MANAGEMENT DISCUSSION AND ANALYSIS
SECOND QUARTER 2025

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CORPORATE PROFILE

This Management Discussion and Analysis covers the main activities of Quebecor Inc. in the second quarter of 2025 and the major changes from the previous financial year. Quebecor Inc., one of Canada's largest telecommunications and media groups, operates in the following segments: Telecommunications, Media, and Sports and Entertainment. Unless the context otherwise requires, in this Management Discussion and Analysis, "Quebecor" and "the Corporation" refer to Quebecor Inc. and its subsidiaries.

A Canadian leader in telecommunications and media, Quebecor is expanding its geographic footprint in the Canadian telecom market through a strategy focused on increasing competition in mobile telephony, and is pursuing a convergence strategy to leverage the value of its content for the benefit of its various properties and multiple distribution platforms.

This report should be read in conjunction with the information in the consolidated financial statements and Management Discussion and Analysis for the financial year ended December 31, 2024. All amounts are stated in Canadian dollars ("CAN dollars") unless otherwise indicated.

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. It also uses key performance indicators, such as revenue-generating unit ("RGU") and average monthly mobile revenue per unit ("mobile ARPU"). Definitions of these measures are provided in the "Non-IFRS financial measures" and "Key performance indicators" sections.

HIGHLIGHTS

Second quarter 2025

Revenues: $1.38 billion, a $6.5 million (-0.5%) decrease.

Adjusted EBITDA:[1] $605.1 million, a $19.8 million (-3.2%) decrease, mainly due to a $24.2 million increase in the stock-based compensation charge across all of the Corporation's segments, partly offset by an $8.8 million (1.4%) increase in the Telecommunications segment's adjusted EBITDA, excluding the impact of stock-based compensation.

Net income attributable to shareholders: $217.7 million ($0.95 per basic share), an increase of $10.1 million ($0.05 per basic share) or 4.9%.

Adjusted income from operating activities:[1] $226.8 million ($0.99 per basic share), an increase of $21.7 million ($0.10 per basic share) or 10.6%.

Adjusted cash flows from operations:[1] $452.8 million, a $3.1 million (0.7%) increase.

Cash flows provided by operating activities: $538.0 million, a $146.4 million (37.4%) increase.

Year to date

Revenues: $2.72 billion, a $26.2 million (-1.0%) decrease.

Adjusted EBITDA: $1.15 billion, a $29.7 million (-2.5%) decrease, mainly due to a $46.7 million increase in the stock-based compensation charge across all of the Corporation's segments, partly offset by a $21.3 million (1.8%) increase in the Telecommunications segment's adjusted EBITDA, excluding the impact of stock-based compensation.

Net income attributable to shareholders: $408.4 million ($1.77 per basic share), an increase of $27.6 million ($0.12 per basic share) or 7.2%.

Adjusted income from operating activities: $411.9 million ($1.79 per basic share), an increase of $43.7 million ($0.19 per basic share) or 11.9%.

Adjusted cash flows from operations: $856.1 million, a $12.6 million (-1.5%) decrease.

Cash flows provided by operating activities: $958.2 million, a $177.8 million (22.8%) increase.

[1] See "Non-IFRS financial measures."

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

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Income				
Revenues:				
Telecommunications	**$ 1,186.8**	$ 1,186.9	**$ 2,346.9**	$ 2,366.4
Media	**174.4**	184.4	**339.0**	353.2
Sports and Entertainment	**51.5**	45.4	**101.2**	92.1
Inter-segments	**(32.3)**	(29.8)	**(63.6)**	(62.0)
	1,380.4	1,386.9	**2,723.5**	2,749.7
Adjusted EBITDA (negative adjusted EBITDA):				
Telecommunications	**609.5**	608.1	**1,190.9**	1,183.6
Media	**9.3**	18.9	**(9.3)**	2.2
Sports and Entertainment	**4.7**	1.0	**8.2**	4.9
Head Office	**(18.4)**	(3.1)	**(35.1)**	(6.3)
	605.1	624.9	**1,154.7**	1,184.4
Depreciation and amortization	**(213.8)**	(237.6)	**(429.1)**	(473.8)
Financial expenses	**(86.0)**	(108.1)	**(178.5)**	(217.0)
Gain on valuation and translation of financial instruments	**–**	5.7	**–**	15.5
Restructuring, impairment of assets and other	**(14.0)**	(7.0)	**(10.7)**	(9.2)
Income taxes	**(75.1)**	(71.3)	**(135.9)**	(125.7)
Net income	**$ 216.2**	$ 206.6	**$ 400.5**	$ 374.2
Net income attributable to shareholders	**$ 217.7**	$ 207.6	**$ 408.4**	$ 380.8
Adjusted income from operating activities	**226.8**	205.1	**411.9**	368.2
Per basic share:				
Net income attributable to shareholders	**0.95**	0.90	**1.77**	1.65
Adjusted income from operating activities	**0.99**	0.89	**1.79**	1.60

Table 1 (continued)	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Capital expenditures:				
Telecommunications	**$ 149.8**	$ 162.1	**$ 292.0**	$ 295.0
Media	**1.0**	11.0	**3.9**	17.2
Sports and Entertainment	**1.5**	1.9	**2.7**	3.3
Head Office	**–**	0.2	**–**	0.2
	152.3	175.2	**298.6**	315.7
Acquisition of spectrum licences	**–**	239.1	**–**	298.9
Cash flows:				
Adjusted cash flows from operations:				
Telecommunications	**459.7**	446.0	**898.9**	888.6
Media	**8.3**	7.9	**(13.2)**	(15.0)
Sports and Entertainment	**3.2**	(0.9)	**5.5**	1.6
Head Office	**(18.4)**	(3.3)	**(35.1)**	(6.5)
	452.8	449.7	**856.1**	868.7
Free cash flows from operating activities[1]	**374.9**	220.8	**612.7**	443.4
Cash flows provided by operating activities	**538.0**	391.6	**958.2**	780.4

	June 30, 2025	Dec. 31, 2024
Balance sheet		
Cash and cash equivalents	**$ 21.0**	$ 61.8
Working capital	**(388.8)**	(36.0)
Net assets related to derivative financial instruments	**5.6**	141.2
Total assets	**12,587.2**	12,998.7
Bank indebtedness	**3.4**	6.7
Total long-term debt (including current portion)	**7,097.6**	7,619.7
Lease liabilities (current and long term)	**411.9**	409.7
Equity attributable to shareholders	**2,375.0**	2,157.2
Equity	**2,474.6**	2,264.7
Consolidated net debt leverage ratio[1]	**3.20x**	3.31x

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

Telecommunications

- In the second quarter of 2025, the Telecommunications segment's revenues were stable and its adjusted EBITDA increased by $1.4 million (0.2%), or $8.8 million (1.4%), excluding the impact of the stock-based compensation charge.
- Revenues from mobile services increased by $25.5 million (6.2%).
- There was a net increase of 33,700 RGUs[1] (0.4%) in the second quarter of 2025, including 72,000 connections (1.7%) to the mobile telephony service.
- On June 11, 2025, Videotron Ltd. ("Videotron") announced a major expansion of its GIGA Internet service in the Québec City, Outaouais, Saguenay–Lac-Saint-Jean and Hautes-Laurentides areas and the Rivière-du-Loup regional county municipalities (RCM). In all, more than 350,000 additional households can now enjoy higher download speeds.
- On April 4, 2025, in keeping with its ongoing commitment to improving customer experience, Freedom Mobile Inc. ("Freedom") began the phased rollout of 3800 MHz spectrum across its 5G+ network in Ontario, Alberta and British Columbia. This rollout will significantly increase Freedom's network capacity and deliver improved connectivity for customers with 5G+ compatible devices and plans, with theoretical download speeds in excess of 1 Gbps.

