

Condensed consolidated financial statements of

QUEBECOR INC.

Three-month periods ended March 31, 2026 and 2025

QUEBECOR INC.

CONSOLIDATED STATEMENTS OF INCOME

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

Three months ended
March 31

	Note	2026	2025
Revenues	2	\$ 1,395.2	\$ 1,343.1
Employee costs	3	240.9	205.7
Purchase of goods and services	3	577.7	587.8
Depreciation and amortization		209.4	215.3
Financial expenses	4	76.2	92.5
Restructuring, impairment of assets and other		4.1	3.3
Other items	5	(9.4)	(6.6)
Income before income taxes		296.3	245.1
Income taxes:			
Current		107.0	75.2
Deferred		(34.8)	(14.4)
		72.2	60.8
Net income		\$ 224.1	\$ 184.3
Net income (loss) attributable to			
Shareholders		\$ 225.4	\$ 190.7
Non-controlling interests		(1.3)	(6.4)
Earnings per share attributable to shareholders			
Basic		\$ 1.00	\$ 0.82
Diluted		0.97	0.82
Weighted average number of shares outstanding (in millions)		226.3	231.3
Weighted average number of diluted shares (in millions)		231.3	232.2

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	2026	2025
Net income		\$ 224.1	\$ 184.3
Other comprehensive income:	9		
Items that may be reclassified to income:			
Cash flow hedges:			
Gain on valuation of derivative financial instruments		1.8	8.0
Deferred income taxes		(1.4)	(0.9)
Gain (loss) on translation of investments in foreign associates		5.9	(1.4)
Items that will not be reclassified to income:			
Equity investments:			
(Loss) gain on revaluation of equity investments		(2.6)	2.3
Deferred income taxes		0.3	(0.3)
		<u>4.0</u>	<u>7.7</u>
Comprehensive income		\$ 228.1	\$ 192.0
Comprehensive income (loss) attributable to			
Shareholders		\$ 229.4	\$ 198.4
Non-controlling interests		(1.3)	(6.4)

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC. SEGMENTED INFORMATION

(in millions of Canadian dollars)
(unaudited)

Three months ended March 31, 2026

	Telecommuni- cations	Media	Sports and Enter- tainment	Head office and Inter- segments	Total
Revenues	\$ 1,216.9	\$ 156.5	\$ 49.0	\$ (27.2)	\$ 1,395.2
Employee costs	135.5	43.8	14.4	47.2	240.9
Purchase of goods and services	461.8	114.9	32.8	(31.8)	577.7
Adjusted EBITDA ¹	619.6	(2.2)	1.8	(42.6)	576.6
Depreciation and amortization					209.4
Financial expenses					76.2
Restructuring, impairment of assets and other					4.1
Other items					(9.4)
Income before income taxes					\$ 296.3
Cash flows used for capital expenditures	\$ 183.3	\$ 0.7	\$ 1.3	\$ 0.1	\$ 185.4

Three months ended March 31, 2025

	Telecommuni- cations	Media	Sports and Enter- tainment	Head office and Inter- segments	Total
Revenues	\$ 1,160.1	\$ 164.6	\$ 49.7	\$ (31.3)	\$ 1,343.1
Employee costs	129.1	45.2	13.0	18.4	205.7
Purchase of goods and services	449.6	138.0	33.2	(33.0)	587.8
Adjusted EBITDA ¹	581.4	(18.6)	3.5	(16.7)	549.6
Depreciation and amortization					215.3
Financial expenses					92.5
Restructuring, impairment of assets and other					3.3
Other items					(6.6)
Income before income taxes					\$ 245.1
Cash flows used for capital expenditures	\$ 175.7	\$ 5.6	\$ 1.2	\$ -	\$ 182.5

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, restructuring, impairment of assets and other, other items and income taxes.

