COGECO

News Release

FOR IMMEDIATE RELEASE

Cogeco Releases its Financial Results for the Fourth Quarter of Fiscal 2021

- **Revenue increased by 4.9% (8.4% in constant currency [(1)]) compared to the same period of the prior year to reach $655.1 million;**
- **Adjusted EBITDA [(1)] reached $293.6 million, a decrease of 2.1% (increase of 0.9% in constant currency [(1)]) compared to the same period of the prior year;**
- **Profit for the period amounted to $103.4 million, an increase of 6.9%;**
- **Free cash flow [(1)] amounted to $72.9 million, a decrease of 34.3% (36.1% in constant currency [(1)]) compared to the same period of the prior year due to accelerated purchases of equipment;**
- **Cash flows from operating activities increased by 8.1% to reach $283.5 million;**
- **Cogeco Connexion has secured 38 spectrum licences in the 3500 MHz band auction, for a total purchase price of $295 million;**
- **Fiscal 2022 preliminary financial guidelines were revised following the acquisition of the Ohio broadband systems; and**
- **A quarterly eligible dividend of $0.625 was declared, compared to $0.545 last year.**

Montréal, November 11, 2021 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the fourth quarter ended August 31, 2021, in accordance with International Financial Reporting Standards ("IFRS").

OPERATING RESULTS

For the fourth quarter of fiscal 2021:

- Revenue increased by 4.9% to reach $655.1 million. On a constant currency basis, revenue increased by 8.4%, mainly explained as follows:
  - Canadian broadband services revenue increased by 10.1% mostly as a result of the DERYtelecom acquisition completed on December 14, 2020, and to a lesser extent due to growth in the number of Internet service customers and a higher value product mix, combined with rate increases implemented for certain services, partly offset by a decline in video and telephony service customers as some customers have migrated to Internet-only services.
  - American broadband services revenue increased by 5.8% in constant currency mainly resulting from a higher Internet service customer base and a higher value product mix, combined with annual rate increases implemented for certain services.

(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.

    - Revenue in the media activities increased by 17.7%, mainly following the easing of public health restrictions, whereby last year's fourth quarter radio advertising revenue was directly impacted by COVID-19 related lockdown measures.

- Adjusted EBITDA decreased by 2.1% to reach $293.6 million. On a constant currency basis, adjusted EBITDA increased by 0.9%, mainly explained as follows:

    - Canadian broadband services adjusted EBITDA increased by 1.7% in constant currency mainly resulting from the impact of the DERYtelecom acquisition and rate increases implemented for certain services, partly offset by a $4 million unusual reduction in expenses last year, in addition to lower marketing and advertising activities last year in the context of the COVID-19 pandemic.

    - American broadband services adjusted EBITDA increased by 4.6% in constant currency mainly resulting from revenue growth driven by the cumulative effect of high-speed Internet service additions over the past year and by rate increases implemented for certain services, partly offset by higher marketing and advertising expenses to support overall customer base growth.

- Profit for the period amounted to $103.4 million, of which $33.1 million, or $2.08 per share, was attributable to owners of the Corporation compared to $96.7 million, $30.7 million, and $1.93 per share, respectively, in the comparable period of fiscal 2020. The increase results mainly from reduced financial expense. This favorable impact is partly offset by lower adjusted EBITDA, which was unfavorably impacted by the depreciation of the US dollar and higher marketing and advertising activities at both the Canadian and American broadband services segments, and higher depreciation and amortization expense.

- Free cash flow decreased by 34.3% (36.1% in constant currency) and amounted to $72.9 million mainly as a result of higher capital expenditures and to a lesser extent due to the increase in current income taxes, partly offset by reduced financial expense, which results from lower interest rates, and improved adjusted EBITDA in constant currency. The significant spending in capital expenditures in the fourth quarter is mostly due to accelerated purchases of customer premise equipment and networking equipment in light of supply chain disruptions impacting many industries, to business growth and to high-speed Internet network expansions.

- Cash flows from operating activities increased by 8.1% to reach $283.5 million, mainly from improved working capital elements and reduced interest paid, partly offset by higher income taxes paid as a portion of last fiscal year's instalments was paid in September 2020 pursuant to governments allowing certain payment delays in the context of the COVID-19 pandemic.

- At its November 11, 2021 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $0.625 per share compared to $0.545 per share in the comparable quarter of fiscal 2020.

"We are satisfied with the overall performance of Cogeco's where revenue and adjusted EBITDA met our revised financial guidelines for fiscal 2021," declared Philippe Jetté, President and Chief Executive Officer of Cogeco Inc.