Media

- In the second quarter of 2025, the Media segment posted a $10.0 million (-5.4%) decrease in revenues and stable adjusted EBITDA, excluding a $10.2 million favourable retroactive adjustment recorded in the second quarter of 2024 in connection with an agreement on carriage fees for the LCN specialty channel.

Sports and Entertainment

- In the second quarter of 2025, the Sports and Entertainment segment posted increases of $6.1 million (13.4%) in revenues and $3.7 million in adjusted EBITDA.

Financing operations

- On June 16, 2025, Videotron redeemed at maturity its Senior Notes in aggregate principal amount of $400.0 million, bearing interest at 5.625%.
- On April 15, 2025, Quebecor Media Inc. ("Quebecor Media") terminated its $300.0 million secured revolving credit facility. On May 27, 2025, Videotron increased its revolving credit facility by an equivalent amount, from $500.0 million to $800.0 million, consistent with its rights, under its credit agreement, to request additional commitments of up to $1.00 billion from its lenders.

[1] See "Key performance indicators."

ANALYSIS OF CONSOLIDATED RESULTS

2025/2024 second quarter comparison

Revenues: $1.38 billion, a $6.5 million (-0.5%) decrease.

- Revenues decreased in Media ($10.0 million or -5.4%).
- Revenues increased in Sports and Entertainment ($6.1 million or 13.4%).
- Revenues were stable in the Telecommunications segment.

Adjusted EBITDA: $605.1 million, a $19.8 million (-3.2%) decrease. This decrease was due to, among other things, a $24.2 million increase in the stock-based compensation charge due to a significant change in the fair value of Quebecor stock options and stock-price-based share units.

- There was an unfavourable variance at Head Office ($15.3 million) and a decrease in the Media segment ($9.6 million).
- Adjusted EBITDA increased in Sports and Entertainment ($3.7 million) and in Telecommunications ($1.4 million).

Net income attributable to shareholders: $217.7 million ($0.95 per basic share) in the second quarter of 2025, compared with $207.6 million ($0.90 per basic share) in the same period of 2024, an increase of $10.1 million ($0.05 per basic share) or 4.9%.

- The main favourable variances were:
  - $23.8 million decrease in the depreciation and amortization charge;
  - $22.1 million decrease in financial expenses.
- The unfavourable variances were:
  - $19.8 million decrease in adjusted EBITDA;
  - $7.0 million unfavourable variance in the charge for restructuring, impairment of assets and other;
  - $5.7 million unfavourable variance related to gains on valuation and translation of financial instruments;
  - $3.8 million increase in the income tax expense.

Adjusted income from operating activities: $226.8 million ($0.99 per basic share) in the second quarter of 2025, compared with $205.1 million ($0.89 per basic share) in the same period of 2024, an increase of $21.7 million ($0.10 per basic share) or 10.6%.

Adjusted cash flows from operations: $452.8 million, a $3.1 million (0.7%) increase in the second quarter of 2025 due to the $22.9 million decrease in capital expenditures, partially offset by a $19.8 million decrease in adjusted EBITDA.

Cash flows provided by operating activities: $538.0 million, a $146.4 million (37.4%) increase in the second quarter of 2025 due primarily to the favourable net change in non-cash balances related to operating activities and a decrease in the cash portion of financial expenses, partially offset by the decrease in adjusted EBITDA, an increase in current income taxes, and the increase in the cash portion of the charge for restructuring, impairment of assets and other.

Depreciation and amortization charge: $213.8 million in the second quarter of 2025, a $23.8 million decrease due mainly to the slowdown in capital expenditures in recent years, including the impact of government credits for certain large investment projects.

Financial expenses: $86.0 million in the second quarter of 2025, a $22.1 million decrease due primarily to the impact of lower average interest rates on long-term debt and lower average indebtedness.

Gain on valuation and translation of financial instruments: Nil in the second quarter of 2025, a $5.7 million unfavourable variance due to the gain on embedded derivatives related to convertible debentures in the same period of 2024.

Charge for restructuring, impairment of assets and other: $14.0 million in the second quarter of 2025, an unfavourable variance of $7.0 million due mainly to a decrease in the share of results of associates and a charge for retroactive costs in the Telecommunications segment arising from an appeal court decision in the second quarter of 2025 on tariffs for the retransmission of distant television signals, partially offset by a decrease in the asset impairment charge.

Income tax expense: $75.1 million in the second quarter of 2025 (effective tax rate of 26.9%), compared with $71.3 million in the same period of 2024 (effective tax rate of 26.0%), a $3.8 million unfavourable variance caused mainly by the impact of the increase in taxable income. The effective tax rate is calculated considering only taxable and deductible items.

2025/2024 year-to-date comparison

Revenues: $2.72 billion, a $26.2 million (-1.0%) decrease.

- Revenues decreased in Telecommunications ($19.5 million or -0.8% of segment revenues) and in Media ($14.2 million or -4.0%).
- Revenues increased in Sports and Entertainment ($9.1 million or 9.9%).

Adjusted EBITDA: $1.15 billion, a $29.7 million (-2.5%) decrease. This decrease was due to, among other things, a $46.7 million increase in the stock-based compensation charge resulting from a significant change in the fair value of Quebecor stock options and stock-price-based share units.

- There were unfavourable variances at Head Office ($28.8 million) and in the Media segment ($11.5 million).
- Adjusted EBITDA increased in Telecommunications ($7.3 million or 0.6% of segment adjusted EBITDA) and in Sports and Entertainment ($3.3 million).

Net income attributable to shareholders: $408.4 million ($1.77 per basic share) in the first half of 2025, compared with $380.8 million ($1.65 per basic share) in the same period of 2024, an increase of $27.6 million ($0.12 per basic share) or 7.2%.

- The main favourable variances were:
  - $44.7 million decrease in the depreciation and amortization charge;
  - $38.5 million decrease in financial expenses.
- The main unfavourable variances were:
  - $29.7 million decrease in adjusted EBITDA;
  - $15.5 million unfavourable variance related to gains on valuation and translation of financial instruments;
  - $10.2 million increase in the income tax expense.

