



Address by Pierre Karl Péladeau
President and CEO of Quebecor

Annual Meeting of Shareholders
May 14, 2020, 9:30 a.m.

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INTRODUCTION | COVID-19

Thank you, Mr. Mulroney.

I am pleased to be here with you today for our annual meeting, although this year, in a departure from our usual practice, we are meeting virtually.

Normally, we would spend this meeting reporting on our most impressive achievements and our progress. We will definitely get to that, albeit more briefly, because it is still important for us to share those things with you.

However, we will start with the extraordinary situation in which we find ourselves, along with the rest of Québec and the entire world.

First, I would like to thank all our employees working on the front lines, in the field or, in the vast majority of cases, remotely. Since the start of the crisis, they have displayed exemplary dedication and adaptability. There is no better illustration of our agility, creativity and determination to perform at all times and in all circumstances than what we are now accomplishing together.

- I thank all the news crews at TVA, LCN, QUB radio and the newspapers and magazines, who are providing the public with information on an ongoing basis;
- I thank all the Videotron employees, including the technicians who are keeping the network running and the customer service team who are supporting our customers;
- Of course, my thoughts go out to employees in business segments that have slowed or shut down. This is an extremely difficult period, but we will be more than ready for the reopening.

In this unprecedented time, we are keenly aware of our duty to show solidarity and leadership. We have a role to play for the public by continuing to provide essential services such as telecommunications and news media. Our millions of customers are counting on us and I am proud to say that all the steps we have taken have been aimed at helping and supporting our customers as best we can.

MEASURES TAKEN | COVID-19

At Videotron, no effort has been spared to enable people to stay connected.

- On March 13th, we were the first to remove data caps on all residential and business Internet plans. Given the explosion in bandwidth usage, we are proud to see that our networks have held up and are capable of carrying the significantly heavier traffic. At Fizz, the spike in Internet self-installation requests also demonstrates the merits of this business model based on simplicity and autonomy.
- We have also waived all international roaming fees and suspended disconnections for non-payment.
- We have been highly proactive in assisting the business customers who have been affected by the crisis.
- And we have offered free access to a wide array of on-demand content, including a number of Club illico series.

In our media segment, we were the first to provide free access to our 24-hour news channel, LCN, and our children's channel, Yoopa.

Our news teams quickly introduced special programming on COVID-19-related developments. The audience numbers and traffic on our news platforms are a testament to the relevance of our teams' work and their important role in serving the public interest and well-being.

However, in order to comply with social distancing measures, we have been forced to cancel or postpone some non-essential productions and this has resulted or will result this fall in a revamping of our programming schedule. However, the TVA team remains creative and agile. For example, it took them just 10 days to get the show *Ça va bien aller*, which reaches nearly a million viewers daily, on the air.

At the same time, the Québec government's ban on gatherings of more than 250 people and suspension of business activities deemed non-essential has curtailed the operations of many of our business partners and has therefore led to a significant slowdown in some of our business segments. We have unfortunately had to temporarily lay off or reduce the work hours of just over 10 percent of our employees. As a show of faith and gratitude, we set up a \$500,000 emergency fund to provide immediate financial assistance to the Sports and Entertainment Group's employees, contributors and freelancers, who were the first to be affected by the situation. And to provide additional security for all affected employees in all our business segments, we put in place financial assistance to give employees an income of as much as 95% of their regular salary, in some cases.

Despite the current uncertainty surrounding the full reopening of the economy, we are working flat out to stay on course towards our objectives. We have conducted a rigorous review of our strategic plan, reprioritizing all of our projects. Fortunately, the solid foundation on which our business is built positions us to meet these challenges, as evidenced by our excellent performance in fiscal year 2019.

Allow me therefore to tell you more about the major achievements of the past year.

2019 ACHIEVEMENTS:

TELECOMMUNICATIONS

For Videotron, 2019 was a year of achievement, a year of growth, a year of building for the future. It saw the arrival of a new President and Chief Executive Officer, Jean-François Pruneau, whom I salute.