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.
CONSOLIDATED STATEMENTS OF EQUITY

(in millions of Canadian dollars)
(unaudited)

	Equity attributable to shareholders				Equity attributable to non-controlling interests	Total equity
	Capital stock (note 7)	Contributed surplus	Retained earnings	Accumulated other comprehensive (loss) income (note 9)		
Balance as of December 31, 2024	\$ 1,041.2	\$ 17.4	\$ 1,143.6	\$ (45.0)	\$ 107.5	\$ 2,264.7
Net income (loss)	-	-	190.7	-	(6.4)	184.3
Other comprehensive income	-	-	-	7.7	-	7.7
Dividends	-	-	(81.3)	-	-	(81.3)
Repurchase of Class B Shares	(12.0)	-	(48.8)	-	-	(60.8)
Issuance of Class B Shares	1.3	0.5	-	-	-	1.8
Balance as of March 31, 2025	1,030.5	17.9	1,204.2	(37.3)	101.1	2,316.4
Net income	-	-	665.3	-	11.2	676.5
Other comprehensive income	-	-	-	134.3	0.1	134.4
Dividends	-	-	(239.9)	-	(0.4)	(240.3)
Repurchase of Class B Shares	(23.0)	-	(134.0)	-	-	(157.0)
Issuance of Class B Shares	5.3	1.7	-	-	-	7.0
Balance as of December 31, 2025	1,012.8	19.6	1,495.6	97.0	112.0	2,737.0
Net income (loss)	-	-	225.4	-	(1.3)	224.1
Other comprehensive income	-	-	-	4.0	-	4.0
Dividends	-	-	(90.9)	-	-	(90.9)
Repurchase of Class B Shares	(10.2)	-	(75.0)	-	-	(85.2)
Issuance of Class B Shares	0.2	0.2	-	-	-	0.4
Balance as of March 31, 2026	\$ 1,002.8	\$ 19.8	\$ 1,555.1	\$ 101.0	\$ 110.7	\$ 2,789.4

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	2026	2025
Cash flows related to operating activities			
Net income		\$ 224.1	\$ 184.3
Adjustments for:			
Depreciation of property, plant and equipment		126.4	126.1
Amortization of intangible assets		50.1	57.4
Depreciation of right-of-use assets		32.9	31.8
Impairment of assets		0.3	0.6
Amortization of financing costs	4	2.2	2.3
Share of results in associates		(7.3)	(6.6)
Deferred income taxes		(34.8)	(14.4)
Other		(3.2)	(1.1)
		390.7	380.4
Net change in non-cash balances related to operating activities		29.6	39.8
Cash flows provided by operating activities		420.3	420.2
Cash flows related to investing activities			
Capital expenditures	11	(185.4)	(182.5)
Deferred subsidies received to finance capital expenditures	11	0.2	18.3
Proceeds from disposals of assets		0.6	0.1
Acquisitions of investments and other		2.6	1.1
Cash flows used in investing activities		(182.0)	(163.0)
Cash flows related to financing activities			
Net change in bank indebtedness		-	2.9
Financing costs		(1.4)	-
Repayment of lease liabilities		(31.2)	(29.9)
Issuance of Class B Shares	7	0.2	1.3
Repurchase of Class B Shares	7	(85.2)	(60.8)
Cash flows used in financing activities		(117.6)	(86.5)
Net change in cash, cash equivalents and restricted cash		120.7	170.7
Cash, cash equivalents and restricted cash at beginning of period		195.8	96.0
Cash, cash equivalents and restricted cash at end of period	11	\$ 316.5	\$ 266.7

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars)
(unaudited)

