

## News Release

FOR IMMEDIATE RELEASE

### COGECO COMMUNICATIONS REPORTS STRONG PERFORMANCE FOR THE FOURTH QUARTER OF FISCAL 2020

- Revenue increased by 3.7% (3.0% in constant currency) compared to the same period of the prior year to reach \$605.2 million;
- Adjusted EBITDA<sup>(1)</sup> reached \$294.5 million, an increase of 6.9% (6.2% in constant currency);
- Cogeco Communications announced the acquisition of DERYtelecom, the third largest cable provider in the province of Québec;
- Cogeco Connexion announced network expansion projects in the provinces of Ontario and Québec; and
- A quarterly eligible dividend of \$0.64 was declared, compared to \$0.58 for the fourth quarter of fiscal 2019.

**Montréal, October 27, 2020** – Today, Cogeco Communications Inc. (TSX: CCA) ("Cogeco Communications" or the "Corporation") announced its financial results for the fourth quarter ended August 31, 2020, in accordance with International Financial Reporting Standards ("IFRS").

#### **COVID-19 PANDEMIC**

Our efforts again this quarter have been focused on offering our customers the highest quality of service while providing a safe working environment to our employees. Demand for our high speed Internet product was sustained both in Canada and in the United States, which translated into strong primary service units<sup>(2)</sup> performance. We remained disciplined in managing our operating costs through that period and have tightly managed our collection activities, which resulted in lower bad debt expenses than in the previous quarter. Although these COVID-19 related impacts did not have a material effect on our results, we remain cautious in our management of this situation as uncertainties remain on the potential human, operating and financial impact of the pandemic.

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(1) The indicated terms do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-IFRS financial measures" section of this press release, including reconciliation to the most comparable IFRS financial measures.

(2) Represents the sum of Internet, video and telephony customers.

## **OPERATING RESULTS**

For the fourth quarter of fiscal 2020:

- Revenue increased by 3.7% to reach \$605.2 million. On a constant currency basis, revenue increased by 3.0%, mainly explained as follows:
  - American broadband services revenue increased by 4.9% in constant currency resulting from growth in both residential and business Internet service customers as more customers work from home in the context of the COVID-19 pandemic, rate increases mostly implemented during the fourth quarter of fiscal 2019 and the impact of the Thames Valley Communications acquisition completed on March 10, 2020, partly offset by the temporary waiving of late fees charged to customers as a relief measure in the context of the COVID-19 pandemic. Excluding revenue from Thames Valley Communications, revenue in constant currency increased by 3.5%.
  - Canadian broadband services revenue increased by 1.3% as a result of rate increases implemented during the first and the fourth quarters of fiscal 2020 for certain services, customers' transition to higher value offerings and continued growth in Internet service customers, partly offset by a decline in video service customers and lower net pricing from consumer sales primarily as a result of product bundles being promoted more actively from the fourth quarter of fiscal 2019 to the second quarter of fiscal 2020.
- Adjusted EBITDA increased by 6.9% to reach \$294.5 million. On a constant currency basis, adjusted EBITDA increased by 6.2%, mainly explained as follows:
  - American broadband services adjusted EBITDA increased by 7.2% in constant currency mainly as a result of organic growth and the impact of the Thames Valley Communications acquisition. Excluding adjusted EBITDA from Thames Valley Communications, adjusted EBITDA in constant currency increased by 5.9%.
  - Canadian broadband services adjusted EBITDA increased by 5.8% in constant currency mainly due to higher revenue combined with lower operating expenses mainly due to non-recurring elements of approximately \$4 million and lower marketing expense.
- Profit for the period from continuing operations amounted to \$96.1 million, of which \$90.8 million, or \$1.90 per share, was attributable to owners of the Corporation compared to \$92.4 million, \$87.9 million, and \$1.78 per share, respectively, in the comparable period of fiscal 2019. The increase resulted mainly from higher adjusted EBITDA, partly offset by the increases in income taxes, depreciation and amortization and integration, restructuring and acquisitions costs;
- Profit for the period amounted to \$96.1 million, of which \$90.8 million, or \$1.90 per share, was attributable to owners of the Corporation compared to \$94.3 million, \$89.8 million, and \$1.82 per share, respectively, in the comparable period of fiscal 2019. The variation is mainly due to the elements mentioned for the profit for the period from continuing operations, partly offset by a profit from discontinued operations in the comparable period of the prior year;
- Free cash flow<sup>(1)</sup> increased by 32.2% to reach \$111.4 million. On a constant currency basis, free cash flow increased by 32.0% as a result of higher adjusted EBITDA combined with the decrease in acquisition of property, plant and equipment due to the timing of certain initiatives;
- Cash flows from operating activities decreased by 16.4% to reach \$254.7 million mainly due to the decrease in changes in non-cash operating activities primarily due to changes in working capital and the increase in financial expense paid, partly offset by higher adjusted EBITDA and the decrease in income taxes paid; and
- At its October 27, 2020 meeting, the Board of Directors of Cogeco Communications declared a quarterly eligible dividend of \$0.64 per share compared to \$0.58 in the comparable quarter of fiscal 2019.

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(1) The indicated terms do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-IFRS financial measures" section of this press release, including reconciliation to the most comparable IFRS financial measures.

"Given that we were still in the midst of the COVID-19 pandemic throughout the summer, we are very pleased with our operational and financial performance for the fourth quarter," declared Philippe Jetté, President and Chief Executive Officer of Cogeco Communications Inc. "We remained focused on executing our profitable growth strategy, investing in our state of the art broadband networks and offering the best services and support to our customers."

"We are pleased with the results of Cogeco Connexion in Canada which reported increases in revenue and adjusted EBITDA," stated Mr. Jetté. "These were largely driven by a healthy demand for our Internet services coupled with disciplined operations. In addition, Cogeco Connexion announced network expansions in several regions across our Canadian footprint and started offering our new IPTV platform."