Videotron kept up its momentum, continuing to invest in promising projects and leveraging the best technologies to support its growth. The results speak for themselves: EBITDA was up 5% year over year.

One major project of which we are very proud is Helix, which made its debut in Québec homes during the year. Designed to meet all of its customers' changing needs, Helix has accounted for more than 230,000 revenue-generating units since its launch in August 2019.

Fizz continued to distinguish itself with its innovative 100% digital experience, which earned the Disruptive Innovation Award, a prestigious prize that recognizes a business venture that exemplifies digital evolution in the global telecommunications industry. The success of Fizz, which complements Videotron's offerings, contributed to the excellent performance of our mobile telephony business. Mobile services added a record 176,700 subscriber connections during the year, the largest annual increase since the launch of our network in 2010.

Building on these excellent results, we are gearing up for the deployment of our LTE-A and 5G access networks, in conjunction with Samsung, our partner for our next-generation network build-out. A gradual roll-out is planned in the coming months.

In April 2019, in another move to position ourselves for the future, we purchased 10 blocks of low-frequency spectrum in the 600 MHz band. This spectrum is suitable for the deployment of fifth-generation networks and will enable us to reach growing numbers of customers in all regions of Québec.

More recently, in February 2020, Videotron launched its own mobile network in Rimouski and 12 other Lower St. Lawrence municipalities. Videotron will also expand into Abitibi-Témiscamingue in the coming months, following a CRTC decision forcing Bell's Cablevision subsidiary to make its third-party Internet access service available to Videotron. Videotron's arrival will create healthy competition in these two regional markets.

In November 2019, the Competition Bureau noted that the presence of a strong fourth player, such as Videotron in Québec, has the direct effect of bringing down prices for wireless services, to the benefit of consumers. This makes us proud.

Thanks to all our efforts and our focus on customer experience, Videotron received a string of distinctions during the year, including:

- The most respected telecommunications company in Québec for the 15th year, according to Léger's Reputation survey;
- One of Montréal's top employers for the second consecutive year, according to MediaCorp Canada.

We are very proud of these honours, which we owe to all Videotron employees. They are the architects of our success.

ORIGINAL CONTENT AND BROADCASTING

At Quebecor, stand-out innovation isn't just about technology; it's also about creating original French-language content. This is the differentiator that has always set us apart. Today, in the age of globalization, content remains our most potent weapon.

Under the seasoned leadership of France Lauzière, President and CEO of TVA Group and Chief Content Officer of Quebecor Content, whom I salute, we grew and diversified our original content offerings in a host of genres in 2019, and tripled them on Club illico.

The success of our original productions has been key to the enduring popularity of TVA Group's channels, which remained the most-watched in Québec with a 38.4% market share. Club illico grew its subscriber base by a healthy 9.1%.

The 81 original productions created in collaboration with the talented Quebecor Content team included the hits *Les Honorables* and *Révolution*, an international success that has been sold in Russia, China and Lithuania. I'm also thinking of *La Faille*, shot in the mid-winter on the North Shore, which logged a record 1 million views in less than seven days after its release on Club illico.

After pressing for a rebalancing of subscription fees for our specialty channels for many years, we succeeded in renewing most of our distribution agreements with cable operators on terms that reflect the fair market value of our channels. Not surprisingly, Bell is clinging to the status quo and refusing to negotiate in good faith. Bell is also refusing, once again, to remedy the undue preference it is giving its RDS channel at the expense of TVA Sport, even though the CRTC ruled in favour of TVA Group on this issue in December 2019.

The authorities must have the courage to take the necessary steps to ensure healthy competition in the industry.

That is why we spoke up again and called for the mandate of CBC / Radio-Canada to be refocused. As the Yale report on Canada's communications future recommended, the public broadcaster should be "animated by a public purpose not a commercial one." Forcing the private sector to compete with a broadcaster that has guaranteed funding from the public purse is blatantly unfair. The equilibrium of our television broadcasting system is at stake.