	Note	March 31 2026	December 31 2025
Assets			
Current assets			
Cash and cash equivalents		\$ 281.1	\$ 160.6
Restricted cash	11	35.4	35.2
Accounts receivable		995.4	1,067.8
Contract assets		102.4	109.2
Income taxes		18.4	34.1
Inventories		390.6	414.3
Other current assets		172.3	161.1
		1,995.6	1,982.3
Non-current assets			
Property, plant and equipment		3,250.5	3,282.7
Intangible assets		3,427.7	3,441.9
Right-of-use assets		374.0	374.1
Goodwill		2,713.4	2,713.4
Derivative financial instruments		94.6	57.9
Deferred income taxes		50.0	42.0
Other assets		892.6	917.9
		10,802.8	10,829.9
Total assets		\$ 12,798.4	\$ 12,812.2
Liabilities and equity			
Current liabilities			
Accounts payable, accrued charges and provisions		\$ 1,049.0	\$ 1,142.2
Deferred revenue		375.5	376.3
Deferred subsidies	11	35.4	35.2
Income taxes		37.6	60.4
Current portion of long-term debt	6	508.6	491.6
Current portion of lease liabilities		106.9	109.8
		2,113.0	2,215.5
Non-current liabilities			
Long-term debt	6	6,349.1	6,301.5
Lease liabilities		305.3	300.8
Derivative financial instruments		4.6	33.6
Deferred income taxes		846.0	871.7
Other liabilities		391.0	352.1
		7,896.0	7,859.7
Equity			
Capital stock	7	1,002.8	1,012.8
Contributed surplus		19.8	19.6
Retained earnings		1,555.1	1,495.6
Accumulated other comprehensive income	9	101.0	97.0
Equity attributable to shareholders		2,678.7	2,625.0
Non-controlling interests		110.7	112.0
		2,789.4	2,737.0
Subsequent event	12		
Total liabilities and equity		\$ 12,798.4	\$ 12,812.2

See accompanying notes to condensed consolidated financial statements.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month periods ended March 31, 2026 and 2025

(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 mobile and wireline telephony, Internet access, television distribution, 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 out-of-home advertising. 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). However, 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 2025 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 13, 2026.

Comparative figures for the previous period have been restated to conform to the presentation adopted for the three-month period ended March 31, 2026.

On January 1, 2026, the Corporation adopted amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*, clarifying, among other, the timing in which a financial asset or financial liability is derecognized when using electronic payment system. The adoption of these amendments had no material impact on the consolidated financial statements.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2026 and 2025
(tabular amounts in millions of Canadian dollars, except for per share data and option data)
(unaudited)

2. REVENUES

	Three months ended March 31	
	2026	2025
Telecommunications:		
Mobile telephony	\$ 466.4	\$ 428.8
Internet	322.7	312.6
Television	188.2	190.2
Wireline telephony	54.0	59.9
Mobile equipment sales	141.6	126.3
Other	44.0	42.3
Media:		
Advertising	70.1	75.5
Subscription	47.4	43.7
Other	39.0	45.4
Sports and Entertainment	49.0	49.7
Inter-segments	(27.2)	(31.3)
	\$ 1,395.2	\$ 1,343.1

3. EMPLOYEE COSTS AND PURCHASE OF GOODS AND SERVICES

	Three months ended March 31	
	2026	2025
Employee costs	\$ 293.4	\$ 252.5
Less employee costs capitalized to property, plant and equipment and to intangible assets	(52.5)	(46.8)
	240.9	205.7
Purchase of goods and services:		
Royalties, rights and creation costs	176.1	192.3
Cost related to products sold	164.1	138.7
Service and distribution contracts	94.5	100.7
Other	143.0	156.1
	577.7	587.8
	\$ 818.6	\$ 793.5

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2026 and 2025

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

(unaudited)

4. FINANCIAL EXPENSES

	Three months ended March 31	
	2026	2025
Interest on long-term debt	\$ 71.2	\$ 83.1
Amortization of financing costs	2.2	2.3
Interest on lease liabilities	5.3	5.5
(Gain) loss on foreign currency translation on short-term monetary items	(0.3)	1.0
Other	(2.2)	0.6
	\$ 76.2	\$ 92.5

5. OTHER ITEMS

	Three months ended March 31	
	2026	2025
Share of results in associates	\$ (7.3)	\$ (6.6)
Gain on exchangeable debentures ¹	(2.1)	–
	\$ (9.4)	\$ (6.6)

¹ In January 2026, pursuant to the terms of the indentures, the Corporation redeemed its Series 2001 and Series Abitibi exchangeable debentures (combined principal amount of \$844.9 million) for no consideration. The transaction resulted in a gain of \$2.1 million.

