News Release

FOR IMMEDIATE RELEASE

COGECO REPORTS STRONG PERFORMANCE FOR THE FOURTH QUARTER OF FISCAL 2020

- **Revenue increased by 2.2% (1.6% in constant currency) compared to the same period of the prior year to reach $624.2 million;**
- **Adjusted EBITDA[(1)] reached $299.9 million, an increase of 6.7% (6.1% 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 $0.545 was declared, compared to $0.475 for the fourth quarter of fiscal 2019.**

Montréal, October 27, 2020 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" 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[(2)] 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.

The fourth quarter results of our media business were negatively impacted by the COVID-19 pandemic as the lower level of economic activity, notably in the retail industry, had an adverse impact on advertising revenues. However, the quarterly revenue decline compared to last year was slightly less than experienced during the third quarter and advanced bookings for the new fiscal year are improving as it relates to certain advertising verticals and in non-urban areas.

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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 2.2% to reach $624.2 million. On a constant currency basis, revenue increased by 1.6%, mainly explained as follows:
    - an increase of 3.0% in constant currency in the Communications segment mostly as a result of the American broadband services operations' organic growth combined with the impact of the Thames Valley Communications acquisition completed on March 10, 2020.
    - lower revenue in the Other segment due to a decline of the radio advertising market as the bulk of its radio revenue is generated from the retail industry which was significantly impacted by the COVID-19 pandemic during the second half of fiscal 2020.
- Adjusted EBITDA increased by 6.7% (6.1% in constant currency) to reach $299.9 million mostly attributable to higher adjusted EBITDA in the Communications segment due to increases in both the American and Canadian broadband services operations, partly offset by a decrease in the media activities;
- Profit for the period from continuing operations amounted to $96.7 million of which $30.7 million, or $1.93 per share, was attributable to owners of the Corporation compared to $95.2 million, $30.8 million, and $1.91 per share, respectively, for the same 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 acquisition costs;
- Profit for the period amounted to $96.7 million of which $30.7 million, or $1.93 per share, was attributable to owners of the Corporation compared to $97.1 million, $31.4 million, and $1.95 per share, respectively, for the same period of fiscal 2019;
- Free cash flow[1] increased by 26.7% to reach $111.0 million. On a constant currency basis, free cash flow increased by 26.5% 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 flow from operating activities decreased by 16.7% to reach $262.4 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 declared a quarterly eligible dividend of $0.545 per share compared to $0.475 per share in the comparable quarter of fiscal 2019.

"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 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."

"We are satisfied with the results at Cogeco Media given the impact that the pandemic had on the advertising market. Our continued financial discipline contributed to improving profitability compared to last quarter and we are observing a slight upturn in the forward advertising bookings," concluded Mr. Jetté.

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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 to remain constant and low-single digit percentage growth in free cash flow for fiscal 2021.

FINANCIAL HIGHLIGHTS

	Three months ended					Years ended				
	August 31, 2020	August 31, 2019[(1)]	Change	Change in constant currency[(2)]	Foreign exchange impact[(2)]	**August 31, 2020**	August 31, 2019[(1)]	Change	Change in constant currency[(2)]	Foreign exchange impact[(2)]
(in thousands of Canadian dollars, except percentages and per share data)	**$**	$	%	%	$	**$**	$	%	%	$
Operations										
Revenue	**624,195**	610,510	2.2	1.6	4,214	**2,479,474**	2,444,062	1.4	0.8	16,477
Adjusted EBITDA	**299,925**	280,981	6.7	6.1	1,846	**1,168,487**	1,131,980	3.2	2.6	7,176
Integration, restructuring and acquisition costs[(3)]	**6,012**	839	—			**11,562**	12,851	(10.0)		
Profit for the period from continuing operations	**96,737**	95,193	1.6			**401,833**	368,165	9.1		
Profit for the period from discontinued operations	**—**	1,920	(100.0)			**—**	75,380	(100.0)		
Profit for the period	**96,737**	97,113	(0.4)			**401,833**	443,545	(9.4)		
Profit for the period from continuing operations attributable to owners of the Corporation	**30,707**	30,798	(0.3)			**128,084**	119,222	7.4		
Profit for the period attributable to owners of the Corporation	**30,707**	31,445	(2.3)			**128,084**	143,163	(10.5)		
Cash flow										
Cash flows from operating activities	**262,365**	314,905	(16.7)			**941,628**	890,077	5.8		
Acquisition of property, plant and equipment[(4)]	**130,210**	146,599	(11.2)	(12.0)	1,247	**487,240**	439,055	11.0	9.8	5,088
Free cash flow	**111,012**	87,611	26.7	26.5	198	**464,125**	469,155	(1.1)	(1.2)	369
Financial condition										
Cash and cash equivalents						**406,113**	559,393	(27.4)		
Total assets						**7,024,696**	7,125,037	(1.4)		
Indebtedness[(5)]						**3,290,354**	3,514,185	(6.4)		
Equity attributable to owners of the Corporation						**761,501**	754,768	0.9		
Per share data[(6)]										
Earnings per share										
Basic										
From continuing operations	**1.93**	1.91	1.0			**8.05**	7.38	9.1		
From discontinued operations	**—**	0.04	(100.0)			**—**	1.48	(100.0)		
From continuing and discontinued operations	**1.93**	1.95	(1.0)			**8.05**	8.86	(9.1)		
Diluted										
From continuing operations	**1.92**	1.89	1.6			**7.98**	7.32	9.0		
From discontinued operations	**—**	0.04	(100.0)			**—**	1.47	(100.0)		
From continuing and discontinued operations	**1.92**	1.93	(0.5)			**7.98**	8.79	(9.2)		
Dividends	**0.475**	0.43	10.5			**1.90**	1.72	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, as well as costs related to the acquisition and integration of Thames Valley Communications and iTéract in the Communications segment. For the year ended August 31, 2019, integration, restructuring and acquisition costs were mostly due to an operational optimization program that included a voluntary departure program in the Communications segment combined with costs related to the acquisition of 10 regional radio stations.