Adjusted income from operating activities: $411.9 million ($1.79 per basic share) in the first half of 2025, compared with $368.2 million ($1.60 per basic share) in the same period of 2024, an increase of $43.7 million ($0.19 per basic share) or 11.9%.

Adjusted cash flows from operations: $856.1 million, a $12.6 million (-1.5%) decrease due to the $29.7 million decrease in adjusted EBITDA, partially offset by a $17.1 million decrease in capital expenditures.

Cash flows provided by operating activities: $958.2 million, a $177.8 million (22.8%) increase due primarily to the favourable net change in non-cash balances related to operating activities and a decrease in the cash portion of financial expenses, partially offset by the decrease in adjusted EBITDA, an increase in current income taxes, and an increase in the cash portion of the charge for restructuring, impairment of assets and other.

Depreciation and amortization charge: $429.1 million in the first half of 2025, a $44.7 million decrease due mainly to the same factors as those noted above in the discussion of second quarter 2025 results.

Financial expenses: $178.5 million in the first half of 2025, a $38.5 million decrease due primarily to the impact of lower average interest rates on long-term debt and lower average indebtedness.

Gain on valuation and translation of financial instruments: Nil in the first half of 2025, a $15.5 million unfavourable variance due to the gain on embedded derivatives related to convertible debentures in the same period of 2024.

Charge for restructuring, impairment of assets and other: $10.7 million in the first half of 2025, an unfavourable variance of $1.5 million due to an increase in the charge related to cost-reduction measures, including workforce reduction in the Media segment, and the charge for retroactive costs in the Telecommunications segment arising from an appeal court decision in the second quarter of 2025 on tariffs for the retransmission of distant television signals, largely offset by a decrease in the asset impairment charge.

Income tax expense: $135.9 million in the first half of 2025 (effective tax rate of 26.5%), compared with $125.7 million in the same period of 2024 (effective tax rate of 26.0%), a $10.2 million unfavourable variance caused mainly by the impact of the increase in taxable income. The effective tax rate is calculated considering only taxable and deductible items.

SEGMENTED ANALYSIS

Telecommunications

Second quarter 2025 operating results

Revenues: Stable at $1.19 billion in the second quarter of 2025.

- Revenues from mobile telephony services increased $25.5 million (6.2%) to $435.8 million, mainly because of an increase in the number of subscriber connections, partially offset by lower average per-connection revenues.
- Revenues from Internet access services decreased $4.5 million (-1.4%) to $311.2 million, essentially because of a reduction in the subscriber base.
- Revenues from television services decreased $8.4 million (-4.3%) to $187.5 million, mainly because of a reduction in the subscriber base.
- Revenues from wireline telephony services decreased $4.2 million (-6.7%) to $58.6 million, mainly because of the impact of the decrease in subscriber connections, partially offset by higher average per-connection revenues.
- Revenues from mobile equipment sales to customers increased $3.4 million (2.3%) to $151.0 million, mainly because of price increases, partially offset by a decrease in the number of mobile devices sold.
- Other revenues decreased $11.9 million (-21.8%) to $42.7 million, essentially because of the decrease in revenues from wireline equipment sales due to the availability of Helix equipment on a rental basis since the beginning of June 2024.

Mobile ARPU:[1] $34.35 in the second quarter of 2025 compared with $35.32 in the same period of 2024, a $0.97 (-2.7%) decrease, mainly attributable to higher promotional discounts, lower overage revenues and a change in the customer mix, including the dilutive effect of Freedom's and Fizz's prepaid services.

Customer statistics

Table 2 shows changes in RGUs for the three-month, six-month and twelve-month periods ended June 30, 2025 and 2024.

Table 2
Change in RGUs
(in thousands of units)

	Three months ended June 30		Six months ended June 30		Twelve months ended June 30	
	2025	2024	**2025**	2024	**2025**	2024
Mobile telephony	**72.0**	93.5	**126.4**	153.7	**346.0**	308.5
	1.7%	*2.4%*	***3.1%***	*4.1%*	***8.8%***	*8.5%*
Internet access	**(3.2)**	1.4	**(6.7)**	(5.1)	**3.4**	5.7
	-0.2%	*0.1%*	***-0.4%***	*-0.3%*	***0.2%***	*0.3%*
Television	**(19.3)**	(13.8)	**(20.2)**	(33.7)	**(47.7)**	(52.6)
	-1.5%	*-1.0%*	***-1.6%***	*-2.5%*	***-3.6%***	*-3.8%*
Wireline telephony	**(15.8)**	(14.9)	**(31.5)**	(31.3)	**(66.0)**	(68.7)
	-2.7%	*-2.3%*	***-5.2%***	*-4.6%*	***-10.3%***	*-9.6%*
Total RGUs	**33.7**	66.2	**68.0**	83.6	**235.7**	192.9
	0.4%	*0.9%*	***0.9%***	*1.1%*	***3.1%***	*2.6%*

[1] See "Key performance indicators."

Table 3

Quarter-end RGUs
(in thousands of units)

	June 2025	Mar. 2025	Dec. 2024	Sept. 2024	June 2024	Mar. 2024	Dec. 2023	Sept. 2023
Mobile telephony	**4,264.6**	4,192.6	4,138.2	4,050.7	3,918.6	3,825.1	3,764.9	3,698.8
Internet access	**1,725.9**	1,729.1	1,732.6	1,734.3	1,722.5	1,721.1	1,727.6	1,721.3
Television	**1,274.2**	1,293.5	1,294.4	1,311.9	1,321.9	1,335.7	1,355.6	1,362.5
Wireline telephony	**577.4**	593.2	608.9	627.5	643.4	658.3	674.7	691.9
Total	**7,842.1**	7,808.4	7,774.1	7,724.4	7,606.4	7,540.2	7,522.8	7,474.5

Adjusted EBITDA: $609.5 million, a $1.4 million (0.2%) increase, mainly due to the impact of the increase in revenues from mobile services and disciplined management of promotional discounts and of costs related to mobile device sales, partially offset by the impact of the decrease in revenues from wireline services and the increase in the stock-based compensation charge.

Cost/revenue ratio: Employee costs and purchases of goods and services for all operations, expressed as a percentage of revenues, were 48.6% in the second quarter of 2025 compared with 48.8% in the same period of 2024.

Adjusted cash flows from operations: $459.7 million in the second quarter of 2025 compared with $446.0 million in the same period of 2024 (Table 10). The $13.7 million (3.1%) increase mainly reflects a $12.3 million decrease in capital expenditures due primarily to the timing of certain investments.

Year-to-date operating results

Revenues: $2.35 billion in the first half of 2025, a $19.5 million (-0.8%) decrease, essentially due to the same factors as those noted above in the discussion of second quarter 2025 results.