6. LONG-TERM DEBT

Components of long-term debt are as follows:

	March 31, 2026	December 31, 2025
Total long-term debt	\$ 6,888.3	\$ 6,824.3
Financing costs, net of amortization	(30.6)	(31.2)
	6,857.7	6,793.1
Less current portion	(508.6)	(491.6)
	\$ 6,349.1	\$ 6,301.5

As of March 31, 2026, the carrying value of long-term debt denominated in U.S. dollars, excluding financing costs, was \$2,890.1 million (\$2,826.2 million as of December 31, 2025), while the net fair value of related hedging derivative instruments was in an asset position of \$92.6 million (\$33.0 million as of December 31, 2025).

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2026 and 2025

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

(unaudited)

6. LONG-TERM DEBT (continued)

On January 28, 2026, Videotron Ltd. ("Videotron") amended and restated its credit agreement to extend the term of the two existing tranches of its revolving credit facility: (i) the first tranche in the amount of \$400.0 million now maturing in January 2031, and (ii) the second tranche in the amount of \$400.0 million now maturing in January 2027 and providing for a conversion option into a term facility maturing in January 2028. On the same day, Videotron also added two new tranches to its revolving credit facility: (i) a first tranche in the amount of US\$250.0 million maturing in January 2031, and (ii) a second tranche in the amount of US\$250.0 million maturing in January 2027 and providing for a conversion option into a term facility maturing in January 2028. Certain conditions of the facilities were also amended.

On April 1, 2026, Videotron established a commercial paper program in the United States by way of private placement, under which it may issue unsecured senior notes (ranking pari passu with its other unsecured and unsubordinated debt) with a maximum maturity of 364 days, up to an outstanding amount of US\$1,000.0 million. Videotron's revolving credit facility will serve as a liquidity backstop, and the Corporation intends to hedge the foreign exchange risk associated with these issuances.

On April 2, 2026, Videotron repaid the \$500.0 million balance on the second tranche of its term credit facility. On May 6, 2026, Videotron also made an early repayment of \$200.0 million of the \$700.0 million tranche of its term credit facility maturing in April 2027.

7. 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, 2025	74,836,275	\$ 8.3	152,282,773	\$ 1,004.5
Class A Shares converted into Class B Shares	(93,653)	–	93,653	–
Shares purchased and cancelled	–	–	(1,549,900)	(10.2)
Shares issued upon exercise of stock options	–	–	6,667	0.2
Balance as of March 31, 2026	74,742,622	\$ 8.3	150,833,193	\$ 994.5

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2026 and 2025

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

(unaudited)

7. CAPITAL STOCK (continued)

(b) Issued and outstanding capital stock (continued)

Repurchase of shares

On August 6, 2025, the Corporation filed a normal course issuer bid for a maximum of 1,000,000 Class A Shares representing approximately 1.3% of issued and outstanding Class A Shares, and for a maximum of 5,000,000 Class B Shares representing approximately 3.2% of issued and outstanding Class B Shares as of August 1, 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. All shares purchased under the bid will be cancelled.

On May 13, 2026, the Corporation received approval from the Toronto Stock Exchange to amend its normal course issuer bid in order to increase the maximum number of Class B Shares that may be repurchased to 7,000,000 Class B Shares, representing approximately 4.5% of the Class B Shares public float as of August 1, 2025. No other terms of the normal course issuer bid have been amended.

During the three-month period ended March 31, 2026, the Corporation purchased and cancelled 1,549,900 Class B Shares for a total cash consideration of \$85.2 million (1,830,000 Class B Shares for a total cash consideration of \$60.8 million in 2025). The excess of \$75.0 million of the purchase price over the carrying value of Class B Shares repurchased was recorded as a reduction of retained earnings (\$48.8 million in 2025).

Issuance of shares

During the three-month period ended March 31, 2026, 6,667 Class B Shares were issued upon the exercise of stock options for a cash consideration of \$0.2 million (48,444 Class B Shares for a cash consideration of \$1.3 million in 2025). As a result of this transaction, contributed surplus was increased by \$0.2 million and stock-based compensation liability was reduced by the same amount (\$0.5 million in 2025).

