



Address by Pierre Karl Péladeau
President and Chief Executive Officer of Quebecor

Annual Meeting of Shareholders
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Thank you, Mr. Mulroney.

It is a pleasure for me to be here with you at our annual meeting to review an unusual year, to say the least, but a year of successes nonetheless.

As Mr. Mulroney said, we are very proud of the leadership Quebecor has shown throughout the crisis. Our Corporation's solid foundations, and our prudent management of our operations and balance sheet, have kept us on track to our objectives and performance targets. Despite the crisis and its impact on some of our businesses, we increased our adjusted EBITDA by 3.9% and our cash flows from operations by 14.7%.

Allow me to share the achievements and progress of the past year.

TELECOM

In our important Telecommunications segment, Videotron continued to grow. Revenues were up 4.1% and adjusted EBITDA 3.4%, driven by our strength in mobility.

In 2020, we proudly celebrated the 10th anniversary of the launch of our mobile network. In less than 10 years, Videotron has climbed from emerging player to undisputed Québec leader, challenging the Big 3 cartel of well-established national companies.

Today, we can see the beneficial effects of Videotron's entry into Québec's wireless market.

As the Competition Bureau has noted, the presence of a strong fourth player has the direct effect of bringing down prices for wireless services. Québec was the first part of the country to see wireless rates come down and still has the lowest rates in Canada. Videotron has invested more than \$2.7 billion in spectrum and network build-out, creating thousands of jobs throughout Québec. It has also been instrumental in raising industry standards by delivering a superior customer experience. After 10 years, we can say that the strategic decision to move into wireless was sound.

In 2020, Videotron continued to grow, registering an 11.3% increase in subscriber connections for all its brands combined. For the 16th year in a row, it was ranked the most respected telecommunications provider in Québec by Léger's Reputation study.

This is why we firmly believe that the government's policy of promoting a fourth facilities-based player must be maintained if there is to be healthy competition in Canada's wireless market. This is a central issue in Rogers' proposed acquisition of Shaw. If the deal is approved as is, it will take us back to square one. It will mean the demise of Shaw's Freedom Mobile subsidiary, which currently plays a vital role in maintaining real competition in Ontario and Western Canada.

Meanwhile, Videotron passed an important milestone in its drive to remain at the forefront of technological change and to offer its customers a world-class experience: the launch of its 5G network. The roll-out began in Montréal in December and continued in Québec City just yesterday.

With respect to our Internet access service, the COVID-19 crisis clearly demonstrated our network's robustness and power. Videotron had no trouble handling the surge in traffic. It

was a convincing demonstration of the importance of investing in our connectivity infrastructure.

We pressed ahead with our strategy to roll out services outside urban centres in 2020. During the year, we completed a series of investments totalling more than \$25 million that connected more than 30,000 households and businesses to our network in several regions of Québec. More recently, we also acquired Cablovision Warwick, a family business that has been operating in the Centre-du-Québec region for nearly 50 years.

We made the largest commitment of any telecommunications provider in Québec to the federal and Québec governments' Operation High Speed. By September 2022, we will have connected 37,000 households in currently underserved regions.

While we welcome the political will behind this project, which is so important for all areas outside the major urban centres, governments and regulators must keep up the pressure to ensure access to support structures.

In April, the CRTC made a decision on Videotron's complaints about access to Bell's poles. The CRTC ruled in favour of Videotron and the decision was unequivocal: Bell knowingly violated the *Telecommunications Act* by engaging in anti-competitive practices to block access to its poles. The CRTC found, and I quote, that "the preference Bell Canada has granted itself and the disadvantage it has imposed on Videotron are undue and unreasonable." Bell therefore faces penalties of up to \$10 million and must correct the situation immediately. Otherwise, governments will have to seriously consider the possibility of imposing significant penalties should Bell refuse to abide by the law, as has too often been the case. The problem is that with Bell, the more things change, the more they remain the same. Not so long ago, in 2015, the Québec Court of Appeal ordered Bell

to pay Videotron and TVA \$140 million in damages for tolerating piracy of its Bell ExpressVu satellite signal.