"In Canada, results for the fourth quarter were in line with expectations and we continued to see a positive trend with our Internet services," stated Mr. Jetté. "The integration of DERYtelecom into Cogeco Connexion has been progressing well, with most synergies already realized. Cogeco Connexion is making good progress with various network expansion projects in Québec and Ontario. We were also very pleased to announce in July an investment of $295 million to acquire 38 spectrum licences in the 3500 MHz band auction in strategic areas of Ontario and Québec. This investment is another step toward Cogeco Communications offering mobile wireless services."

"In the United States, Atlantic Broadband has shown good results this past quarter, in line with our annual financial guidelines," added Mr. Jetté. "The acquisition of WOW!'s Ohio broadband systems was completed on September 1 and we look forward to reporting on the integration activities in the next quarter."

"Cogeco Media focused on maintaining financial discipline and improved its financial performance compared to last year, as the economy in Québec has been continuing to show signs of improvement," added Mr. Jetté.

"I'm very proud that Cogeco has signed the United Nations (UN) Global Compact, the world's largest corporate sustainability initiative. With this, we are committing to align our strategies and operations with the ten UN principles on human rights, labour, environment and anti-corruption, and to take strategic actions to advance broader societal goals, such as the UN sustainable development goals, with an emphasis on collaboration and innovation. Recently, we also held our first 1Cogeco Community Involvement Day, an annual company-wide employee initiative where Cogeco employees have the opportunity to support local communities where they live and work. This year's initiative resulted in 1,879 trees or seeds being planted in support of 16 non-profit organizations in 46 communities across our footprint in Canada and the United States," concluded Mr. Jetté.

ACQUISITION OF WIDEOPENWEST'S OHIO BROADBAND SYSTEMS

On September 1, 2021, Atlantic Broadband completed the acquisition of the broadband systems of WideOpenWest, Inc. ("WOW!") located in Ohio ("Ohio broadband systems") for a purchase price of US$1.125 billion, subject to customary post-closing adjustments. With the closing of this transaction, Atlantic Broadband is expanding its activities in Ohio and significantly growing its customer base. The purchase price and transaction costs have been financed through the issuance of a US$900 million secured Term B loan by Atlantic Broadband maturing in 2028 and excess cash on hand.

FISCAL 2022 REVISED FINANCIAL GUIDELINES

Cogeco revised its fiscal 2022 preliminary financial guidelines as issued on July 14, 2021 giving effect to the impact of the acquisition of the Ohio broadband systems, which was completed on September 1, 2021. In fiscal 2022, on a constant currency basis, the Corporation expects to grow revenue between 15% and 17% and adjusted EBITDA, between 14% and 16%. Acquisition of property, plant and equipment should amount to between $820 and $850 million, including those related to the Ohio broadband systems integration, and net investments of approximately $230 to $240 million in network expansions in Canada and the United States. As a result of these growth initiatives, free cash flow is expected to decrease between 33% and 43%. Excluding the fiscal year 2022 network expansion projects, free cash flow on a constant currency and consolidated basis would otherwise increase between 5% and 15%.

COVID-19 PANDEMIC

The COVID-19 pandemic continues to impact our day-to-day operations although public health restrictions continue to be lifted as vaccines are being rolled out, in both Canada and the United States. Our priority remains on ensuring the well-being of our employees, customers and business partners. During fiscal 2021, we continued to experience some of the trends from past quarters. Those primarily relate to sustained demand for our residential high-speed Internet product, due to customers spending more time at home for work, online education and entertainment purposes, and a reduction of certain expenses due to a more stable customer base (fewer connections and disconnections) and not being able to use all usual sales channels. In these unusual circumstances, certain marketing and advertising activities were delayed during fiscal 2021 in both countries. We expect that the current remote working trend will continue after the COVID-19 pandemic, where more workers will work remotely than pre-pandemic, on a partial or full-time basis. This trend should benefit our various network expansion projects, especially in underserved and unserved areas.

As for our radio operations, they were negatively impacted by the pandemic due to certain segments of the retail industry reducing or cutting their advertising activities, which resulted in radio advertising revenue being directly impacted by COVID-19 related lockdown measures. As public health restrictions continue to be lifted, certain segments of the retail industry are gradually resuming their advertising activities. In order to mitigate the impact on its operations, Cogeco Media managed its operating expenses tightly, as it did since the beginning of the pandemic, while maintaining quality programming.