Dividends

On May 13, 2026, the Corporation declared a dividend of \$0.40 per share on Class A Shares and Class B Shares, or approximately \$90.2 million, payable on June 23, 2026, to shareholders of record at the close of business on May 29, 2026.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2026 and 2025
(tabular amounts in millions of Canadian dollars, except for per share data and option data)
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8. STOCK-BASED COMPENSATION PLANS

The following table provides details of changes to outstanding options in the principal stock-based compensation plan in which management of the Corporation and its subsidiaries participate, for the three-month period ended March 31, 2026:

	Outstanding options	
	Number	Weighted average exercise price
Quebecor		
As of December 31, 2025	14,059,086	\$ 34.24
Exercised	(329,242)	32.01
Cancelled	(33,000)	42.33
As of March 31, 2026	13,696,844	\$ 34.28
Vested options as of March 31, 2026	761,790	\$ 31.88

During the three-month period ended March 31, 2026, 6,667 Class B Shares of Quebecor were issued upon the exercise of stock options (48,444 Class B Shares issued in 2025) (note 7) and 322,575 stock options of Quebecor were exercised for a cash consideration of \$7.7 million (440,144 stock options of Quebecor for a cash consideration of \$2.0 million).

For the three-month period ended March 31, 2026, a \$66.8 million charge was recorded related to all stock-based compensation plans (\$19.5 million in 2025).

9. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO SHAREHOLDERS

	Cash flow hedges ¹	Translation of investments in foreign associates	Defined benefit plans	Equity investment	Total
Balance as of December 31, 2024	\$ (92.3)	\$ (36.6)	\$ 97.7	\$ (13.8)	\$ (45.0)
Other comprehensive income (loss)	7.1	(1.4)	–	2.0	7.7
Balance as of March 31, 2025	(85.2)	(38.0)	97.7	(11.8)	(37.3)
Other comprehensive income	60.4	46.0	13.2	14.7	134.3
Balance as of December 31, 2025	(24.8)	8.0	110.9	2.9	97.0
Other comprehensive income (loss)	0.4	5.9	–	(2.3)	4.0
Balance as of March 31, 2026	\$ (24.4)	\$ 13.9	\$ 110.9	\$ 0.6	\$ 101.0

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 an 8¾-year period.

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2026 and 2025

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

(unaudited)

10. 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 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 carrying value and fair value of long-term debt and derivative financial instruments as of March 31, 2026 and December 31, 2025 are as follows:

Asset (liability)	March 31, 2026		December 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Long-term debt¹	\$ (6,888.3)	\$ (6,872.5)	\$ (6,824.3)	\$ (6,849.3)
Derivative financial instruments				
Foreign exchange forward contracts	2.0	2.0	(1.5)	(1.5)
Interest rate swaps	(4.6)	(4.6)	(7.2)	(7.2)
Cross-currency swaps	92.6	92.6	33.0	33.0

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

QUEBECOR INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the three-month periods ended March 31, 2026 and 2025

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

(unaudited)

11. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31	
	2026	2025
Cash flows used for capital expenditures		
Additions to property, plant and equipment ¹	\$ 141.6	\$ 146.0
Additions to intangible assets (excluding acquisitions of spectrum licences)	43.8	36.5
	185.4	182.5
Cash, cash equivalents and restricted cash consist of		
Cash and cash equivalents	\$ 281.1	\$ 214.2
Restricted cash ²	35.4	52.5
	316.5	266.7
Interest and income taxes reflected as operating activities		
Cash interest payments	\$ 76.2	\$ 69.9
Cash income tax payments (net of refunds)	115.8	80.5

¹ In the three-month period ended March 31, 2026, deferred subsidies of \$7.4 million (none in 2025) have been used and are presented as a reduction of the related additions to plant, property and equipment.

² Restricted cash represents the unused balance of subsidies received in advance as part of the Québec government's initiatives to roll out telecommunications services in regions.