"Atlantic Broadband, our American subsidiary, also reported positive results. Adjusted EBITDA and primary service units increased compared to last year, in large part thanks to organic growth as well as the integration of Thames Valley Communications in Connecticut," concluded Mr. Jetté.

### **ACQUISITION OF DERYTELECOM**

On October 21, 2020, Cogeco Communications announced that following the satisfactory completion of the due diligence process, Cogeco Connexion has entered into a definitive agreement to purchase DERYtelecom, the third largest cable provider in the province of Québec, for \$405 million. The acquisition of DERYtelecom is a strong strategic fit which will allow Cogeco Connexion to increase its presence in areas that are adjacent to its Québec footprint. The transaction is subject to regulatory approvals under the Competition Act along with other customary closing conditions and is expected to close no later than the end of the second quarter of the fiscal year 2021.

### **FISCAL 2021 FINANCIAL GUIDELINES**

The Corporation released its fiscal 2021 financial guidelines. On a constant currency basis and consolidated basis, the Corporation expects low-single digit percentage growth in revenue, adjusted EBITDA and free cash flow for fiscal 2021. Capital intensity is expected to be at approximately 20%.

# FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars, except percentages and per share data)	Three months ended					Years ended				
	August 31, 2020	August 31, 2019 <sup>(1)</sup>	Change	Change in constant currency <sup>(2)</sup>	Foreign exchange impact <sup>(2)</sup>	August 31, 2020	August 31, 2019 <sup>(1)</sup>	Change	Change in constant currency <sup>(2)</sup>	Foreign exchange impact <sup>(2)</sup>
	\$	\$	%	%	\$	\$	\$	%	%	\$
<b>Operations</b>										
Revenue	605,168	583,673	3.7	3.0	4,214	2,384,283	2,331,820	2.2	1.5	16,477
Adjusted EBITDA	294,535	275,610	6.9	6.2	1,846	1,148,729	1,107,940	3.7	3.0	7,176
Adjusted EBITDA margin	48.7 %	47.2 %				48.2 %	47.5 %			
Integration, restructuring and acquisition costs <sup>(3)</sup>	3,955	712	—			9,486	11,150	(14.9)		
Profit for the period from continuing operations	96,148	92,403	4.1			396,591	356,908	11.1		
Profit for the period from discontinued operations	—	1,920	(100.0)			—	75,380	(100.0)		
Profit for the period	96,148	94,323	1.9			396,591	432,288	(8.3)		
Profit for the period from continuing operations attributable to owners of the Corporation	90,834	87,850	3.4			375,174	339,973	10.4		
Profit for the period attributable to owners of the Corporation	90,834	89,770	1.2			375,174	415,353	(9.7)		
<b>Cash flow</b>										
Cash flows from operating activities	254,745	304,702	(16.4)			917,819	868,711	5.7		
Acquisition of property, plant and equipment <sup>(4)</sup>	128,195	145,099	(11.6)	(12.5)	1,247	483,990	434,545	11.4	10.2	5,088
Free cash flow	111,372	84,250	32.2	32.0	198	455,436	454,059	0.3	0.2	369
<b>Capital intensity</b>	<b>21.2 %</b>	<b>24.9 %</b>				<b>20.3 %</b>	<b>18.6 %</b>			
<b>Financial condition</b>										
Cash and cash equivalents						366,497	556,504	(34.1)		
Total assets						6,804,197	6,951,079	(2.1)		
Indebtedness <sup>(5)</sup>						3,179,926	3,454,923	(8.0)		
Equity attributable to owners of the Corporation						2,268,246	2,199,789	3.1		
<b>Per share data<sup>(6)</sup></b>										
Earnings per share										
Basic										
From continuing operations	1.90	1.78	6.7			7.74	6.89	12.3		
From discontinued operations	—	0.04	(100.0)			—	1.53	(100.0)		
From continuing and discontinued operations	1.90	1.82	4.4			7.74	8.41	(8.0)		
Diluted										
From continuing operations	1.88	1.77	6.2			7.67	6.83	12.3		
From discontinued operations	—	0.04	(100.0)			—	1.51	(100.0)		
From continuing and discontinued operations	1.88	1.80	4.4			7.67	8.35	(8.1)		
Dividends	0.58	0.525	10.5			2.32	2.10	10.5		

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(2) Key performance indicators presented on a constant currency basis are obtained by translating financial results from the current periods denominated in US dollars at the foreign exchange rates of the prior year. For the three-month period and year ended August 31, 2019, the average foreign exchange rates used for translation were 1.3222 USD/CDN and 1.3255 USD/CDN, respectively.

(3) For the three-month period and year ended August 31, 2020, integration, restructuring and acquisition costs resulted mostly from organizational changes initiated across the Corporation, as well as costs related to the acquisition and integration of Thames Valley Communications and iTétract. For the year ended August 31, 2019, integration, restructuring and acquisition costs were mostly related to an operational optimization program.

(4) For the three-month period and year ended August 31, 2020, acquisition of property, plant and equipment in constant currency amounted to \$126.9 million and \$478.9 million, respectively.

(5) Indebtedness is defined as the total of bank indebtedness and principal on long-term debt.

(6) Per multiple and subordinate voting share.