- Revenues from mobile telephony services increased $45.2 million (5.5%) to $864.6 million.
- Revenues from Internet access services decreased $12.4 million (-1.9%) to $623.8 million.
- Revenues from television services decreased $17.4 million (-4.4%) to $377.7 million.
- Revenues from wireline telephony services decreased $9.0 million (-7.1%) to $118.5 million.
- Revenues from mobile equipment sales to customers decreased $1.6 million (-0.6%) to $277.3 million.
- Other revenues decreased $24.3 million (-22.2%) to $85.0 million

Mobile ARPU:[1] $34.33 in the first half of 2025 compared with $35.63 in the same period of 2024, a $1.30 (-3.6%) decrease due mainly to the same factors as those noted above in the discussion of second quarter 2025 results.

Adjusted EBITDA: $1.19 billion in the first half of 2025, a $7.3 million (0.6%) increase essentially due to the same factors as those noted above in the discussion of second quarter 2025 operating results.

Cost/revenue ratio: Employee costs and purchases of goods and services for all operations, expressed as a percentage of revenues, were 49.3% in the first half of 2025 compared with 50.0% in the same period of 2024.

Adjusted cash flows from operations: $898.9 million in the first half of 2025 compared with $888.6 million in the same period of 2024 (Table 10). The $10.3 million (1.2%) increase was due to the $7.3 million increase in adjusted EBITDA and the $3.0 million decrease in capital expenditures.

[1] See “Key performance indicators.”

Media

Second quarter 2025 operating results

Revenues: $174.4 million in the second quarter of 2025, a $10.0 million (-5.4%) decrease.

- Subscription revenues decreased by $9.9 million (-17.6%), mainly attributable to a $10.2 million favourable retroactive adjustment recorded in the second quarter of 2024 in connection with an agreement on carriage fees for the LCN specialty channel.
- Other revenues decreased by $5.2 million (-10.1%), mainly due to the decrease in the volume of activities related to film production and audiovisual services.
- Advertising revenues increased by $5.1 million (6.7%), mainly in the TVA Sports specialty channel and in out-of-home following the acquisition of the Canada-wide out-of-home advertising business of Media Group Inc. (“NEO-OOH”) in October 2024.

Adjusted EBITDA: $9.3 million in the second quarter of 2025, a $9.6 million (-50.8%) unfavourable variance due primarily to the impact of the decrease in revenues.

Cost/revenue ratio: Employee costs and purchases of goods and services for all operations, expressed as a percentage of revenues, were 94.7% in the second quarter of 2025 compared with 89.8% in the same period of 2024. The increase was mainly due to the fixed component of costs, which does not fluctuate in proportion to the decrease in revenues.

Adjusted cash flows from operations: $8.3 million in the second quarter of 2025 compared with $7.9 million in the same period of 2024 (Table 10). The $0.4 million increase was due to a $10.0 million decrease in capital expenditures, partially offset by the $9.6 million decrease in adjusted EBITDA.

Year-to-date operating results

Revenues: $339.0 million in the first half of 2025, a $14.2 million (-4.0%) decrease.

- Subscription revenues decreased by $10.7 million (-10.6%), essentially due to the same factor as that noted above in the discussion of second quarter 2025 operating results.
- Other revenues decreased by $7.2 million (-7.3%), mainly due to the decrease in the volume of activities related to film production and audiovisual services, and from commercial production, partially offset by higher digital marketing revenues.
- Advertising revenues increased by $3.7 million (2.4%), due mainly to the increase in out-of-home revenues following the acquisition of NEO-OOH.

Adjusted EBITDA: Negative $9.3 million in the first half of 2025, an $11.5 million unfavourable variance due primarily to the impact of the decrease in revenues.

Cost/revenue ratio: Employee costs and purchases of goods and services for all operations, expressed as a percentage of revenues, were 102.7% in the first half of 2025 compared with 99.4% in the same period of 2024. The increase is essentially due to the same factor as that noted above in the discussion of second quarter 2025 operating results.

Adjusted cash flows from operations: Negative $13.2 million in the first half of 2025 compared with negative $15.0 million in the same period of 2024 (Table 10). The $1.8 million favourable variance was due to a $13.3 million decrease in capital expenditures, partially offset by the $11.5 million unfavourable variance in adjusted EBITDA.

Sports and Entertainment

Second quarter 2025 operating results

Revenues: $51.5 million in the second quarter of 2025, a $6.1 million (13.4%) increase due to higher revenues from all operations.

Adjusted EBITDA: $4.7 million in the second quarter of 2025, a $3.7 million increase due mainly to the impact of the revenue increase, partially offset by the impact of increases in some operating expenses, including the increase in the stock-based compensation charge.

Adjusted cash flows from operations: $3.2 million in the second quarter of 2025 compared with negative $0.9 million in the same period of 2024 (Table 10). The $4.1 million favourable variance was due primarily to the $3.7 million increase in adjusted EBITDA.

Year-to-date operating results

Revenues: $101.2 million in the first half of 2025, a $9.1 million (9.9%) increase due to higher revenues from all operations.

Adjusted EBITDA: $8.2 million in the first half of 2025, a $3.3 million (67.3%) increase essentially due to the same factors as those noted in the discussion of second quarter 2025 operating results.

Adjusted cash flows from operations: $5.5 million in the first half of 2025 compared with $1.6 million in the same period of 2024 (Table 10). The $3.9 million increase was due primarily to the $3.3 million increase in adjusted EBITDA.

CASH FLOWS AND FINANCIAL POSITION

This section provides an analysis of the Corporation's sources and uses of cash flows, as well as a financial position analysis as of the balance sheet date.

Operating activities

Second quarter 2025

Cash flows provided by operating activities: $538.0 million in the second quarter of 2025 compared with $391.6 million in the same period of 2024.

The $146.4 million (37.4%) increase was primarily due to:

- $171.0 million favourable net change in non-cash balances related to operating activities, due primarily to favourable variances in accounts payable, accrued charges and provisions, income tax payable, provisions for stock-based compensation plans, contract assets, inventory and accounts receivable;
- $22.1 million decrease in the cash portion of financial expenses.

Partially offset by:

- $19.8 million decrease in adjusted EBITDA;
- $18.4 million increase in current income taxes;
- $7.1 million increase in the cash portion of the charge for restructuring, impairment of assets and other.

Year to date

Cash flows provided by operating activities: $958.2 million in the first half of 2025 compared with $780.4 million in the same period of 2024.

The $177.8 million (22.8%) increase was primarily due to:

- $193.7 million favourable net change in non-cash balances related to operating activities, due primarily to favourable variances in accounts receivable, inventory, contract assets, provisions for stock-based compensation plans and income tax payable, partially offset by an unfavourable variance in accounts payable, accrued charges and provisions;
- $38.5 million decrease in the cash portion of financial expenses.

Partially offset by:

- $29.7 million decrease in adjusted EBITDA;
- $11.5 million increase in current income taxes;
- $10.0 million increase in the cash portion of the charge for restructuring, impairment of assets and other.

Compared with the first half of 2024, cash flows provided by operating activities were favourably impacted in 2025 by an increase in non-cash items related to operating activities in the Telecommunications and Media segments, as well as a lower average interest rate and lower average indebtedness, which resulted in a decrease in financial expenses.