(4) For the three-month period and year ended August 31, 2020, acquisition of property, plant and equipment in constant currency amounted to $129.0 million and $482.2 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 Inc.'s ("Cogeco" 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 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 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 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's 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 or on the Corporation's website at 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,	**2020** (1)	2019 (2)	Change	Change in constant currency (3)	Foreign exchange impact (3)
(in thousands of Canadian dollars, except percentages)	**$**	$	%	%	$
Revenue	**624,195**	610,510	2.2	1.6	4,214
Operating expenses	**324,270**	329,529	(1.6)	(2.3)	2,368
Adjusted EBITDA	**299,925**	280,981	6.7	6.1	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.

REVENUE

Fiscal 2020 fourth-quarter revenue increased by 2.2% (1.6% in constant currency) compared to the same period of the prior year mainly due to:

- growth of 3.7% (3.0% in constant currency) in the Communications segment due organic growth combined with the impact of the Thames Valley Communications acquisition completed on March 10, 2020 in the American broadband services operations as well as higher revenue in the Canadian broadband services operations; partly offset by
- lower revenue in the Other segment due to a decline of the radio advertising market resulting directly from the COVID-19 pandemic as the bulk of its radio revenue is generated from the retail industry which was significantly impacted by the COVID-19 pandemic during the second half of fiscal 2020.

OPERATING EXPENSES

Fiscal 2020 fourth-quarter operating expenses decreased by 1.6% (2.3% in constant currency) as a result of lower operating expenses in the Communications segment and in the media activities. During the fourth quarter of fiscal 2020, Cogeco Media benefited from a governmental assistance program, namely the Canada Emergency Wage Subsidy, which contributed in part to the lower operating expenses in the media activities.

ADJUSTED EBITDA

Fiscal 2020 fourth-quarter adjusted EBITDA increased by 6.7% (6.1% in constant currency) which was mostly attributable to higher adjusted EBITDA in the Communications segment due to increases in both the American and Canadian broadband services operations, partly offset by a decrease in the media activities.

INTEGRATION, RESTRUCTURING AND ACQUISITION COSTS

Fiscal 2020 fourth-quarter integration, restructuring and acquisition costs amounted to $6.0 million due to organizational changes resulting in cost optimization.

Fiscal 2019 fourth-quarter integration, restructuring and acquisition costs amounted to $0.8 million mostly due to acquisition and integration costs in the American broadband services operations.

DEPRECIATION AND AMORTIZATION

Three months ended August 31,	2020	2019 (1)	Change
(in thousands of Canadian dollars, except percentages)	$	$	%
Depreciation of property, plant and equipment[2]	110,670	107,459	3.0
Amortization of intangible assets	15,354	14,858	3.3
	126,024	122,317	3.0

(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 $2.0 million for the three-month period ended August 31, 2020.

Fiscal 2020 fourth-quarter depreciation and amortization increased by 3.0% due to higher depreciation of property, plant and equipment as a result of the impact of IFRS 16, 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.

