

PRESS RELEASE

For immediate release

Statement by Quebecor on the Cirque du Soleil

Montréal, May 4, 2020 - The management of the Cirque du Soleil (the Cirque) has regrettably decided to make public the proposals it has received from Quebecor, which had been sent in confidence to the various stakeholders, including numerous ranks of creditors and shareholders. This move comes at a time when the Cirque faces considerable uncertainty. Indeed, the company itself has raised the possibility of initiating proceedings to place itself under the protection of the *Companies' Creditors Arrangement Act* (C-36). Under the circumstances, Quebecor has no choice but to publicly clarify its desire and determination to help save the Cirque, a creative powerhouse which is an economic engine for Montréal and all of Québec, and an ambassador for Québec talent on the international stage.

Like all Quebecers, we were surprised to learn of the extent of the Cirque's difficulties. Though it was known before the current health crisis that the Cirque had problems, there was no reason to suspect they were so serious that the Cirque would be unable to pay its employees and artists, who are the sinews of the company and are now being left stranded. The fact that a business of this size did not have enough cash on hand to cover the essentials is cause for concern, especially in view of the opinion issued by Moody's, which downgraded the Cirque recently: "The company's financial policy that favors shareholders has increased credit risk, which together with the recent deterioration in performance has resulted in a weaker financial profile."

It was against this backdrop that Quebecor decided it wanted to help save the Cirque and would, as a first step, consider extending short-term financing of several tens of millions of dollars to cover payroll for thousands of employees and meet various obligations, such as the outstanding bills of suppliers who have not been paid for months.

In phase two, Quebecor would be prepared to inject several hundred million dollars to enable the Cirque to resume its activities and ensure its sustainability. To do so, however, we need access to a detailed analysis of Cirque's financial position, which we have been unable to obtain to date because our attempts have been rebuffed by Cirque management.

We fail to understand the lack of urgency on the part of Cirque management. With every passing day, the company's future is being dangerously compromised and its creative forces, which involve thousands of jobs, are suffering significant harm. The time to act is now, before legal proceedings are initiated under the *Companies' Creditors Arrangement Act* (C-36). Such proceedings would result in a loss of control and could lead to an outcome that political authorities will regret. If the Cirque goes to the highest bidder, and no other considerations are taken into account, the presence of its head office in Montréal and the associated economic activity could disappear in the medium term, following many other Québec companies that have suffered the same fate.

Quebecor wants to secure the future of the Cirque's activities in Montréal and in Québec, and we have all the assets and expertise required to do so. Quebecor is well capitalized and has the substantial financial resources required for the revival of the Cirque. Quebecor management will deploy all necessary means to close this sad episode, which is affecting the thousands of artists

and cultural workers who are responsible for the Cirque's success, and ultimately to restore the self-assurance, dynamism and enthusiasm that are part of the Cirque's DNA.

The time to act is now, before it is too late.

About Quebecor

Quebecor, a Canadian leader in telecommunications, entertainment, news media and culture, is one of the best-performing integrated communications companies in the industry. Driven by their determination to deliver the best possible customer experience, all of Quebecor's subsidiaries and brands are differentiated by their high-quality, multiplatform, convergent products and services.

Québec-based Quebecor (TSX: QBR.A, QBR.B) employs more than 10,000 people in Canada.

A family business founded in 1950, Quebecor is strongly committed to the community. Every year, it actively supports more than 400 organizations in the vital fields of culture, health, education, the environment and entrepreneurship.

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