Working capital: Negative $388.8 million as at June 30, 2025, compared with negative $36.0 million as at December 31, 2024. The unfavourable variance of $352.8 million was mainly due to the evolution of short- and long-term debt maturities and decreases in accounts receivable, inventory and cash and cash equivalents, partially offset by the redemption upon maturity by Videotron of the entirety of its Senior Notes in the aggregate principal amount of $400.0 million and a decrease in accounts payable, accrued charges and provisions.

Investing activities

Second quarter 2025

Cash flows used for capital expenditures: $163.7 million in the second quarter of 2025, compared with $171.3 million in the same period of 2024. The $7.6 million decrease was due to a $22.9 million reduction in capital expenditures, mainly in the Telecommunications segment, primarily as a result of the timing of certain investments, and in the Media segment following the completion of the investment program related to the centralization of the segment's services, partially offset by the $15.3 million unfavourable net change in current non-cash items.

Net subsidies used to finance capital expenditures: $3.4 million in the second quarter of 2025. This figure represents the use of subsidies recorded as a reduction of capital expenditures that were received under the Québec government's initiative to improve wireless coverage in outlying regions of Québec.

Acquisition of spectrum licences: $239.1 million in the second quarter of 2024. 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 in May 2024).

Proceeds from disposal of assets: $0.6 million in the second quarter of 2025 compared with $0.5 million in the same period of 2024.

Business acquisitions: $7.0 million in the second quarter of 2024.

Acquisitions of investments and other: Cash inflows of $0.1 million in the second quarter of 2025, compared with investments of $0.8 million in the same period of 2024.

Year to date

Cash flows used for capital expenditures: $346.2 million in the first half of 2025, compared with $337.5 million in the same period of 2024. The $8.7 million increase was due to a $25.8 million unfavourable net change in current non-cash items, partially offset by the $17.1 million reduction in capital expenditures, mainly in the Media segment following the completion of the investment program related to the centralization of the segment's services.

Net subsidies received to finance capital expenditures: $14.9 million in the first half of 2025, compared with $37.0 million in the same period of 2024. These subsidies were received in advance under the Québec government's initiative to improve wireless coverage in outlying regions of Québec.

Acquisitions of spectrum licences: $298.9 million in the first half of 2024. On May 29, 2024, Videotron acquired 305 blocks of spectrum in the 3800 MHz band across the country.

Proceeds from disposal of assets: $0.7 million in the first half of 2025, compared with $0.5 million in the same period of 2024.

Business acquisitions: $7.0 million in the first half of 2024.

Acquisitions of investments and other: Cash inflows of $1.2 million in the first half of 2025, compared with investments of $15.4 million in the same period of 2024.

Free cash flows from operating activities

Second quarter 2025

Free cash flows from operating activities: $374.9 million in the second quarter of 2025 compared with $220.8 million in the same period of 2024 (Table 11). The $154.1 million increase was due mainly to a $146.4 million increase in cash flows provided by operating activities and a $7.6 million decrease in cash flows used for capital expenditures.

Year to date

Free cash flows from operating activities: $612.7 million in the first half of 2025 compared with $443.4 million in the same period of 2024 (Table 11). The $169.3 million increase was due mainly to a $177.8 million increase in cash flows provided by operating activities, partially offset by an $8.7 million increase in cash flows used for capital expenditures.

Financing activities

Consolidated debt (long-term debt plus bank indebtedness): $520.8 million reduction in the first half of 2025; $135.6 million net unfavourable variance in assets and liabilities related to derivative financial instruments.

- The $520.8 million reduction in debt in the first half of 2025 essentially consisted of:
  - redemption upon maturity by Videotron on June 16, 2025 of the entirety of its 5.625% Senior Notes in the aggregate principal amount of $400.0 million;
  - $181.6 million favourable impact of average exchange rate variance. The consolidated debt decrease attributable to this item was offset by the decrease in the net asset related to derivative financial instruments.

  Partially offset by:
  - $59.4 million increase in total drawings on Videotron's revolving bank credit facility.

- The $135.6 million net unfavourable variance in the net asset related to derivative financial instruments in the first half of 2025 was mainly due to:
  - unfavourable impact of exchange rate fluctuations on the value of derivative financial instruments;

  Partially offset by:
  - favourable impact of interest rate fluctuations on the fair value of derivative financial instruments.

- On April 15, 2025, Quebecor Media terminated its $300.0 million secured revolving credit facility.

- On February 26, 2025, Videotron amended and restated its credit agreement to, among other things, amend its existing $500.0 million revolving credit facility (which had been reduced from $2.00 billion to $500.0 million on January 29, 2025) by creating two tranches: (i) a first tranche in the amount of $250.0 million maturing in February 2030, and (ii) a second tranche in the amount of $250.0 million maturing in February 2026 and providing for a conversion option into a term facility maturing in February 2027. On May 27, 2025, each of the two tranches of the revolving credit facility was subsequently increased from $250.0 million to $400.0 million.

Financial position

Net available liquidity: $755.5 million at June 30, 2025 for Quebecor and its wholly owned subsidiaries, consisting of a $740.4 million unused and available revolving credit facility and $15.1 million in cash and cash equivalents.

Consolidated debt: $7.07 billion at June 30, 2025, a $520.8 million decrease compared with December 31, 2024. Consolidated debt essentially consisted of Videotron's debt. There was a $135.6 million net unfavourable variance in the net asset related to derivative financial instruments (see "Financing activities" above).

As of June 30, 2025, minimum principal repayments on long-term debt in the coming years were as follows:

Table 4
Minimum principal repayments on Quebecor's long-term debt
12-month periods ended June 30
(in millions of Canadian dollars)

2026	$	695.4
2027		1,511.9
2028		750.0
2029		680.4
2030		1,459.1
2031 and thereafter		2,000.8
Total	**$**	**7,097.6**

From time to time, Quebecor may (but is under no obligation to) seek to retire or purchase its outstanding securities in open market purchases, privately negotiated transactions, or otherwise. Such repurchases, if any, will depend on its liquidity position and requirements, prevailing market conditions, contractual restrictions and other factors. The amounts involved may be material.

The weighted average term of Quebecor's consolidated debt was approximately 4.4 years as of June 30, 2025 (4.7 years as of December 31, 2024). After taking into account hedging instruments, the debt consisted of approximately 89.3% fixed-rate debt (84.9% at December 31, 2024) and 10.7% floating-rate debt (15.1% at December 31, 2024).

Management of the Corporation believes that cash flows and available sources of financing should be sufficient to cover committed cash requirements for capital expenditures, acquisitions of spectrum licences, working capital, interest payments, income tax payments, debt and lease repayments, share repurchases and dividend payments to shareholders. The Corporation believes it will be able to meet future debt and lease liability maturities, which are staggered over the coming years.

Pursuant to its financing agreements, the Corporation is required to maintain certain financial ratios and comply with certain financial covenants. At June 30, 2025, the Corporation was in compliance with all required financial ratios and restrictive covenants in its financing agreements.