The success of Operation High-Speed in bringing high-speed Internet to rural areas depends on cooperation by all parties.

During the year, Videotron also continued to demonstrate excellence with forward-looking projects and innovative technologies. Our Helix entertainment and home management platform continued to fuel our growth. It now accounts for 826,000 revenue generating units. Fizz, the only telecom in Canada to offer a 100% digital experience, continued making a unique contribution to the wireless and residential Internet market. For the second year in a row, it ranked first for online experience in the telecommunications industry in Leger's WOW Digital study. Our Club illico entertainment platform continued to grow on the strength of its rich and diverse programming and sustained commitment to original content, the quality and popularity of which are borne out by the fact that 7 of the top 10 series on Club illico in 2020 were original productions.

Before wrapping up my discussion of the Telecom segment, I would like to express my gratitude to Jean-François Pruneau, who is stepping down as President and CEO of Videotron after a 20-year career with Quebecor and many noteworthy achievements. I've worked very closely with Jean-François over the years. On behalf of the entire Quebecor family, I want to personally wish him every success with his future projects.

Jean-François, thank you for everything!

MEDIA

TELEVISION AND CINEMA

Our Media segment played an equally vital role in 2020 by keeping Quebecers informed and entertained while they were coping with the challenges of the pandemic.

TVA Group continued evolving and adapting to market transformations, under the leadership of President and CEO France Lauzière. Among other things, it successfully launched its updated brand and its TVA+ digital brand, a new platform that lets Quebecers access our rich content ecosystem at any time.

In 2020, TVA and its specialty channels showed they hold a special place in the hearts of Quebecers. Once again, they were Québec's most-watched channels, with a 40.6% market share. TVA registered the largest increase in market share among over-the-air channels in all age groups in 2020 and grew its viewership in the 18-34 demographic by 4%.

With major television events such as *La Voix* and more recently the return of *Star Académie*, TVA remains an extraordinary meeting place. In 2020, it had an average live viewing rate of 90%, an impressive number that surpasses all our competitors.

The 91 original productions created by Quebecor Content and Québec producers in 2020, despite the crisis and the cancellations and postponements of non-essential shoots, also attest to our strong commitment to local culture.

Our unique, high-quality original content continued to make its mark on export markets. Formats such as *Dance Revolution* sold well, and worldwide sales of original drama series

increased significantly, led by productions such as *Épidémie*, *La Fille* and *La vie compliquée de Léa Olivier*.

In our film and television production business, 2020 was an opportunity for MELS to carry out innovative projects for the benefit of its clients. Under its new president Martin Carrier, MELS strengthened its position as a leading player in local and international markets by launching its new virtual production stage, equipped with an LED wall. The technological breakthrough can be used by clients of all sizes to produce film, television, advertising, music and entertainment projects. MELS also continues to attract major local productions and foreign blockbusters, such as *Transformers 7*, which is currently shooting at its studios.

NEWS MEDIA

We are proud that in a time of crisis, Quebecers turned to Quebecor's news outlets more than any other news source throughout the year.

The TVA newscast drew an average combined audience of nearly a million, more than twice that of its nearest rival. LCN, which remained the No. 1 specialty channel in Québec, played an even more crucial role in 2020, as evidenced by its record 8% market share, up 3 points from 2019. TVA reaffirmed its commitment to local news by expanding the local newscasts in the Québec City, Sherbrooke, Trois-Rivières and Eastern Québec regions in winter 2021.

Meanwhile, our newspapers reached 3.7 million readers per week across all platforms in 2020. Their high-quality coverage and strength in investigative journalism made our news outlets a reliable and indispensable source of information, thanks to our teams of journalists and columnists at TVA Group, *Le Journal de Montréal*, *Le Journal de Québec*, the QMI Agency, the Investigative Bureau, the Parliamentary Bureau and QUB radio.

In this age of globalized competition, we urgently need our governments to take the necessary steps to control the web giants and preserve the sustainability of domestic media outlets, which are facing unjustifiable and unsustainable inequities.