## FORWARD-LOOKING STATEMENTS

*Certain statements contained in this press release may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco Communications Inc.'s ("Cogeco Communications" or the "Corporation") future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements regarding the Corporation's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which Cogeco Communications believes are reasonable as of the current date. Refer in particular to the "Corporate Objectives and Strategies" and "Fiscal 2021 Financial Guidelines" sections of the Corporation's 2020 annual Management's Discussion and Analysis ("MD&A") for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements. While Management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what Cogeco Communications currently expects. These factors include risks such as competitive risks, business risks (including potential disruption to our supply chain), regulatory risks, public health crisis and emergencies such as the current COVID-19 pandemic, technology risks, financial risks (including variations in currency and interest rates), economic conditions, human-caused and natural threats to our network, infrastructure and systems, community acceptance risks, ethical behavior risks, ownership risks and litigation risks, many of which are beyond the Corporation's control. For more exhaustive information on these risks and uncertainties, the reader should refer to the "Uncertainties and Main Risk Factors" section of the Corporation's 2020 annual MD&A. These factors are not intended to represent a complete list of the factors that could affect Cogeco Communications and future events and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this press release which represent Cogeco Communications' expectations as of the date of this press release (or as of the date they are otherwise stated to be made) and are subject to change after such date. While Management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.*

*All amounts are stated in Canadian dollars unless otherwise indicated. This press release should be read in conjunction with the MD&A included in the Corporation's 2020 Annual Report, the Corporation's consolidated financial statements and the notes thereto prepared in accordance with the International Financial Reporting Standards ("IFRS") for the year ended August 31, 2020.*

# RESULTS OVERVIEW

This analysis should be read in conjunction with the Corporation's 2020 Annual Report available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [corpo.cogeco.com](http://corpo.cogeco.com). Please refer to the Corporation's 2020 Annual Report for more details on the annual results.

## FOURTH-QUARTER OPERATING AND FINANCIAL RESULTS

### CONSOLIDATED

#### OPERATING AND FINANCIAL RESULTS

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020 (1)	2019 (2)	Change	Change in constant currency (3)	Foreign exchange impact (3)
	\$	\$	%	%	\$
Revenue	605,168	583,673	3.7	3.0	4,214
Operating expenses	303,728	302,833	0.3	(0.5)	2,368
Management fees – Cogeco Inc.	6,905	5,230	32.0	32.0	—
Adjusted EBITDA	294,535	275,610	6.9	6.2	1,846
Adjusted EBITDA margin	48.7 %	47.2%			

(1) For the three-month period ended August 31, 2020, the average foreign exchange rate used for translation was 1.3424 USD/CDN.

(2) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(3) Fiscal 2020 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2019 which was 1.3222 USD/CDN.

#### REVENUE

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020 (1)	2019	Change	Change in constant currency (2)	Foreign exchange impact (2)
	\$	\$	%	%	\$
Canadian broadband services	324,197	319,935	1.3	1.3	—
American broadband services	280,971	263,738	6.5	4.9	4,214
	605,168	583,673	3.7	3.0	4,214

(1) For the three-month period ended August 31, 2020, the average foreign exchange rate used for translation was 1.3424 USD/CDN.

(2) Fiscal 2020 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2019 which was 1.3222 USD/CDN.

Fiscal 2020 fourth-quarter revenue increased by 3.7% (3.0% in constant currency) resulting from:

- organic growth combined with the impact of the Thames Valley Communications acquisition completed on March 10, 2020 in the American broadband services segment; and
- higher revenue in the Canadian broadband services segment.

#### OPERATING EXPENSES

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020 (1)	2019 (2)	Change	Change in constant currency (3)	Foreign exchange impact (3)
	\$	\$	%	%	\$
Canadian broadband services	142,242	147,815	(3.8)	(3.8)	78
American broadband services	155,182	148,215	4.7	3.2	2,290
Other	6,304	6,803	(7.3)	(7.3)	—
	303,728	302,833	0.3	(0.5)	2,368

(1) For the three-month period ended August 31, 2020, the average foreign exchange rate used for translation was 1.3424 USD/CDN.

(2) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(3) Fiscal 2020 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2019 which was 1.3222 USD/CDN.

Fiscal 2020 fourth-quarter operating expenses increased by 0.3% (decrease of 0.5% in constant currency) mainly from:

- lower operating expenses in the Canadian broadband services segment; partly offset by
- higher operating expenses in the American broadband services segment.

## MANAGEMENT FEES

Fiscal 2020 fourth-quarter management fees paid to Cogeco reached \$6.9 million compared to \$5.2 million for the same period of fiscal 2019. For further details on the Corporation's management fees, please refer to the "Related party transactions" section of the MD&A.

## ADJUSTED EBITDA

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020 (1)	2019 (2)	Change	Change in constant currency (3)	Foreign exchange impact (3)
	\$	\$	%	%	\$
Canadian broadband services	181,955	172,120	5.7	5.8	(78)
American broadband services	125,789	115,523	8.9	7.2	1,924
Other	(13,209)	(12,033)	9.8	9.8	—
	294,535	275,610	6.9	6.2	1,846

(1) For the three-month period ended August 31, 2020, the average foreign exchange rate used for translation was 1.3424 USD/CDN.

(2) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(3) Fiscal 2020 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2019 which was 1.3222 USD/CDN.

Fiscal 2020 fourth-quarter adjusted EBITDA increased by 6.9% (6.2% in constant currency) as a result of:

- an increase in the American broadband services segment mainly as a result of organic growth and the impact of the Thames Valley Communications acquisition; and
- an increase in the Canadian broadband services segment resulting from higher revenue combined with lower operating expenses.

## INTEGRATION, RESTRUCTURING AND ACQUISITION COSTS

Fiscal 2020 fourth-quarter integration, restructuring and acquisition costs amounted to \$4.0 million mostly due to organizational changes initiated across the Corporation resulting in cost optimization.

Fiscal 2019 fourth-quarter integration, restructuring and acquisition costs amounted to \$0.7 million mostly due to acquisition and integration costs in the American broadband services segment.

## DEPRECIATION AND AMORTIZATION

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020	2019 (1)	Change
	\$	\$	%
Depreciation of property, plant and equipment <sup>(2)</sup>	109,471	106,698	2.6
Amortization of intangible assets	15,354	14,858	3.3
	124,825	121,556	2.7

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(2) Includes the depreciation of right-of-use assets amounting to \$1.6 million for the three-month period ended August 31, 2020.

Fiscal 2020 fourth-quarter depreciation and amortization expense increased by 2.7% due to higher depreciation of property, plant and equipment as a result of higher capital expenditures during the fiscal year combined with the appreciation of the US dollar against the Canadian dollar compared to the same period of the prior year and the impact of IFRS 16 adoption.