Dividends declared

On August 6, 2025, the Board of Directors of Quebecor declared a quarterly dividend of $0.35 per share on its Class A Multiple Voting Shares ("Class A Shares") and Class B Subordinate Voting Shares ("Class B Shares"), payable on September 16, 2025 to shareholders of record at the close of business on August 22, 2025.

Board of Directors

On May 8, 2025, Frantz Saintellemy was elected to the Board of Directors of Quebecor and Quebecor Media.

Analysis of consolidated balance sheet

Table 5
Consolidated balance sheet
Analysis of main differences between June 30, 2025 and December 31, 2024
(in millions of Canadian dollars)

	June 30, 2025[1]	Dec. 31, 2024[1]	Difference	Main reasons for difference
Assets				
Cash and cash equivalents	**$ 21.0**	$ 61.8	$ (40.8)	See “Cash flows and financial position”
Accounts receivable	**1,084.4**	1,208.9	(124.5)	Impact of current variances in activity
Inventories	**389.1**	440.1	(51.0)	Impact of current variances in activity
Property, plant and equipment	**3,263.6**	3,302.7	(39.1)	Depreciation exceeded additions during the period
Intangible assets	**3,452.9**	3,486.9	(34.0)	Amortization exceeded additions during the period
Derivative financial instruments[2]	**5.6**	141.2	(135.6)	See “Financing activities”
Other assets	**809.3**	843.6	(34.3)	Decrease in long-term operating assets due to the impact of current variances in activity
Liabilities				
Accounts payable, accrued charges and provisions	**950.1**	1,167.0	(216.9)	Impact of current variances in activity
Income taxes[3]	**61.8**	13.9	47.9	Current income taxes for the period less current disbursements
Long-term debt, including current portion and bank indebtedness	**7,068.1**	7,588.9	(520.8)	See “Financing activities”

1 The “restricted cash” and “deferred subsidies” line items are combined for the purposes of the analysis.

2 Assets less liabilities.

3 Liabilities less assets.

ADDITIONAL INFORMATION

Contractual obligations

Material contractual obligations of the Corporation include principal repayment and interest on long-term debt and lease liabilities; capital expenditure and other commitments, including mobile devices; and obligations related to derivative financial instruments. For a summary of the Corporation's contractual obligations, please refer to Quebecor's Management Discussion and Analysis for the year ended December 31, 2024, as well as Table 4 for the update to June 30, 2025 of principal repayments on long-term debt. As of June 30, 2025, there have been no material changes in the Corporation's major contractual obligations since December 31, 2024, other than the financing transactions described in the "financing activities" section in this report.

Related party transactions

In the second quarter of 2025, the Corporation incurred expenses to affiliated corporations in the amount of $31.0 million ($24.0 million in 2024), which are included in the purchase of goods and services, and acquired property, plant and equipment and intangible assets from affiliated corporations in the amount of $6.1 million ($3.3 million in 2024). The Corporation also made sales to affiliated corporations in the amount of $5.6 million ($3.0 million in 2024).

In the first half of 2025, the Corporation incurred expenses to affiliated corporations in the amount of $60.2 million ($56.4 million in 2024), which are included in the purchase of goods and services, and acquired property, plant and equipment and intangible assets from affiliated corporations in the amount of $16.4 million ($10.8 million in 2024). The Corporation also made sales to affiliated corporations in the amount of $12.5 million ($6.7 million in 2024).

These transactions were accounted for at the consideration agreed between parties.

Capital stock

In accordance with Canadian financial reporting standards, Table 6 below presents information on the Corporation's capital stock as at July 16, 2025. In addition, 10,724,188 share options of the Corporation were outstanding as of the same date.

Table 6
Capital stock
(in shares and millions of Canadian dollars)

	July 16, 2025	
	Issued and outstanding	**Carrying value**
Class A Shares	**75,449,875**	**$ 8.4**
Class B Shares	**154,146,304**	**1,016.5**

On August 7, 2024, the Board of Directors of the Corporation authorized 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 in Canada. All repurchased shares under the bid will be cancelled.

On August 9, 2024, the Corporation entered into an automatic securities purchase plan ("the plan") with a designated broker whereby shares may be repurchased under the plan at times when such purchases would otherwise be prohibited pursuant to regulatory restrictions or self-imposed blackout periods. The plan received prior approval from the Toronto Stock Exchange. It came into effect on August 15, 2024 and will terminate on the same date as the normal course issuer bid.

Under the plan, before entering a self-imposed blackout period, the Corporation may, but is not required to, ask the designated broker to make purchases under the normal course issuer bid. Such purchases will be made at the discretion of the designated broker, within parameters established by the Corporation prior to the blackout periods. Outside the blackout periods, purchases will be made at the discretion of the Corporation's management.

On August 6, 2025, the Board of Directors of the Corporation authorized 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, 2025. The purchases can be made from August 15, 2025 to August 14, 2026, at prevailing market prices on the open market through the facilities of the Toronto Stock Exchange or other alternative trading systems in Canada. All shares purchased under the bid will be cancelled.

During the first half of 2025, the Corporation repurchased and cancelled 2,570,000 Class B Shares for a total cash consideration of $90.7 million (940,000 Class B Shares for a total cash consideration of $27.7 million in 2024) and 48,444 Class B Shares were issued following the exercise of stock options for a total cash consideration of $1.3 million (no shares were issued in 2024).

Financial instruments

The Corporation uses a number of financial instruments, mainly cash and cash equivalents, restricted cash, trade receivables, contract assets, long-term investments, bank indebtedness, trade payables, accrued liabilities, long-term debt, lease liabilities and derivative financial instruments.

In order to manage its foreign exchange and interest rate risks, the Corporation uses derivative financial instruments: (i) to set in CAN dollars future payments on debts denominated in U.S. dollars (interest and principal) and certain purchases of inventories and other capital expenditures denominated in a foreign currency; and (ii) to achieve a targeted balance of fixed- and floating-rate debt. The Corporation does not intend to settle its derivative financial instruments prior to their maturity as none of these instruments is held or issued for speculative purposes.

The carrying value and fair value of long-term debt and derivative financial instruments as of June 30, 2025 and December 31, 2024 are as follows:

Table 7
Fair value of long-term debt and derivative financial instruments
(in millions of Canadian dollars)

	June 30, 2025		December 31, 2024	
Asset (liability)	**Carrying value**	**Fair value**	Carrying value	Fair value
Long-term debt[1]	**$ (7,097.6)**	**$ (7,088.3)**	$ (7,619.7)	$ (7,540.0)
Derivative financial instruments				
Foreign exchange forward contracts	**(3.4)**	**(3.4)**	6.9	6.9
Interest rate swaps	**(8.3)**	**(8.3)**	(7.2)	(7.2)
Cross-currency swaps	**17.3**	**17.3**	141.5	141.5

1 The carrying value of long-term debt excludes financing costs.

The fair value of long-term debt is estimated based on quoted market prices when available or on valuation models. 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. 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, to the net exposure of the counterparty or the Corporation.