Although we are pleased with the financial results for fiscal 2021, we remain cautious in our management of this situation as uncertainties remain on the potential human, operating and financial impact of the pandemic. The Corporation's results discussed herein may not be indicative of future operational trends and financial performance.

FINANCIAL HIGHLIGHTS

	Three months ended August 31,					Years ended August 31,				
	2021	2020	Change	Change in constant currency [1][2]	Foreign exchange impact [1]	**2021**	2020	Change	Change in constant currency [1][2]	Foreign exchange impact [1]
(In thousands of Canadian dollars, except percentages and per share data)	**$**	$	%	%	$	**$**	$	%	%	$
Operations										
Revenue	**655,074**	624,195	4.9	8.4	(21,515)	**2,603,845**	2,479,474	5.0	7.7	(67,157)
Adjusted EBITDA [2]	**293,624**	299,925	(2.1)	0.9	(8,965)	**1,225,468**	1,168,487	4.9	7.3	(28,367)
Integration, restructuring and acquisition costs [3]	**3,961**	6,012	(34.1)			**8,744**	11,562	(24.4)		
Profit for the period	**103,418**	96,737	6.9			**439,015**	401,833	9.3		
Profit for the period attributable to owners of the Corporation	**33,082**	30,707	7.7			**141,856**	128,084	10.8		
Cash flow										
Cash flows from operating activities	**283,538**	262,365	8.1			**1,029,767**	941,628	9.4		
Acquisition of property, plant and equipment [4]	**175,718**	130,210	34.9	41.9	(9,013)	**534,702**	487,240	9.7	14.5	(23,200)
Free cash flow [2]	**72,915**	111,012	(34.3)	(36.1)	1,997	**498,273**	464,125	7.4	7.2	927
Financial condition										
Cash and cash equivalents						**368,434**	406,113	(9.3)		
Total assets						**7,536,313**	7,024,696	7.3		
Indebtedness [2][5]						**3,377,115**	3,290,354	2.6		
Equity attributable to owners of the Corporation						**816,658**	761,501	7.2		
Per share data [6]										
Earnings per share										
Basic	**2.08**	1.93	7.8			**8.92**	8.05	10.8		
Diluted	**2.07**	1.92	7.8			**8.87**	7.98	11.2		
Dividends	**0.545**	0.475	14.7			**2.18**	1.90	14.7		

(1) 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 comparable periods of the prior year. For the three-month period and year ended August 31, 2020, the average foreign exchange rates used for translation were 1.3424 USD/CDN and 1.3456 USD/CDN, respectively.

(2) 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.

(3) For the three-month period and year ended August 31, 2021, integration, restructuring and acquisition costs resulted mostly from costs incurred in connection with the acquisition and integration of DERYtelecom, which was completed on December 14, 2020, and due diligence costs and legal fees related to the acquisition of the Ohio broadband systems, which was completed on September 1, 2021. For the three-month period and year ended August 31, 2020, integration, restructuring and acquisition costs resulted primarily from organizational changes initiated across the Corporation resulting in cost optimization, as well as costs related to the acquisition and integration of Thames Valley Communications and iTéract.

(4) For the three-month period and year ended August 31, 2021, acquisition of property, plant and equipment in constant currency amounted to $184.7 million and $557.9 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 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, purchase price allocation, tax rates, weighted average cost of capital, 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 2022 financial guidelines" sections of the Corporation's 2021 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, technology risks (including cybersecurity risk), 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, litigation risks and public health crisis and emergencies such as the current COVID-19 pandemic, many of which are beyond the Corporation's control. Moreover, the Corporation's radio operations are significantly exposed to advertising budgets from the retail industry, which can fluctuate due to changing economic conditions. 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 2021 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 2021 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, 2021.

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 its business units. Reconciliations between "adjusted EBITDA", "free cash flow", "indebtedness" and "net indebtedness" 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 similar measures presented by other companies. In addition, this press release refers to the adjusted EBITDA margin and capital intensity of the Canadian broadband services and the American broadband services segments, key performance indicators used by Cogeco Communications' management and investors, respectively, to value its performance and to assess its investment in capital expenditures in order to support a certain level of revenue. These financial measures do not have standard definitions prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

Non-IFRS financial measures	Application	Calculation	Most comparable IFRS financial measures
Adjusted EBITDA and adjusted EBITDA margin	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 (loss) reported in Note 5 of the consolidated financial statements.	Adjusted EBITDA: - Profit for the period and/or year add: - Income taxes; - Financial expense; - Depreciation and amortization; and - Integration, restructuring and acquisition costs.	Profit for the period and/or year
		Adjusted EBITDA margin: - Adjusted EBITDA divided by: - Revenue.	No comparable IFRS financial measure
Free cash flow	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: - 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 and other; and - Defined benefit plans expense, net of contributions; deduct: - Integration, restructuring and acquisition costs; - Financial expense (1); - Current income taxes; - Acquisition of property, plant and equipment (2); 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.	No comparable IFRS financial measure

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

(2) Excludes the non-cash acquisition of right-of-use assets and the purchases of spectrum licences.