## FINANCIAL EXPENSE

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020 \$	2019 (1) \$	Change %
Interest on long-term debt, excluding interest on lease liabilities	38,380	41,307	(7.1)
Interest on lease liabilities	370	—	—
Net foreign exchange gain	(181)	(403)	(55.1)
Amortization of deferred transaction costs	213	464	(54.1)
Capitalized borrowing costs	(122)	(168)	(27.4)
Other	642	(763)	—
	<b>39,302</b>	<b>40,437</b>	<b>(2.8)</b>

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

Fiscal 2020 fourth-quarter financial expense decreased by 2.8% mainly due to:

- lower interest rates and lower outstanding debt on the First Lien Credit Facilities; partly offset by
- the \$2.8 million early redemption premium on the Senior Secured Debentures Series 2 on July 20, 2020; and
- the appreciation of the US dollar against the Canadian dollar compared to the same period of the prior year.

## INCOME TAXES

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020 \$	2019 (1) \$	Change %
Current	13,713	11,603	18.2
Deferred	16,592	8,899	86.4
	<b>30,305</b>	<b>20,502</b>	<b>47.8</b>

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020 \$	2019 (1) \$	Change %
Profit before income taxes	126,453	112,905	12.0
Combined Canadian income tax rate	26.50 %	26.50 %	—
Income taxes at combined Canadian income tax rate	33,510	29,920	12.0
Difference in operations' statutory income tax rates	534	1,404	(62.0)
Impact on income taxes arising from non-deductible expenses and non-taxable profit	317	220	44.1
Tax impacts related to foreign operations	(5,912)	(7,517)	(21.4)
Other	1,856	(3,525)	—
	<b>30,305</b>	<b>20,502</b>	<b>47.8</b>

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

Fiscal 2020 fourth-quarter income taxes expense increased by 47.8% mainly attributable to the increase in profit before income taxes.



## PROFIT FOR THE PERIOD

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages and earnings per share)</i>	2020 \$	2019 (1) \$	Change %
Profit for the period from continuing operations	96,148	92,403	4.1
Profit for the period	96,148	94,323	1.9
Profit for the period from continuing operations attributable to owners of the Corporation	90,834	87,850	3.4
Profit for the period attributable to owners of the Corporation	90,834	89,770	1.2
Profit for the period from continuing operations attributable to non-controlling interest <sup>(2)</sup>	5,314	4,553	16.7
Basic earnings per share from continuing operations	1.90	1.78	6.7
Basic earnings per share	1.90	1.82	4.4

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(2) The non-controlling interest relates to the 21% ownership of CDPQ in Atlantic Broadband.

Fiscal 2020 fourth-quarter profit for the period from continuing operations and profit for the period from continuing operations attributable to owners of the Corporation increased by 4.1% and 3.4%, respectively, as a result of:

- higher adjusted EBITDA; partly offset by
- the increases in income taxes, depreciation and amortization and integration, restructuring and acquisitions costs.

Fiscal 2020 fourth-quarter profit for the period and profit for the period attributable to owners of the Corporation also increased by 1.9% and 1.2%, respectively, mainly due to the elements mentioned above, partly offset by the discontinued operations which generated a profit of \$1.9 million as a result of working capital adjustments related to the sale of Cogeco Peer 1 for the comparable period of the prior year.

## CANADIAN BROADBAND SERVICES

### OPERATING AND FINANCIAL RESULTS

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020 (1) \$	2019 (2) \$	Change %	Change in constant currency (3) %	Foreign exchange impact (3) \$
Revenue	324,197	319,935	1.3	1.3	—
Operating expenses	142,242	147,815	(3.8)	(3.8)	78
Adjusted EBITDA	181,955	172,120	5.7	5.8	(78)
Adjusted EBITDA margin	56.1 %	53.8 %			
Acquisition of property, plant and equipment	46,474	79,132	(41.3)	(41.5)	187
Capital intensity	14.3 %	24.7 %			

(1) For the three-month period ended August 31, 2020, the average foreign exchange rate used for translation was 1.3424 USD/CDN.

(2) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(3) Fiscal 2020 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2019 which was 1.3222 USD/CDN.

## REVENUE

Fiscal 2020 fourth-quarter revenue increased by 1.3% as reported and in constant currency compared to the same period of the prior year mainly as a result of:

- rate increases implemented during the first and the fourth quarters of fiscal 2020 for certain services;
- customers' transition to higher value offerings; and
- continued growth in Internet service customers; partly offset by
- a decline in video service customers; and
- lower net pricing from consumer sales primarily as a result of product bundles being promoted more actively from the fourth quarter of fiscal 2019 to the second quarter of fiscal 2020.

## OPERATING EXPENSES

Fiscal 2020 fourth-quarter operating expenses decreased by 3.8% as reported and in constant currency mainly attributable to:

- non-recurring elements totaling approximately \$4 million resulting from retroactive effect of new programming contracts and certain COVID-19 pandemic related impact such as lower sales expenses;
- lower marketing initiatives and installation costs due to the effects of the COVID-19 pandemic, with more self installations and remote repairs;
- the impact of IFRS 16 adoption; and
- lower programming costs resulting from lower video service customers.

## ADJUSTED EBITDA

Fiscal 2020 fourth-quarter adjusted EBITDA increased by 5.7% (5.8% in constant currency) resulting mainly from higher revenue combined with lower operating expenses.

## ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

Fiscal 2020 fourth-quarter acquisition of property, plant and equipment decreased by 41.3% (41.5% in constant currency) resulting from:

- lower costs related to the maintenance, growth and expansion of our network infrastructure due to the timing of certain initiatives; and
- lower purchases of customer premise equipment due to the timing of certain initiatives.

Fiscal 2020 fourth-quarter capital intensity reached 14.3% compared to 24.7% for the same period of the prior year mainly as a result of lower capital expenditures combined with revenue growth.