Gains of $38.0 million and $46.0 million were recorded under "Other comprehensive income" in the second quarter and first half of 2025 respectively (losses of $13.7 million and $5.8 million in the second quarter and first half of 2024 respectively).

Non-IFRS financial measures

The financial measures not standardized under IFRS that are used by the Corporation to assess its financial performance, 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, are not calculated in accordance with, or recognized by, IFRS. The Corporation's method of calculating these non-IFRS financial measures may differ from the methods used by other companies and, as a result, the non-IFRS financial measures presented in this document may not be comparable to other similarly titled measures disclosed by other companies.

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 on valuation and translation of financial instruments, restructuring, impairment of assets 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. This measure should not be considered in isolation or as a substitute for other performance measures 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 capital expenditures and acquisitions of spectrum licences needed to generate revenues in the Corporation's segments. The Corporation also uses other measures that do reflect capital expenditures, 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 8 provides a reconciliation of adjusted EBITDA to net income as disclosed in Quebecor's condensed consolidated financial statements.

Table 8

Reconciliation of the adjusted EBITDA measure used in this report to the net income measure used in the condensed consolidated financial statements

(in millions of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Adjusted EBITDA (negative adjusted EBITDA):				
Telecommunications	**$ 609.5**	$ 608.1	**$ 1,190.9**	$ 1,183.6
Media	**9.3**	18.9	**(9.3)**	2.2
Sports and Entertainment	**4.7**	1.0	**8.2**	4.9
Head Office	**(18.4)**	(3.1)	**(35.1)**	(6.3)
	605.1	624.9	**1,154.7**	1,184.4
Depreciation and amortization	**(213.8)**	(237.6)	**(429.1)**	(473.8)
Financial expenses	**(86.0)**	(108.1)	**(178.5)**	(217.0)
Gain on valuation and translation of financial instruments	**–**	5.7	**–**	15.5
Restructuring, impairment of assets and other	**(14.0)**	(7.0)	**(10.7)**	(9.2)
Income taxes	**(75.1)**	(71.3)	**(135.9)**	(125.7)
Net income	**$ 216.2**	$ 206.6	**$ 400.5**	$ 374.2

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 on valuation and translation of financial instruments, and restructuring, impairment of assets 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 9 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 9

Reconciliation of the adjusted income from operating activities measure used in this report to the net income attributable to shareholders measure used in the condensed consolidated financial statements

(in millions of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Adjusted income from operating activities	**$ 226.8**	$ 205.1	**$ 411.9**	$ 368.2
Gain on valuation and translation of financial instruments	**–**	5.7	**–**	15.5
Restructuring, impairment of assets and other	**(14.0)**	(7.0)	**(10.7)**	(9.2)
Income taxes related to adjustments[1]	**4.2**	1.3	**6.1**	3.7
Non-controlling interest related to adjustments	**0.7**	2.5	**1.1**	2.6
Net income attributable to shareholders	**$ 217.7**	$ 207.6	**$ 408.4**	$ 380.8

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 capital expenditures (excluding spectrum licence acquisitions). Adjusted cash flows from operations represents funds available for interest and income tax payments, expenditures related to restructuring programs, business acquisitions, acquisitions of spectrum licences, 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 capital expenditures (excluding spectrum licence acquisitions), 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, acquisitions of spectrum licences, 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 10 and 11 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 10
Adjusted cash flows from operations
(in millions of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Adjusted EBITDA (negative adjusted EBITDA)				
Telecommunications	**$ 609.5**	$ 608.1	**$ 1,190.9**	$ 1,183.6
Media	**9.3**	18.9	**(9.3)**	2.2
Sports and Entertainment	**4.7**	1.0	**8.2**	4.9
Head Office	**(18.4)**	(3.1)	**(35.1)**	(6.3)
	605.1	624.9	**1,154.7**	1,184.4
Minus				
Capital expenditures:[1]				
Telecommunications	**(149.8)**	(162.1)	**(292.0)**	(295.0)
Media	**(1.0)**	(11.0)	**(3.9)**	(17.2)
Sports and Entertainment	**(1.5)**	(1.9)	**(2.7)**	(3.3)
Head Office	**–**	(0.2)	**–**	(0.2)
	(152.3)	(175.2)	**(298.6)**	(315.7)
Adjusted cash flows from operations				
Telecommunications	**459.7**	446.0	**898.9**	888.6
Media	**8.3**	7.9	**(13.2)**	(15.0)
Sports and Entertainment	**3.2**	(0.9)	**5.5**	1.6
Head Office	**(18.4)**	(3.3)	**(35.1)**	(6.5)
	$ 452.8	$ 449.7	**$ 856.1**	$ 868.7

[1] **Reconciliation to cash flows used for capital expenditures as per condensed consolidated financial statements**	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Capital expenditures	**$ (152.3)**	$ (175.2)	**$ (298.6)**	$ (315.7)
Net variance in current operating items related to capital expenditures (excluding government credits receivable for large investment projects)	**(11.4)**	3.9	**(47.6)**	(21.8)
Cash flows used for capital expenditures	**$ (163.7)**	$ (171.3)	**$ (346.2)**	$ (337.5)

Table 11
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 June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Adjusted cash flows from operations from Table 10	**$ 452.8**	$ 449.7	**$ 856.1**	$ 868.7
Plus (minus)				
Cash portion of financial expenses	**(83.6)**	(105.7)	**(173.8)**	(212.3)
Cash portion of restructuring, impairment of assets and other	**(15.6)**	(8.5)	**(18.9)**	(8.9)
Current income taxes	**(83.1)**	(64.7)	**(158.3)**	(146.8)
Other	**0.2**	1.5	**(0.2)**	2.8
Net change in non-cash balances related to operating activities	**115.6**	(55.4)	**155.4**	(38.3)
Net variance in current operating items related to capital expenditures (excluding government credits receivable for large investment projects)	**(11.4)**	3.9	**(47.6)**	(21.8)
Free cash flows from operating activities	**374.9**	220.8	**612.7**	443.4
Plus (minus)				
Cash flows used for capital expenditures (excluding spectrum licence acquisitions)	**163.7**	171.3	**346.2**	337.5
Proceeds from disposal of assets	**(0.6)**	(0.5)	**(0.7)**	(0.5)
Cash flows provided by operating activities	**$ 538.0**	$ 391.6	**$ 958.2**	$ 780.4

Consolidated net debt leverage ratio

The consolidated net debt leverage ratio represents consolidated net debt divided by the trailing 12-month adjusted EBITDA. Consolidated net debt 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 decisions on the Corporation's capital structure, including its financing strategy, and in managing debt maturity risks. 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 12 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 12
Consolidated net debt leverage ratio
(in millions of Canadian dollars)

	June 30, 2025	Dec. 31, 2024
Total long-term debt[1]	**$ 7,097.6**	$ 7,619.7
Plus (minus)		
Lease liabilities[2]	**411.9**	409.7
Bank indebtedness	**3.4**	6.7
Derivative financial instruments[3]	**(5.6)**	(141.2)
Cash and cash equivalents	**(21.0)**	(61.8)
Consolidated net debt	**7,486.3**	7,833.1
Divided by:		
Trailing 12-month adjusted EBITDA	**$ 2,337.8**	$ 2,367.5
Consolidated net debt leverage ratio	**3.20x**	3.31x

1 Excluding financing costs.

2 Total liabilities.

3 Assets less liabilities.

Key performance indicators

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.

