(31.3)	(33.6)
	7,615.3	7,632.4
Less current portion	(1,509.7)	(1,480.6)
	\$ 6,105.6	\$ 6,151.8

As of March 31, 2024, the carrying value of long-term debt denominated in U.S. dollars, excluding financing costs, was \$4,572.6 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 \$193.7 million (\$106.9 million as of December 31, 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 secured revolving credit facility were used to finance this redemption.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2024 and 2023

(tabular amounts in millions of Canadian dollars, except for per share data and option data)

(unaudited)

10. 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 of the Corporation on the number of shares outstanding, the potentially dilutive effect of stock options of the Corporation's subsidiaries on net income attributable to shareholders, and the potentially dilutive effect of conversion of convertible debentures issued by the Corporation on net income attributable to shareholders and on the number of shares outstanding.

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

	Three months ended March 31	
	2024	2023
Net income attributable to shareholders	\$ 173.2	\$ 120.9
Impact of assumed conversion of convertible debentures of the Corporation and of stock options of subsidiaries	(8.7)	–
Net income attributable to shareholders, adjusted for dilution effect	\$ 164.5	\$ 120.9
Weighted average number of shares outstanding (in millions)	230.7	230.9
Potentially dilutive effect of convertible debentures of the Corporation and of stock options of the Corporation (in millions)	5.3	0.3
Weighted average number of diluted shares outstanding (in millions)	236.0	231.2

For the three-month period ended March 31, 2023, the diluted earnings per share calculation does not take into consideration the potential dilutive effect of convertible debentures of the Corporation since their impact is anti-dilutive.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2024 and 2023

(tabular amounts in millions of Canadian dollars, except for per share data and option data)

(unaudited)

11. 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 Subordinate Voting Shares ("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 and March 31, 2024	76,692,135	\$ 8.6	153,983,455	\$ 906.0

Repurchase of shares

On August 9, 2023, 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 2,000,000 Class B Shares representing approximately 1.3% of issued and outstanding Class B Shares as of August 1, 2023. The purchases can be made from August 15, 2023 to August 14, 2024, 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.

Dividends

On May 8, 2024, the Corporation declared a dividend of \$0.325 per share on Class A Shares and Class B Shares, or approximately \$75.0 million, payable on June 18, 2024, to shareholders of record at the close of business on May 24, 2024.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2024 and 2023
(tabular amounts in millions of Canadian dollars, except for per share data and option data)
(unaudited)

12. 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 three-month period ended March 31, 2024:

	Outstanding options	
	Number	Weighted average exercise price
Quebecor		
As of December 31, 2023	7,002,214	\$ 31.35
Cancelled	(75,000)	28.82
As of March 31, 2024	6,927,214	\$ 31.38
Vested options as of March 31, 2024	1,125,158	\$ 29.75
TVA Group Inc.		
As of December 31, 2023 and March 31, 2024	393,774	\$ 2.42
Vested options as of March 31, 2024	134,527	\$ 2.87

For the three-month period ended March 31, 2024, a \$3.0 million reversal of the charge was recorded related to all stock-based compensation plans (a \$5.8 million charge in 2023).

13. 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)	3.8	(0.4)	–	6.0	9.4
Balance as of March 31, 2023	(22.6)	(23.8)	60.6	(3.0)	11.2
Other comprehensive income (loss)	2.1	(10.9)	11.8	(8.4)	(5.4)
Balance as of December 31, 2023	(20.5)	(34.7)	72.4	(11.4)	5.8
Other comprehensive income (loss)	5.4	(1.2)	36.4	2.9	43.5
Balance as of March 31, 2024	\$ (15.1)	\$ (35.9)	\$ 108.8	\$ (8.5)	\$ 49.3

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 5¼-year period.

² The re-measurement gain in the consolidated statement of comprehensive income for the three-month period ended March 31, 2024 is mainly due to an increase in the discount rate since December 31, 2023 and an increase in the fair value of defined pension plan assets.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2024 and 2023

(tabular amounts in millions of Canadian dollars, except for per share data and option data)

(unaudited)

14. 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 is 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.

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

Asset (liability)	March 31, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Long-term debt ¹	\$ (7,647.8)	\$ (7,394.9)	\$ (7,668.2)	\$ (7,391.0)
Convertible debentures ²	(155.5)	(155.5)	(165.0)	(165.0)
Derivative financial instruments				
Foreign exchange forward contracts	0.3	0.3	(1.5)	(1.5)
Interest rate swaps	13.2	13.2	5.4	5.4
Cross-currency swaps	193.7	193.7	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.