NEWS MEDIA

The future of news media was a hot topic of public discussion in 2019. After being hammered by GAFA for years, print media outlets are facing an even deeper abyss due to the pandemic, which has slashed advertising revenues.

While Australia and France have recently announced their intention to force Google and Facebook to pay their fair share for the use of content from newspaper publishers, our federal government has been slow to act or even to take a stand.

That is why Quebecor and the publishers of the majority of Canadian newspapers have come together in recent weeks to jointly call on the government to act on the advice of its expert panel, which recommends a similar approach.

SPORTS AND ENTERTAINMENT

In our Sports and Entertainment segment, we will have to wait for a full resumption of economic activity to have more clarity about the future, but we will certainly be able to count on the reputation we have built up in recent years.

In 2019, under the leadership of Martin Tremblay, Chief Operating Officer of Sports and Entertainment Group, the Videotron Centre continued attracting big-name international stars such as Céline Dion, who made it the first stop on her Courage World Tour, as well as the hottest Québec artists of the day, such as the rapper Loud.

In our Music Division, the artists signed with our Musicor, MP3 Disques and Ste-4 Musique labels released a series of hits, including a number of radio airplay successes, which generated a 93% increase in neighbouring rights during the year.

In December 2019, to create real competition in Montréal's entertainment and music market, we acquired a minority interest in the assets of Multicolore, a local company known for flagship events such as Piknic Électronik and Igloofest.

SUPPORTING OUR CULTURE AND OUR ARTISTS

We all have a role to play in helping Québec rebound from this crisis. Quebecor has always been committed to supporting Québec culture. Now, the Quebecor family has taken a number of initiatives to showcase Québec talent on all its platforms and promote buying local.

For example, on May 4 we decided to move up the launch of QUB musique, Québec's first music streaming service. Faced with major international platforms, we wanted to offer a local product that would provide an incomparable showcase for Québec talent and better compensate the artists and right-holders.

QUB musique boasts a large, world-class catalogue of 50 million tracks. In these unprecedented times, it is more important than ever to listen to Québec music if we want to support Québec artists.

COMMUNITY SUPPORT

Having reviewed some of Quebecor's major achievements of the year past, we feel it is equally important to talk about the impact of our successes on the community. In addition to actively participating in Québec's economic, social and cultural development, we attach great importance to community engagement. Every year, we support more than 500 organizations across Québec.

Corporate social responsibility has never meant more than it does today. Civic spirit must guide all our actions. Quebecor and the Fondation Chopin-Péladeau therefore offered their support to Food Banks of Québec by joining the Cuisines Solidaires initiative, organized by La Table des Chefs. TVA Group is also helping them achieve their target of turning out more than 1.6 million meals by placing its Dock619 event venue and its team of chefs at their disposal.

As well, to help fight isolation, Videotron worked with the Québec government to provide 1,000 smartphones with unlimited data plans to youth rehabilitation centres and long-term care facilities. And as a major partner of the Fondation du CHUM, Quebecor showed its support by donating 150 Videotron mobile devices to help healthcare professionals stay in touch with their patients while reducing the risk of infection.

Finally, the television event *Une chance qu'on s'a*, broadcast on TVA and Télé-Québec and presented in partnership with the Government of Québec, raised \$2 million for Les Petits Frères, an organization that works to reduce the isolation of seniors, and SOS violence conjugale.

CONCLUSION

In closing, while we cannot know what the future holds, we can say with certainty that Quebecor will continue to be an economic driver in Québec, to be there for the community, and to contribute to the vitality of our culture.

It is a great privilege to be able to count on the dedication and agility of all our employees, the support and expertise of our Board of Directors, and of course the invaluable contribution of our Chairman, Mr. Brian Mulroney. I also want to express our gratitude to our shareholders, our advertisers, our partners and, naturally, our customers.

Despite the challenges we face, we are embarking on the new decade with our sights set firmly on our strategic priorities and on continued investment in our growth sectors. We will stay the course. We will continue aiming for excellence and playing our role as a leader in Québec.

Thank you.

I will now give the floor to my colleague Hugues Simard, Chief Financial Officer.