## PRIMARY SERVICE UNIT STATISTICS

	August 31, 2020	Net additions (losses) Three months ended August 31,	
		2020	2019
Primary service units	1,799,706	(2,925)	(2,846)
Internet service customers	812,016	8,943	2,540
Video service customers	619,249	(8,359)	(8,164)
Telephony service customers	368,441	(3,509)	2,778

## INTERNET

Fiscal 2020 fourth-quarter Internet service customers net additions stood at 8,943 compared to 2,540 for the same period of the prior year. The fiscal 2020 fourth-quarter growth was due to:

- the ongoing interest in high speed offerings especially as more customers were working from home in the context of the COVID-19 pandemic;
- the sustained interest in bundle offers; and
- the continued demand from Internet resellers; partly offset by
- competitive offers in the industry.

## VIDEO

Fiscal 2020 fourth-quarter video service customers net losses stood at 8,359 compared to 8,164 for the same period of the prior year. The fiscal 2020 fourth-quarter loss was due to:

- highly competitive offers in the industry; and
- a changing video consumption environment; partly offset by
- customers' ongoing interest in digital advanced video services; and
- customers' interest in video services bundled with fast Internet offerings.

## TELEPHONY

Fiscal 2020 fourth-quarter telephony service customers net losses amounted to 3,509 compared to net additions of 2,778 for the same period of the prior year. The fiscal 2020 fourth-quarter loss was due to:

- increasing mobile wireless penetration in Canada and various unlimited offers launched by mobile wireless operators causing some customers to cancel their landline telephony services for mobile wireless telephony services only; partly offset by
- more telephony bundles being marketed during the second half of fiscal 2019.

## AMERICAN BROADBAND SERVICES

### OPERATING AND FINANCIAL RESULTS

Three months ended August 31,	2020 (1)	2019 (2)	Change	Change in constant currency (3)	Foreign exchange impact (3)
<i>(in thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Revenue	280,971	263,738	6.5	4.9	4,214
Operating expenses	155,182	148,215	4.7	3.2	2,290
Adjusted EBITDA	125,789	115,523	8.9	7.2	1,924
Adjusted EBITDA margin	44.8 %	43.8 %			
Acquisition of property, plant and equipment	79,457	65,967	20.4	18.8	1,060
Capital intensity	28.3 %	25.0 %			

(1) For the three-month period ended August 31, 2020, the average foreign exchange rate used for translation was 1.3424 USD/CDN.

(2) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(3) Fiscal 2020 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2019 which was 1.3222 USD/CDN.

#### REVENUE

Fiscal 2020 fourth-quarter revenue increased by 6.5% (4.9% in constant currency). In local currency, revenue amounted to US\$209.3 million compared to US\$199.5 million for the same period of fiscal 2019. The increase resulted mainly from:

- growth in both residential and business Internet service customers as more customers work from home in the context of the COVID-19 pandemic;
- rate increases mostly implemented during the fourth quarter of fiscal 2019; and
- the impact of the Thames Valley Communications acquisition completed on March 10, 2020; partly offset by
- the temporary waving of late fees charged to customers as a relief measure in the context of the COVID-19 pandemic.

Excluding revenue from Thames Valley Communications, revenue in constant currency increased by 3.5% for the fourth quarter of fiscal 2020.

#### OPERATING EXPENSES

Fiscal 2020 fourth-quarter operating expenses increased by 4.7% (3.2% in constant currency) mainly as a result of:

- higher compensation expenses and costs related to additional headcount to support growth;
- additional operating expenses resulting from the impact of the Thames Valley Communications acquisition; and
- additional costs related to the development and implementation of a new financial and human capital management system; partly offset by
- the impact of IFRS 16 adoption.

#### ADJUSTED EBITDA

Fiscal 2020 fourth-quarter adjusted EBITDA increased by 8.9% (7.2% in constant currency). In local currency, adjusted EBITDA amounted to US\$93.7 million compared to US\$87.4 million for the same period of fiscal 2019 mainly due to organic growth and the impact of the Thames Valley Communications acquisition.

Excluding adjusted EBITDA from Thames Valley Communications, adjusted EBITDA in constant currency increased by 5.9% for the fourth quarter of fiscal 2020.

#### ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

Fiscal 2020 fourth-quarter acquisition of property, plant and equipment increased by 20.4% (18.8% in constant currency) mainly due to:

- higher purchases of customer premise equipments and other related costs in order to support the increased number of connections driven by demand for high speed Internet product, as well as resulting from equipment upgrades and the timing of certain initiatives;
- additional investments to improve and expand the network infrastructure in Florida;
- accelerated purchases of certain equipment to prevent potential supply chain shortages; and
- costs related to the development and implementation of a new financial and human capital management system.

Fiscal 2020 fourth-quarter capital intensity reached 28.3% compared to 25.0% for the same period of the prior year as a result of capital expenditures growth exceeding revenue growth.

## PRIMARY SERVICE UNIT STATISTICS

	August 31, 2020 (1)	Net additions (losses)	
		Three months ended August 31,	
		2020	2019
Primary service units	957,925	20,653	7,431
Internet service customers	492,212	13,523	2,441
Video service customers	317,387	5,542	5,294
Telephony service customers	148,326	1,588	(304)

(1) Net of a provision related to non-paying customers who have not been disconnected.

### INTERNET

Fiscal 2020 fourth-quarter Internet service customers net additions stood at 13,523 compared to 2,441 for the same period of the prior year. The fiscal 2020 fourth-quarter growth was due to:

- the ongoing interest in high speed offerings especially as more customers were working from home in the context of the COVID-19 pandemic; and
- growth in the residential and business sectors.

### VIDEO

Fiscal 2020 fourth-quarter video service customers net additions stood at 5,542 compared to 5,294 for the same period of the prior year. The fiscal 2020 fourth-quarter growth was due to:

- our customers' ongoing interest in TiVo's digital advanced video services; and
- additional connects related to the Thames Valley Communications acquisition; partly offset by
- a changing video consumption environment; and
- competitive offers in the industry.