Average monthly mobile revenue per unit

The Corporation uses mobile ARPU, an industry metric, as a key performance indicator. This indicator is calculated by dividing mobile telephony revenues by the average number of mobile RGUs during the applicable period, and then dividing the resulting amount by the number of months in the applicable period. Mobile ARPU is not a measurement that is consistent with IFRS and the Corporation's definition and calculation of mobile ARPU may not be the same as identically titled measurements reported by other companies.

Controls and procedures

The purpose of internal controls over financial reporting is to provide reasonable assurance as to the reliability of the Corporation's financial reporting and the preparation of its consolidated financial statements in accordance with IFRS.

There have not been any changes in internal controls over financial reporting during the three months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Additional information

The Corporation is a reporting issuer subject to the securities laws of all Canadian provinces and is therefore required to file financial statements, a proxy circular and an annual information form with the various securities commissions. Copies of those documents are available free of charge from the Corporation on request at www.quebecor.com and on the SEDAR+ website at www.sedarplus.ca.

Cautionary statement regarding forward-looking statements

The statements in this report that are not historical facts are forward-looking statements and are subject to significant known and unknown risks, uncertainties and assumptions that could cause Quebecor's actual results for future periods to differ materially from those set forth in 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. Some important factors that could cause actual results to differ materially from those expressed in these forward-looking statements include, but are not limited to:

* Quebecor’s ability to continue successfully developing its network and the facilities that support its mobile services;
* general economic climate, financial and economic market conditions, global business challenges, such as tariffs and trade barriers, as well as market conditions and variations in the businesses of local, regional and national advertisers in Quebecor’s newspapers, television outlets and other media properties;
* Quebecor’s ability to implement its business and growth strategies successfully;
* the intensity of competitive activity in the industries in which Quebecor operates and its ability to penetrate new markets and successfully develop its business, including in growth sectors and new geographies;
* fragmentation of the media landscape and its impact on the advertising market and the media properties of Quebecor;
* new technologies that might change consumer behaviour with respect to Quebecor’s product suites;
* unanticipated higher capital spending required for developing Quebecor’s network or to address the continued development of competitive alternative technologies, or the inability to obtain additional capital to continue the development of Quebecor’s business segments;
* risks relating to the ongoing integration of Freedom, acquired in 2023, which could result in additional and unforeseen expenses, capital expenditures and financial risks, such as the incurrence of unexpected write-offs, unanticipated or unknown liabilities, or unforeseen litigation. In addition, the anticipated benefits of the Freedom acquisition may not be fully realized or could take longer to realize than expected;
* the impacts of the significant and recurring investments that will be required for development and expansion and to compete effectively with the incumbent local exchange carriers (“ILECs”) and other current or potential competitors in the Telecommunications segment’s target markets;
* disruptions to the network through which Quebecor provides its television, Internet access, mobile and wireline telephony and over the top (OTT) services, and its ability to protect such services against piracy, unauthorized access and other security breaches;
* labour disputes and strikes, service interruptions resulting from equipment breakdown, network failure, the threat of natural disasters, epidemics, public-health crises and political instability in some countries;
* impacts related to environmental issues, cybersecurity and the protection of personal information;
* changes in Quebecor’s ability to obtain services and equipment critical to its operations;
* changes in laws and regulations, or in their interpretations, which could result, among other things, in increased competition, changes in Quebecor’s markets, increased operating expenses, capital expenditures or tax expenses, or a reduction in the value of some assets; and
* Quebecor’s substantial indebtedness, interest rate and exchange rate fluctuations, the tightening of credit markets and the restrictions on its business imposed by the terms of its debt.

The forward-looking statements in this document are made to provide investors and the public with a better understanding of the Corporation’s circumstances and are based on assumptions it believes to be reasonable as of the day on which they are made. 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 the Corporation’s actual results to differ from current expectations, please refer to the Corporation’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, 2024.

The forward-looking statements in this document reflect the Corporation’s expectations as of August 6, 2025, and are subject to change after that 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.

Montréal, Québec

August 6, 2025

QUEBECOR INC.

SELECTED QUARTERLY FINANCIAL DATA

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

	2025		2024				2023	
	June 30	**March 31**	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30
Revenues	**1,380.4**	**$ 1,343.1**	$ 1,499.0	$ 1,389.7	$ 1,386.9	$ 1,362.8	$ 1,504.8	$ 1,415.4
Adjusted EBITDA	**605.1**	**549.6**	589.0	594.1	624.9	559.5	565.4	624.4
Adjusted cash flows from operations	**452.8**	**403.3**	446.3	435.3	449.7	419.0	395.7	482.4
Contribution to net income attributable to shareholders:								
Operating activities	**226.8**	**185.1**	186.6	192.2	205.1	163.1	167.5	202.3
Gain (loss) on valuation and translation of financial instruments	**-**	**-**	-	-	5.7	9.7	(8.7)	13.1
Unusual items	**(9.1)**	**5.6**	(8.9)	(3.2)	(3.2)	0.4	(12.6)	(6.1)
Net income attributable to shareholders	**217.7**	**190.7**	177.7	189.0	207.6	173.2	146.2	209.3
Basic data per share								
Contribution to net income attributable to shareholders:								
Operating activities	**0.99**	**$ 0.80**	$ 0.80	$ 0.82	$ 0.89	$ 0.71	$ 0.73	$ 0.88
Gain (loss) on valuation and translation of financial instruments	**-**	**-**	-	-	0.02	0.04	(0.04)	0.06
Unusual items	**(0.04)**	**0.02**	(0.04)	(0.01)	(0.01)	-	(0.06)	(0.03)
Net income attributable to shareholders	**0.95**	**0.82**	0.76	0.81	0.90	0.75	0.63	0.91
Weighted average number of shares outstanding (in millions)	**230.0**	**231.3**	232.9	234.3	230.8	230.7	230.7	230.9
Diluted data per share								
Contribution to net income attributable to shareholders:								
Operating activities	**0.98**	**$ 0.80**	$ 0.80	$ 0.82	$ 0.89	$ 0.70	$ 0.72	$ 0.87
Dilution impact	**-**	**-**	-	-	-	-	0.01	-
Gain (loss) on valuation and translation of financial instruments	**-**	**-**	-	-	0.02	-	(0.04)	-
Unusual items	**(0.04)**	**0.02**	(0.04)	(0.01)	(0.01)	-	(0.06)	(0.03)
Net income attributable to shareholders	**0.94**	**0.82**	0.76	0.81	0.90	0.70	0.63	0.84
Diluted weighted average number of shares (in millions)	**231.6**	**232.2**	233.5	234.7	231.1	236.0	230.9	236.2