FINANCIAL EXPENSE

Three months ended August 31,	2020	2019 (1)	Change
(in thousands of Canadian dollars, except percentages)	$	$	%
Interest on long-term debt, excluding interest on lease liabilities	39,287	42,114	(6.7)
Interest on lease liabilities	607	—	—
Net foreign exchange gain	(147)	(446)	(67.0)
Amortization of deferred transaction costs	232	485	(52.2)
Capitalized borrowing costs	(122)	(168)	(27.4)
Other	682	(693)	—
	40,539	41,292	(1.8)

(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 1.8% 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,	2020	2019 (1)	Change
(in thousands of Canadian dollars, except percentages)	$	$	%
Current	13,276	12,269	8.2
Deferred	17,337	9,071	91.1
	30,613	21,340	43.5

(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, *(in thousands of Canadian dollars, except percentages)*	2020 $	2019 (1) $	Change %
Profit before income taxes	**127,350**	116,533	9.3
Combined Canadian income tax rate	**26.50 %**	26.50 %	—
Income taxes at combined Canadian income tax rate	**33,748**	30,881	9.3
Difference in operations' statutory income tax rates	**299**	1,512	(80.2)
Impact on income taxes arising from non-deductible expenses and non-taxable profit	**686**	438	56.6
Tax impacts related to foreign operations	**(5,912)**	(7,517)	(21.4)
Other	**1,792**	(3,974)	—
	30,613	21,340	43.5

(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 43.5% mainly attributable to the increase in profit before income taxes.

PROFIT FOR THE PERIOD

Three months ended August 31, *(in thousands of Canadian dollars, except percentages and earnings per share)*	2020 $	2019 (1) $	Change %
Profit for the period from continuing operations	**96,737**	95,193	1.6
Profit for the period	**96,737**	97,113	(0.4)
Profit for the period from continuing operations attributable to owners of the Corporation	**30,707**	30,798	(0.3)
Profit for the period attributable to owners of the Corporation	**30,707**	31,445	(2.3)
Profit for the period attributable to non-controlling interest(2)	**66,030**	65,668	0.6
Basic earnings per share from continuing operations	**1.93**	1.91	1.0
Basic earnings per share	**1.93**	1.95	(1.0)

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

(2) At August 31, 2020, the non-controlling interest relates to a participation of approximately 67.3% in the profit for the year attributable to owners of Cogeco Communications in addition to the 21% ownership of CDPQ in Cogeco Communications' Atlantic Broadband subsidiary.

Fiscal 2020 fourth-quarter profit for the period from continuing operations increased by 1.6%, while profit for the period from continuing operations attributable to owners of the Corporation remained essentially the same at $30.7 million compared to $30.8 million last year, 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 decreased by 0.4% and 2.3%, respectively, mainly due to 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, partly offset by the elements mentioned above.

COMMUNICATIONS SEGMENT

OPERATING AND FINANCIAL RESULTS

Three months ended August 31,	**2020** (1)	2019 (2)	Change	Change in constant currency (3)	Foreign exchange impact (3)
(in thousands of Canadian dollars, except percentages)	**$**	$	%	%	$
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

Fiscal 2020 fourth-quarter revenue increased by 3.7% (3.0% in constant currency) mainly due to:

- growth of 6.5% (4.9% in constant currency) in the American broadband services operations as a result of:
  - 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.
- growth of 1.3% as reported and in constant currency in the Canadian broadband services operations resulting from
  - 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 increased by 0.3% (decrease of 0.5% in constant currency) mainly due to:

- a decrease in the Canadian broadband services operations due 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.
- additional costs in the American broadband services operations resulting mainly from:
  - 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.

Management fees

Fiscal 2020 fourth-quarter management fees paid to the Corporation 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

Fiscal 2020 fourth-quarter adjusted EBITDA increased by 6.9% (6.2% in constant currency) resulting from:

- 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.

Acquisition of property, plant and equipment

Fiscal 2020 fourth-quarter acquisition of property, plant and equipment decreased by 11.6% (12.5% in constant currency) mainly due to:

- In the Canadian broadband services operations, capital expenditures 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.
- In the American broadband services operations, capital expenditures increased by 20.4% (18.8% in constant currency) resulting from:
    - 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.