### TELEPHONY

Fiscal 2020 fourth-quarter telephony service customers net additions stood at 1,588 compared to net losses of 304 for the same period of the prior year. The fiscal 2020 fourth-quarter growth was due to:

- growth in the residential and business sectors; partly offset by
- increasing mobile wireless penetration in the United States and various unlimited offers launched by mobile wireless operators causing some customers to cancel their landline telephony services for mobile wireless telephony services only.

## CASH FLOW ANALYSIS

Three months ended August 31,	2020	2019 (1)	Change
<i>(in thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Cash flows from operating activities	254,745	304,702	(16.4)
Cash flows from investing activities	(126,899)	(144,332)	(12.1)
Cash flows from financing activities	(246,410)	(50,198)	—
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	(8,733)	(1,405)	—
<b>Net change in cash and cash equivalents from continuing operations</b>	<b>(127,297)</b>	108,767	—
Cash and cash equivalents, beginning of the period	493,794	447,737	10.3
<b>Cash and cash equivalents, end of the period</b>	<b>366,497</b>	556,504	(34.1)

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

### OPERATING ACTIVITIES

Fiscal 2020 fourth-quarter cash flows from operating activities decreased by 16.4% mainly from:

- the decrease in changes in non-cash operating activities primarily due to changes in working capital; and
- the increase in financial expense paid; partly offset by
- higher adjusted EBITDA; and
- the decrease in income taxes paid.

## INVESTING ACTIVITIES

Fiscal 2020 fourth-quarter investing activities decreased by 12.1% mainly due to the decrease in acquisition of property, plant and equipment.

### ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The acquisition of property, plant and equipment as well as the capital intensity per operating segment are as follows:

Three months ended August 31, <i>(in thousands of Canadian dollars, except percentages)</i>	2020 \$	2019 (1) \$	Change %	Change in constant currency (2) %
<b>Canadian broadband services</b>	<b>46,474</b>	79,132	(41.3)	(41.5)
Capital intensity	<b>14.3 %</b>	24.7 %		
<b>American broadband services</b>	<b>79,457</b>	65,967	20.4	18.8
Capital intensity	<b>28.3 %</b>	25.0 %		
<b>Other</b>	<b>2,264</b>	—	—	—
<b>Consolidated</b>	<b>128,195</b>	145,099	(11.6)	(12.5)
Capital intensity	<b>21.2 %</b>	24.9 %		

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(2) Fiscal 2020 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2019 which was 1.3222 USD/CDN.

Fiscal 2020 fourth-quarter acquisition of property, plant and equipment decreased by 11.6% (12.5% in constant currency) mainly due to lower capital expenditures in the Canadian broadband services segment, partly offset by higher capital expenditures in the American broadband services segment resulting from the timing of certain initiatives.

Fiscal 2020 fourth-quarter capital intensity reached 21.2% compared to 24.9% for the same period of the prior year mainly as a result of lower capital expenditures combined with revenue growth.

## FINANCING ACTIVITIES

### ISSUANCE AND REPAYMENT OF DEBT

Fiscal 2020 fourth-quarter changes in cash flows from the issuance and repayment of debt are mainly explained as follows:

Three months ended August 31, <i>(in thousands of Canadian dollars)</i>	2020 \$	2019 \$	Explanations
Increase (decrease) in bank indebtedness	<b>7,610</b>	(4,821)	Related to the timing of payments made to suppliers.
Repayment of notes, debentures and credit facilities	<b>(205,566)</b>	(5,650)	Redemption of the Senior Secured Debentures Series 2 during the fourth quarter of fiscal 2020 as a result of free cash flow generated combined with quarterly repayments on the Senior Secured Term Loan B Facility.
Repayment of lease liabilities	<b>(1,143)</b>	—	Related to the adoption of IFRS 16.
	<b>(199,099)</b>	(10,471)	

## DIVIDENDS

During the fourth quarter of fiscal 2020, a quarterly eligible dividend of \$0.58 per share was paid to the holders of subordinate and multiple voting shares, totalling \$27.7 million, compared to an eligible quarterly dividend paid of \$0.525 per share, or \$25.9 million in the fourth quarter of fiscal 2019.

### NORMAL COURSE ISSUER BID

During the fourth quarter of fiscal 2020, Cogeco Communications purchased and cancelled 194,600 subordinate voting shares with a weighted average price per share purchased of \$100.89 for a total consideration of \$19.6 million. During the fourth quarter of fiscal 2019, Cogeco Communications purchased and cancelled 169,800 subordinate voting shares with a weighted average price per share repurchased of \$105.55 for a total consideration of \$17.9 million.

## FREE CASH FLOW

Three months ended August 31, (in thousands of Canadian dollars, except percentages)	2020 (1)	2019 (2)	Change	Change in constant currency (3)	Foreign exchange impact (3)
	\$	\$	%	%	\$
Adjusted EBITDA <sup>(4)</sup>	294,535	275,610	6.9	6.2	1,846
Amortization of deferred transaction costs and discounts on long-term debt	2,344	2,940	(20.3)	(19.3)	29
Share-based payment	2,249	2,173	3.5	3.5	—
(Gain) loss on disposals and write-offs of property, plant and equipment	(177)	1,119	—	—	—
Defined benefit plans contributions, net of expense	(1,271)	259	—	—	—
Integration, restructuring and acquisition costs	(3,955)	(712)	—	—	(1)
Financial expense	(39,302)	(40,437)	(2.8)	(1.8)	(426)
Current income taxes	(13,713)	(11,603)	18.2	18.1	8
Acquisition of property, plant and equipment	(128,195)	(145,099)	(11.6)	(12.5)	(1,247)
Repayment of lease liabilities	(1,143)	—	—	—	(11)
<b>Free cash flow<sup>(4)</sup></b>	<b>111,372</b>	<b>84,250</b>	<b>32.2</b>	<b>32.0</b>	<b>198</b>

(1) For the three-month period ended August 31, 2020, the average foreign exchange rate used for translation was 1.3424 USD/CDN.