Non-IFRS financial measures	Application	Calculation	Most comparable IFRS financial measures
Capital intensity	Capital intensity is used by Cogeco Communications' management and investors to assess the Cogeco Communications' investment in capital expenditures in order to support a certain level of revenue.	Capital intensity: - Acquisition of property, plant and equipment (1) divided by: - Revenue.	No comparable IFRS financial measure
Indebtedness and net indebtedness	Indebtedness and net indebtedness are measures used by management and investors to assess the Corporation's financial leverage, as they represent the debt and the debt that is not covered by the available cash and cash equivalents, respectively.	Indebtedness: add: - Principal on long-term debt; and - Bank indebtedness.	Long-term debt, including the current portion
		Net indebtedness: - Indebtedness deduct: - Cash and cash equivalents.	Long-term debt, including the current portion

(1) Excludes the non-cash acquisition of right-of-use assets and the purchases of spectrum licences.

ADJUSTED EBITDA RECONCILIATION

The reconciliation of adjusted EBITDA to the most comparable IFRS financial measure is as follows:

	Three months ended August 31,		Years ended August 31,	
	2021	2020	**2021**	2020
(In thousands of Canadian dollars)	**$**	$	**$**	$
Profit for the period	**103,418**	96,737	**439,015**	401,833
Income taxes	**29,456**	30,613	**134,242**	114,928
Financial expense	**24,535**	40,539	**128,212**	136,207
Depreciation and amortization	**132,254**	126,024	**515,255**	503,957
Integration, restructuring and acquisition costs	**3,961**	6,012	**8,744**	11,562
Adjusted EBITDA	**293,624**	299,925	**1,225,468**	1,168,487

FREE CASH FLOW RECONCILIATION

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

	Three months ended August 31,		Years ended August 31,	
	2021	2020	**2021**	2020
(In thousands of Canadian dollars)	**$**	$	**$**	$
Cash flows from operating activities	**283,538**	262,365	**1,029,767**	941,628
Amortization of deferred transaction costs and discounts on long-term debt	**2,361**	2,363	**9,355**	9,582
Changes in other non-cash operating activities	**(48,187)**	(6,286)	**(35,370)**	47,011
Income taxes paid (received)	**25,072**	(7,411)	**102,470**	22,151
Current income taxes	**(20,892)**	(13,276)	**(67,560)**	(59,432)
Interest paid	**32,351**	45,480	**127,945**	155,816
Financial expense (1)	**(24,535)**	(40,539)	**(128,212)**	(159,105)
Acquisition of property, plant and equipment	**(175,718)**	(130,210)	**(534,702)**	(487,240)
Repayment of lease liabilities	**(1,075)**	(1,474)	**(5,420)**	(6,286)
Free cash flow	**72,915**	111,012	**498,273**	464,125

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

INDEBTEDNESS AND NET INDEBTEDNESS RECONCILIATION

The reconciliation of indebtedness and net indebtedness to the most comparable IFRS financial measure is as follows:

At August 31,	**2021**	2020
(In thousands of Canadian dollars)	**$**	$
Long-term debt, including the current portion	**3,329,910**	3,225,215
Discounts, transaction costs and other	**42,745**	57,529
Bank indebtedness	**4,460**	7,610
Indebtedness	**3,377,115**	3,290,354
Cash and cash equivalents	**(368,434)**	(406,113)
Net indebtedness	**3,008,681**	2,884,241

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 INC.

Cogeco Inc. is a 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 12 states. 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).

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Conference Call:

Friday, November 12, 2021 at 11:00 a.m. (Eastern Time)

A live audio webcast will be available on Cogeco's website at https://corpo.cogeco.com/cgo/en/investors/investor-relations/. The webcast will be available on Cogeco's website for a three-month period. Members of the financial community will be able to access the conference call and ask questions. Media representatives may attend as listeners only.

Please use the following dial-in number to have access to the conference call **10 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 required to provide the operator with the name of the company hosting the call, that is, Cogeco Inc. or Cogeco Communications Inc.