PRIMARY SERVICE UNIT STATISTICS

	August 31, 2020			Net additions (losses) Three months ended August 31,	
	Consolidated (1)	**Canada**	**United States** (1)	**2020**	2019
Primary service units	**2,757,631**	**1,799,706**	**957,925**	**17,728**	4,585
Internet service customers	**1,304,228**	**812,016**	**492,212**	**22,466**	4,981
Video service customers	**936,636**	**619,249**	**317,387**	**(2,817)**	(2,870)
Telephony service customers	**516,767**	**368,441**	**148,326**	**(1,921)**	2,474

(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 amounted to 22,466 compared to 4,981 in fiscal 2019. 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;
- the continued demand from Internet resellers in Canada; and
- growth in the residential and business sectors in the United States; partly offset by
- competitive offers in the industry.

VIDEO

Fiscal 2020 fourth-quarter video net losses stood at 2,817 compared to 2,870 in fiscal 2019. 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;
- customers' interest in video services bundled with fast Internet offerings; and
- additional connects related to the Thames Valley Communications acquisition in the United States.

TELEPHONY

Fiscal 2020 fourth-quarter telephony net losses stood at 1,921 compared to net additions of 2,474 in fiscal 2019. The fiscal 2020 fourth-quarter loss was due to:

- increasing mobile wireless penetration in North America 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
- growth in the residential and business sectors; and
- more telephony bundles being marketed during the second half of fiscal 2019 in Canada.

CASH FLOW ANALYSIS

Three months ended August 31,	**2020**	2019 (1)	Change
(in thousands of Canadian dollars, except percentages)	**$**	$	%
Cash flows from operating activities	**262,365**	314,905	(16.7)
Cash flows from investing activities	**(128,910)**	(145,740)	(11.5)
Cash flows from financing activities	**(245,146)**	(56,791)	—
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	**(8,733)**	(1,405)	—
Net change in cash and cash equivalents from continuing operations	**(120,424)**	110,969	—
Cash and cash equivalents, beginning of the period	**526,537**	448,424	17.4
Cash and cash equivalents, end of the period	**406,113**	559,393	(27.4)

(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 16.7% 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 investment activities decreased by 11.5% mainly due to the decrease in acquisition of property, plant and equipment in the Communications segment.

ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

Fiscal 2020 fourth-quarter acquisition of property, plant and equipment decreased by 11.2% (12.0% in constant currency) due to the decrease of capital expenditures in the Communications segment.

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,	**2020**	2019	Explanations
(in thousands of Canadian dollars)	**$**	$	
Increase (decrease) in bank indebtedness	**7,610**	(5,000)	Related to the timing of payments made to suppliers.
Net decrease under the revolving facilities	**—**	(4,980)	Repayments of the revolving facilities in the fourth quarter of fiscal 2019.
Repayment of notes, debentures and credit facilities	**(205,566)**	(5,656)	Redemption of the Senior Secured Debentures Series 2 during the fourth quarter of fiscal 2020 as a resulted of free cash flow generated combined with quarterly repayments on the Senior Secured Term Loan B Facility.
Repayment of lease liabilities	**(1,474)**	—	Related to the adoption of IFRS 16.
	(199,430)	(15,636)	

DIVIDENDS

During the fourth quarter of fiscal 2020, a quarterly eligible dividend of $0.475 per share was paid to the holders of subordinate and multiple voting shares, totaling $7.5 million, compared to a quarterly dividend paid of $0.43 per share, or $6.9 million in the fourth quarter of fiscal 2019.

NORMAL COURSE ISSUER BID - Cogeco Inc.

The Corporation did not renew its NCIB program following the end of the program on August 1, 2020.

During the fourth quarter of fiscal 2020, the Corporation did not purchase and cancel subordinate voting shares. During the fourth quarter of fiscal 2019, the Corporation purchased and cancelled 29,332 subordinate voting shares with a weighted average price per share repurchased of $94.81 for a total consideration of $2.8 million

NORMAL COURSE ISSUER BID - Cogeco Communications Inc.

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,	2020 (1)	2019 (2)	Change	Change in constant currency (3)	Foreign exchange impact (3)
(in thousands of Canadian dollars, except percentages)	$	$	%	%	$
Adjusted EBITDA[4]	299,925	280,981	6.7	6.1	1,846
Amortization of deferred transaction costs and discounts on long-term debt	2,363	2,961	(20.2)	(19.2)	29
Share-based payment	3,050	2,894	5.4	5.4	—
(Gain) loss on disposals and write-offs of property, plant and equipment	(171)	1,133	—	—	—
Defined benefit plans contributions, net of expense	(2,644)	641	—	—	—
Integration, restructuring and acquisition costs	(6,012)	(839)	—	616.7	(1)
Financial expense	(40,539)	(41,292)	(1.8)	(0.8)	(426)
Current income taxes	(13,276)	(12,269)	8.2	8.1	8
Acquisition of property, plant and equipment	(130,210)	(146,599)	(11.2)	(12.0)	(1,247)
Repayment of lease liabilities	(1,474)	—	—	—	(11)
Free cash flow[4]	111,012	87,611	26.7	26.5	198

(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 26.7% (26.5% in constant currency) mainly as a result of 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 operations, partly offset by higher capital expenditures in the American broadband operations segment resulting from the timing of certain initiatives.