(2) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(3) Fiscal 2020 actuals are translated at the average foreign exchange rate of the comparable period of fiscal 2019 which was 1.3222 USD/CDN.

(4) The indicated terms do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-IFRS financial measures" section, including reconciliation to the most comparable IFRS financial measures.

Fiscal 2020 fourth-quarter free cash flow increased by 32.2% (32.0% in constant currency) compared to the same period of the prior year, mainly due to the following:

- higher adjusted EBITDA; and
- the decrease in acquisition of property, plant and equipment mainly from lower capital expenditures in the Canadian broadband services segment, partly offset by higher capital expenditures in the American broadband services segment resulting from the timing of certain initiatives.

## FISCAL 2021 FINANCIAL GUIDELINES

The following section contains forward-looking statements concerning the business outlook for Cogeco Communications. For a description of risk factors that could cause actual results to differ materially from what Cogeco Communications expects, please refer to the "Uncertainties and main risk factors" section of the MD&A.

The Corporation presents its financial guidelines on a constant currency basis and believes this presentation enables an improved understanding of the Corporation's underlying financial performance, undistorted by the effects of changes in a foreign currency rate. Measures on a constant currency basis are considered non-IFRS financial measures and do not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies. The Corporation is providing the following financial guidelines for fiscal 2021, on a constant currency and consolidated basis. The financial guidelines exclude the impact from the acquisition of DERYtelecom which was announced on October 21, 2020 and is expected to close no later than at the end of the second quarter of the fiscal year 2021. They also do not take into consideration the potential impact of the review and variance process currently pending before the CRTC in connection with the final rates for aggregated wholesale Internet services for resellers. For further details, please consult the "Business developments" subsection of the MD&A. The projections take into consideration the experience gained while operating during the COVID-19 pandemic so far but exclude potential unexpected significant material impacts from it.

On a constant currency and consolidated basis, Cogeco Communications expects low-single digit percentage growth in revenue and adjusted EBITDA for fiscal 2021. Revenue should increase mainly as a result of organic growth in the American broadband services segment for both the residential and business sectors, the continued expansion in Florida, annual rate increases and the full year effect of the Thames Valley Communications acquisition completed on March 10, 2020. In the Canadian broadband services segment, revenue growth should stem primarily from growth in the business sector and Internet customer additions.

Adjusted EBITDA should increase mainly as a result of revenue growth exceeding operating expenses in both the American and Canadian broadband services segments.

The capital intensity ratio should remain essentially stable at approximately 20%. In the American broadband services segment, capital expenditures will be driven by our continued Florida network expansion and additional investments in our network infrastructure in the areas we serve. In the Canadian broadband services segment, we expect lower customer premise equipment costs as a result of the progressive launch of our IPTV solution, sustained investments in our networks to continue to offer high performance products while expanding our networks into new areas to address the digital divide between urban centers and rural areas, combined with investments in our digital transformation.

Free cash flow<sup>(1)</sup> on a constant currency and consolidated basis is expected to grow at a low-single digit percentage rate mainly due to the growth of adjusted EBITDA.

The following table outlines fiscal 2021 financial guidelines on a consolidated basis:

	Projections Fiscal 2021 <sup>(1)</sup>	Actual Fiscal 2020
<i>(in millions of Canadian dollars, except percentages)</i>	\$	\$
<b>Financial guidelines</b>		
Revenue	Low-single digit percentage growth	2,384
Adjusted EBITDA	Low-single digit percentage growth	1,149
Capital intensity	Approximately 20%	20.3 %
Free cash flow	Low-single digit percentage growth	455

(1) Fiscal 2021 financial guidelines are based on a USD/CDN exchange rate of 1.3456 USD/CDN.

(1) The indicated terms do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. For more details, please consult the "Non-IFRS financial measures" section of this press release.

# NON-IFRS FINANCIAL MEASURES

This section describes non-IFRS financial measures used by Cogeco Communications throughout this press release. These financial measures are reviewed in assessing the performance of the Corporation and used in the decision-making process with regards to our business units. Reconciliations between "free cash flow", "adjusted EBITDA", "adjusted EBITDA margin" and "capital intensity" and the most comparable IFRS financial measures are also provided. These financial measures do not have standard definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

This press release also makes reference to key performance indicators on a constant currency basis, including revenue, "adjusted EBITDA", acquisition of property, plant and equipment and "free cash flow". Measures on a constant currency basis are considered non-IFRS financial measures and do not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similarly measures presented by other companies.

Non-IFRS financial measures	Application	Calculation	Most comparable IFRS financial measures
Adjusted EBITDA and adjusted EBITDA margin	Adjusted EBITDA and adjusted EBITDA margin are key measures commonly reported and used in the telecommunications industry, as they allow comparisons between companies that have different capital structures and are more current measures since they exclude the impact of historical investments in assets. Adjusted EBITDA is one of the key metrics employed by the financial community to value a business and its financial strength.  Adjusted EBITDA for Cogeco Communications' business units is equal to the segment profit (loss) reported in note 5 of the consolidated financial statements.	Adjusted EBITDA: - Profit for the year from continuing operations add: - Income taxes; - Financial expense; - Depreciation and amortization; and - Integration, restructuring and acquisition costs.  Adjusted EBITDA margin: - Adjusted EBITDA divided by: - Revenue	Profit for the year from continuing operations          No comparable IFRS financial measure
Free cash flow <sup>(1)</sup>	Management and investors use free cash flow to measure Cogeco Communications' ability to repay debt, distribute capital to its shareholders and finance its growth.	Free cash flow <sup>(1)</sup> : - Adjusted EBITDA add: - Amortization of deferred transaction costs and discounts on long-term debt; - Share-based payment; - Loss (gain) on disposals and write-offs of property, plant and equipment; - Defined benefit plans expense, net of contributions; deduct: - Integration, restructuring and acquisition costs; - Financial expense <sup>(2)</sup> ; - Current income taxes; - Acquisition of property, plant and equipment <sup>(3)</sup> and - Repayment of lease liabilities.	Cash flows from operating activities
Constant currency basis	Revenue, operating expenses, adjusted EBITDA, acquisition of property, plant and equipment and free cash flow are measures presented on a constant currency basis to enable an improved understanding of the Corporation's underlying financial performance, undistorted by the effects of changes in foreign exchange rates.	Constant currency basis is obtained by translating financial results from the current periods denominated in US dollars at the foreign exchange rates of the comparable periods of the prior year.  The average foreign exchange rate during the three-month period and year ended August 31, 2019 were 1.3222 USD/CDN and 1.3255 USD/CDN, respectively.	No comparable IFRS financial measure
Capital intensity	Capital intensity is used by Cogeco Communications' management and investors to assess the Corporation's investment in capital expenditures in order to support a certain level of revenue.	Capital intensity: - Acquisition of property, plant and equipment <sup>(3)</sup> divided by: - Revenue	No comparable IFRS financial measure