We have therefore joined with news publishers across Canada to call on the federal government to follow Australia's lead and adopt a legislative framework that curbs the monopolistic practices of Google and Facebook, which are capturing 80% of online advertising revenues by using homegrown news content without paying for it. A system that compensates media organizations for their content when it is used online is essential in order to secure the future of all local news media outlets on all platforms.

Similarly, the government and Parliament must use the overhaul of the *Broadcasting Act* in Bill C-10 to make changes that will enable conventional media outlets to continue innovating and attracting Québec audiences. To modernize the Act and create a level playing field with the Web giants, Parliament must, first and foremost, ease the many obligations imposed on conventional broadcasters, who are stifled by the maze of Kafkaesque requirements. It is important to give our domestic broadcasters the regulatory flexibility they need and to lighten their administrative and financial burden, while placing some limits on foreign players. The survival of our television industry and of our cultural ecosystem is at stake.

Doing all in our power to support the vibrancy of our culture, our identity and our language is part of our mission at Quebecor. And here I would like to take a moment to pay tribute to Christian Jetté, the President of our Book Group and of our major educational publishing house, CEC Publishing, who will be retiring at the end of the month after more than 30 years. Christian has made an immense contribution. Under his leadership, our Book Group

has been a vital force and has published bestsellers and award-winning works year after year. I also want to take this opportunity to thank Lyne Robitaille, Senior Vice President, Newspapers, Books and Magazines, and President and Publisher of *Le Journal de Montréal*, who will add responsibility for the Book Group to her current duties.

Thank you Lyne, and have a great retirement, Christian!

SPORTS AND ENTERTAINMENT

Let us now turn to our Sports and Entertainment segment. 2020 had promised to be a banner year, with many major concerts and events lined up, but this was the segment most heavily impacted by the crisis and the ban on gatherings.

Under the leadership of Chief Operating Officer Martin Tremblay, our Sports and Entertainment Group responded to the extraordinary conditions by managing its operations so as to keep the business viable, prepare to play an even greater role in the industry during the post-pandemic period, and find creative ways to relaunch its activities and generate financial benefits.

In May 2020, Gestev and Musicor Spectacles presented some of the first cultural events to be approved by public health authorities during the pandemic when they launched *TD musiparcs presented by Videotron*, a series of a hundred shows that provided work for more than 325 industry professionals during this period.

To support Québec City's economic recovery, the Videotron Centre hosted the Québec Major Junior Hockey League's protected environment event.

Throughout the challenges of 2020, the Sports and Entertainment Group demonstrated its resilience and solidity by continuing its activities with its usual determination and unwavering confidence in the future of Québec's showbiz and entertainment industry.

Notable examples include the acquisition of Audiogram, the largest independent French-language record label in North America, in February 2021, and the acquisition of Théâtre Capitole in Québec City in June 2020. We also launched QUB musique, a music streaming service developed in Québec by our NumériQ team, which provides Québec artists with unrivalled visibility. By adding new distribution platforms and venues, we are creating a strong, diversified ecosystem for the benefit of promoters, artists and all Quebecers who love music and culture.

CORPORATE SOCIAL RESPONSIBILITY AND ACKNOWLEDGEMENTS

In conclusion, the COVID-19 crisis has only intensified our commitment to the community, which is rooted in the solidarity and generosity that have always been part of Quebecor's DNA. We have a corporate responsibility to participate in Québec's economic development, to contribute to its cultural and social vitality, to support its diversity and to preserve its environment.

It is a commitment we make for our shareholders, our advertisers, our partners, and, of course, our millions of customers. I am truly grateful for their loyalty and their trust.

It is also a commitment we make for our 10,000 employees across Québec. I thank each of you for your dedication and your valued contribution.

I also thank the members of our Board of Directors for the benefit of their expertise and for placing their trust in me, and its Chair, the Right Honourable Brian Mulroney, for his support and wise counsel.

Thanks to all of you, Quebecor is a solid company that is able to share the fruits of its success with the community.

So I am proud to share with you today a video that attests to the breadth of our social engagement, and which highlights the full extent of the creativity and boldness that Quebecers demonstrate every day.

Thank you for your attention, and enjoy the video!