

## **Cogeco Releases its Financial Results for the Fourth Quarter of Fiscal 2022**

- Revenue increased by 14.0% (12.1% in constant currency <sup>(1)</sup>) compared to the same period of the prior year to reach \$746.9 million;
- Adjusted EBITDA <sup>(1)</sup> reached \$348.5 million, an increase of 18.7% (16.9% in constant currency <sup>(1)</sup>);
- Profit for the period amounted to \$111.4 million, an increase of 7.7%;
- Earnings per share on a diluted basis was \$2.31, an increase of 11.6%;
- Net capital expenditures <sup>(1) (2)</sup> were \$224.8 million (or \$163.1 million excluding network expansion projects <sup>(1)</sup>), compared to \$175.7 million in the same period of the prior year;
- Acquisition of property, plant and equipment amounted to \$244.9 million, an increase of 35.9%;
- Free cash flow <sup>(1)</sup> amounted to \$34.7 million, a decrease of 52.4% (49.9% in constant currency <sup>(1)</sup>), following accelerated network expansion activities. Free cash flow, excluding network expansion projects <sup>(1)</sup> was \$96.3 million;
- Cash flows from operating activities increased by 15.2% to reach \$326.6 million;
- Purchased and cancelled 31,500 Cogeco subordinate voting shares for a total consideration of \$2.2 million; and
- A quarterly eligible dividend of \$0.731 was declared, compared to \$0.625 per share last year, an increase of 17%.

**Montréal, October 27, 2022** – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the fourth quarter ended August 31, 2022, in accordance with International Financial Reporting Standards ("IFRS").

### **OPERATING RESULTS**

For the fourth quarter of fiscal 2022:

- Revenue increased by 14.0% to reach \$746.9 million. On a constant currency basis, revenue increased by 12.1%, mainly explained as follows:
  - American telecommunications' revenue increased by 32.2% (27.6% in constant currency), mainly resulting from the Ohio broadband systems acquisition completed on September 1, 2021 and organic revenue growth driven by a higher value product mix.
    - Internet service customers as at August 31, 2022 compared to the same date of the prior year increased by 36% <sup>(3)</sup> in the U.S., reflecting the Ohio broadband systems acquisition completed on September 1, 2021 and 2% organic growth <sup>(3)</sup>

- Canadian telecommunications' revenue increased by 1.1% as reported and in constant currency, mostly as a result of organic revenue growth.
  - Internet service customers <sup>(4)</sup> as at August 31, 2022 compared to the same date of the prior year increased by 2% in Canada due to organic growth
- Revenue in the media activities decreased by 4.1%, as the radio advertising market continued to be impacted by supply chain disruptions limiting other customers' businesses.
- Adjusted EBITDA increased by 18.7% to reach \$348.5 million. On a constant currency basis, adjusted EBITDA increased by 16.9%, mainly explained as follows:
  - American telecommunications adjusted EBITDA increased by 35.4% (30.7% in constant currency), mainly resulting from the Ohio broadband systems acquisition, a higher margin driven by the organic revenue growth, partly offset by higher marketing and advertising costs to drive and support customer growth. Organic adjusted EBITDA growth in constant currency <sup>(1)</sup> was 11.6%.
  - Canadian telecommunications adjusted EBITDA increased by 6.4% (6.7% in constant currency), mainly resulting from lower marketing expenses and certain year-end adjustments.
- Profit for the period amounted to \$111.4 million, of which \$36.4 million, or \$2.31 per diluted share, was attributable to owners of the Corporation compared to \$103.4 million, \$33.1 million, and \$2.07 per diluted share, respectively, in the comparable period of fiscal 2021. The increases resulted mainly from higher adjusted EBITDA and lower income tax expense, partly offset by the increases in financial expense, depreciation and amortization expense, and acquisition, integration, restructuring and other costs.
- Net capital expenditures were \$224.8 million, compared to \$175.7 million in the same period of the prior year, following accelerated network expansion activities in the U.S. and Canada. Excluding network expansion projects, net capital expenditures amounted to \$163.1 million.
  - Network expansion projects added 70,000 homes passed during the year representing an increase of approximately 4% <sup>(3)</sup> in the U.S. and 2% <sup>(3)</sup> in Canada. Those fibre-to-the-home network expansion are setting the Corporation for further growth in subscribers and profitability in years to come.
- Acquisition of property, plant and equipment increased by 35.9% to \$244.9 million, mainly due to network expansion projects in both countries.
- Free cash flow decreased by 52.4% (49.9% in constant currency) and amounted to \$34.7 million, mainly due to higher net capital expenditures driven by increased activity related to network expansions in both countries, and the increases in financial expense, acquisition, integration, restructuring and other costs, and current income taxes, partly offset by higher adjusted EBITDA. Free cash flow, excluding network expansion projects was \$96.3 million;
- Cash flows from operating activities increased by 15.2% to reach \$326.6 million, mainly resulting from higher adjusted EBITDA and lower income taxes paid, partly offset by higher trade and other payables, and the increases in acquisition, integration, restructuring and other costs, and interest paid.
- Cogeco purchased and cancelled 31,500 subordinate voting shares for a total consideration of \$2.2 million.
- Cogeco maintains its fiscal 2023 financial guidelines as issued on July 13, 2022.
- At its October 27, 2022 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of \$0.731 per share, an increase of 17% compared to \$0.625 per share last year.

"We are pleased with Cogeco's overall performance which is in line with our financial projections for fiscal 2022, despite the current challenging economic environment," said Philippe Jetté, President and Chief Executive Officer of Cogeco Inc.