(1) During the second quarter of fiscal 2020, the Corporation modified the calculation method of its free cash flow in order to reflect how the Corporation analyzes and makes projections of its free cash flow. This modification has no impact on the result under the current and former calculation, and therefore free cash flow for the comparable periods were not affected by this change.

(2) Excludes the non-cash gain on debt modification.

(3) Excludes the acquisition of right-of-use assets and the purchases of spectrum licenses.



## ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN RECONCILIATION

The reconciliation of adjusted EBITDA to the most comparable IFRS financial measure and the calculation of adjusted EBITDA margin are as follows:

	Three months ended		Years ended	
	August 31, 2020	August 31, 2019 (1)	August 31, 2020	August 31, 2019 (1)
<i>(in thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$
<b>Profit for the period from continuing operations</b>	<b>96,148</b>	92,403	<b>396,591</b>	356,908
Income taxes	<b>30,305</b>	20,502	<b>112,321</b>	83,655
Financial expense	<b>39,302</b>	40,437	<b>131,093</b>	175,502
Depreciation and amortization	<b>124,825</b>	121,556	<b>499,238</b>	480,725
Integration, restructuring and acquisition costs	<b>3,955</b>	712	<b>9,486</b>	11,150
<b>Adjusted EBITDA</b>	<b>294,535</b>	275,610	<b>1,148,729</b>	1,107,940
Revenue	<b>605,168</b>	583,673	<b>2,384,283</b>	2,331,820
<b>Adjusted EBITDA margin</b>	<b>48.7 %</b>	47.2 %	<b>48.2 %</b>	47.5 %

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

## FREE CASH FLOW RECONCILIATION

The reconciliation of free cash flow to the most comparable IFRS financial measure is as follows:

	Three months ended		Years ended	
	August 31, 2020	August 31, 2019 (1)	August 31, 2020	August 31, 2019 (1)
<i>(in thousands of Canadian dollars)</i>	\$	\$	\$	\$
<b>Cash flows from operating activities</b>	<b>254,745</b>	304,702	<b>917,819</b>	868,711
Amortization of deferred transaction costs and discounts on long-term debt	<b>2,344</b>	2,940	<b>9,503</b>	9,454
Changes in non-cash operating activities	<b>(1,116)</b>	(73,274)	<b>55,194</b>	25,108
Income taxes paid (received)	<b>(7,410)</b>	12,154	<b>20,004</b>	48,687
Current income taxes	<b>(13,713)</b>	(11,603)	<b>(57,632)</b>	(53,361)
Financial expense paid	<b>45,162</b>	34,867	<b>153,434</b>	165,507
Financial expense <sup>(2)</sup>	<b>(39,302)</b>	(40,437)	<b>(153,991)</b>	(175,502)
Acquisition of property, plant and equipment	<b>(128,195)</b>	(145,099)	<b>(483,990)</b>	(434,545)
Repayment of lease liabilities	<b>(1,143)</b>	—	<b>(4,905)</b>	—
<b>Free cash flow</b>	<b>111,372</b>	84,250	<b>455,436</b>	454,059

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

(2) Excludes the \$22.9 million non-cash gain on debt modification recognized in the second quarter of fiscal 2020.

## CAPITAL INTENSITY RECONCILIATION

The calculation of capital intensity is as follows:

	Three months ended		Years ended	
	August 31, 2020	August 31, 2019 (1)	August 31, 2020	August 31, 2019 (1)
<i>(in thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$
Acquisition of property, plant and equipment	<b>128,195</b>	145,099	<b>483,990</b>	434,545
Revenue	<b>605,168</b>	583,673	<b>2,384,283</b>	2,331,820
<b>Capital intensity</b>	<b>21.2 %</b>	24.9 %	<b>20.3 %</b>	18.6 %

(1) IFRS 16 was adopted by the Corporation on September 1, 2019. Under the transition method chosen, fiscal 2019 was not restated.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation, including its Annual Information Form, is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [corpo.cogeco.com](http://corpo.cogeco.com).

### ABOUT COGECO COMMUNICATIONS

Cogeco Communications Inc. is a communications corporation. It is the 8<sup>th</sup> largest cable operator in North America, operating in Canada under the Cogeco Connexion name in Québec and Ontario, and along the East Coast of the United States under the Atlantic Broadband brand (in 11 states from Maine to Florida). The Corporation provides residential and business customers with Internet, video and telephony services through its two-way broadband fibre networks. Cogeco Communications Inc.'s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA).

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**Analyst Conference Call:** **Wednesday, October 28, 2020 at 11:00 a.m.** (Eastern Daylight Time)  
Media representatives may attend as listeners only.

Please use the following dial-in number to have access to the conference call by dialing five minutes before the start of the conference:

Canada/United States Access Number: **1-877-291-4570**  
International Access Number: **+ 1-647-788-4919**

In order to join this conference, participants are only required to provide the operator with the company name, that is, Cogeco Inc. or Cogeco Communications Inc.

By Internet at <http://corpo.cogeco.com/cca/en/investors/investor-relations>