FISCAL 2021 FINANCIAL GUIDELINES

CONSOLIDATED

The following section contains forward-looking statements concerning the business outlook for Cogeco. For a description of risk factors that could cause actual results to differ materially from what Cogeco 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 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.

The Corporation's fiscal 2021 financial guidelines are mainly driven by those of the Communications segment which are described below.

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

(in millions of Canadian dollars, except percentages)	Projections Fiscal 2021 (1) $	Actual Fiscal 2020 $
Financial guidelines		
Revenue	**Low-single digit percentage growth**	2,479
Adjusted EBITDA	**Remain constant**	1,168
Free cash flow	**Low-single digit percentage growth**	464

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

COMMUNICATIONS SEGMENT

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[1] 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:

(in millions of Canadian dollars, except percentages)	Projections Fiscal 2021 (1) $	Actual Fiscal 2020 $
Financial guidelines		
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 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" and "adjusted EBITDA" 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	Adjusted EBITDA is a key measure commonly reported and used in the telecommunications industry, as it allows comparisons between companies that have different capital structures and is a more current measure since it excludes 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's business units is equal to the segment profit reported in note 6 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.	Profit for the year from continuing operations
Free cash flow[1]	Management and investors use free cash flow to measure Cogeco's ability to repay debt, distribute capital to its shareholders and finance its growth.	Free cash flow[1]: - 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[2]; - Current income taxes; - Acquisition of property, plant and equipment[3]; 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

(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 RECONCILIATION

The reconciliation of adjusted EBITDA 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)
(in thousands of Canadian dollars)	**$**	$	**$**	$
Profit for the period from continuing operations	**96,737**	95,193	**401,833**	368,165
Income taxes	**30,613**	21,340	**114,928**	88,608
Financial expense	**40,539**	41,292	**136,207**	178,380
Depreciation and amortization	**126,024**	122,317	**503,957**	483,976
Integration, restructuring and acquisition costs	**6,012**	839	**11,562**	12,851
Adjusted EBITDA	**299,925**	280,981	**1,168,487**	1,131,980

(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)
(in thousands of Canadian dollars)	**$**	$	**$**	$
Cash flows from operating activities	**262,365**	314,905	**941,628**	890,077
Amortization of deferred transaction costs and discounts on long-term debt	**2,363**	2,961	**9,582**	9,531
Changes in non-cash operating activities	**(6,286)**	(79,137)	**47,011**	22,664
Income taxes paid (received)	**(7,411)**	13,047	**22,151**	53,289
Current income taxes	**(13,276)**	(12,269)	**(59,432)**	(57,623)
Financial expense paid	**45,480**	35,995	**155,816**	168,652
Financial expense(2)	**(40,539)**	(41,292)	**(159,105)**	(178,380)
Acquisition of property, plant and equipment	**(130,210)**	(146,599)	**(487,240)**	(439,055)
Repayment of lease liabilities	**(1,474)**	—	**(6,286)**	—
Free cash flow	**111,012**	87,611	**464,125**	469,155

(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.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including its Annual Information Form, is available on the SEDAR website at www.sedar.com or on the Corporation's website at corpo.cogeco.com.

ABOUT COGECO

Cogeco Inc. is a diversified holding corporation which operates in the communications and media sectors. Its Cogeco Communications Inc. subsidiary provides residential and business customers with Internet, video and telephony services through its two-way broadband fibre networks, operating in Québec and Ontario, Canada, under the Cogeco Connexion name, and in the United States under the Atlantic Broadband brand (in 11 states along the East Coast, from Maine to Florida). Its Cogeco Media subsidiary owns and operates 23 radio stations with complementary radio formats and extensive coverage serving a wide range of audiences mainly across the province of Québec, as well as Cogeco News, a news agency. Cogeco's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO). The subordinate voting shares of Cogeco Communications Inc. are also listed on the Toronto Stock Exchange (TSX: CCA).

Source:

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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/cgo/en/investors/investor-relations/