"Our Canadian telecommunications business unit, Cogeco Connexion, performed well during the quarter," Mr. Jetté noted. "The quarter saw continued organic growth of our Internet service customer base as well as the implementation of several of our network expansion projects, mainly in Québec, and the announcement of new projects that will connect more than 13,800 homes and businesses as part of the Government of Ontario's Accelerated High Speed Internet Program."

"In the U.S., Breezeline reported good results in the latest quarter, consistent with our expectations," Mr. Jetté added. "Performance was strong within our networks outside of Ohio, driven by organic growth in our Internet service customers. Additionally, we continued extending fibre-to-the-home networks to communities in New Hampshire and West Virginia,

adjacent to our existing operations. Within Ohio, the transition of the customer base onto our Breezeline platform affected our performance in this region. We are now focussing on running the Ohio business under the Breezeline brand name and will be rolling out our IPTV product in this market by the end of the calendar year."

"As for our radio broadcast operations, while the market remains challenging, Cogeco Media has continued to perform well in the ratings. Several of our radio stations topped the charts, including 98.5, which remains Canada's most popular radio station," Mr. Jetté continued. "Our efforts to develop new advertiser niches are beginning to produce results."

"Last week's decision from the Canadian Radio-television and Telecommunications Commission (CRTC) regarding the terms and conditions under which regional players such as Cogeco will be able to access the mobile networks of incumbents is a positive step in the implementation of the Mobile Virtual Network Operator (MVNO) regulatory framework. The CRTC has denied many unreasonable terms and conditions proposed by incumbents which would have rendered the MVNO regulatory regime ineffective. The CRTC has also determined that eligibility for the MVNO access service is contingent on being a commercial mobile wireless operator somewhere in Canada and this new requirement will need to be factored into our planning, as Cogeco has not yet launched a mobile wireless operation."

"Looking ahead, we will start adding new Internet customers in fiscal 2023 in areas where we have been investing in network expansion, with contributions to adjusted EBITDA and free cash flow from this customer base expected to begin flowing through in fiscal 2024 and beyond. The Corporation announced a further 17% increase in its dividend today, reflecting its confidence in our growth strategy and outlook."

"Regarding our ESG practices, once again this year Cogeco was awarded Imagine Canada's Caring Company certification, which recognizes outstanding leadership in community engagement and social responsibility in this country," Mr. Jetté stated. "We also recently held our second Cogeco Community Involvement Day, an annual company-wide initiative that gives employees an opportunity to engage in local environmental initiatives to support our communities and promote climate action."

"The year 2022 marks Cogeco's 65th anniversary and I am very proud of how far we have come since our company's founding. More than ever, we are in an excellent position to pursue our strategy for sustainable and inclusive growth," concluded Mr. Jetté.

## **OPERATING ENVIRONMENT**

The current global economic and political instability has resulted in rising inflation and interest rates and, for certain purchased products, more scarcity and longer delivery lead times. While we are proactively working at minimizing the impact on the Corporation, we expect the combination of those elements to continue to put pressure on revenue, as some customers seek ways to reduce their monthly spending, and on the costs to deliver our services.

While the Corporation experienced sustained demand for its residential high-speed Internet product in the context of the COVID-19 pandemic restrictions, a softening of the market is being observed with the re-opening of the economy and a return to the workplace. Although we have conducted our operations normally during the recent quarters, we will remain vigilant should the situation change in the future.

In our radio operations, the advertising market was strongly affected by the pandemic due to restrictions imposed on portions of the customer base, such as the travel industry, as well as supply chain disruptions limiting other customers' businesses, such as the automobile industry. Furthermore, listeners were spending less time commuting in their cars, which had negatively impacted listening hours. While the market remains challenging, Cogeco Media continues to manage its operating expenses tightly, while maintaining quality programming.

The Corporation's results discussed herein may not be indicative of future operational trends and financial performance. Please refer to the "Forward-looking statements" section.

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- (1) Adjusted EBITDA and net capital expenditures are total of segments measures. Net capital expenditures, excluding network expansion projects, free cash flow and free cash flow, excluding network expansion projects, are non-IFRS financial measures. Constant currency basis and organic adjusted EBITDA growth in constant currency are non-IFRS ratios. These 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 information on these financial measures, please consult the "Non-IFRS and other financial measures" section of this press release.
  - (2) Net capital expenditures are presented net of government subsidies, including the utilization of those received in advance.
  - (3) Calculated as a percentage of growth compared to August 31, 2021. Organic growth is calculated by excluding additions resulting from acquisitions. Homes passed at acquisition date have been adjusted upwards by approximately 19,000 following the migration of the customer management and billing systems in Ohio in late May 2022. This change has been applied retrospectively to the comparative figures.
  - (4) During the fourth quarter of fiscal 2022, the Corporation modified its definition of Internet service customers in order to be consistent with industry practices. As per the new definition, Internet service customers include only customers who have their Internet service installed, operated and billed directly by the Corporation. The previous definition also included wholesale Internet customers, which is applicable only in Canada. This change has been applied retrospectively to the comparative figures.

# FINANCIAL HIGHLIGHTS

	Three months ended August 31,				Years ended August 31,			
	2022	2021 <sup>(1)</sup>	Change	Change in constant currency <sup>(2)</sup> <sup>(3)</sup>	2022	2021 <sup>(1)</sup>	Change	Change in constant currency <sup>(2)</sup> <sup>(3)</sup>
<i>(In thousands of Canadian dollars, except percentages and per share data)</i>	\$	\$	%	%	\$	\$	%	%
<b>Operations</b>								
Revenue	746,911	655,074	14.0	12.1	2,995,012	2,603,845	15.0	14.9
Adjusted EBITDA <sup>(3)</sup>	348,510	293,624	18.7	16.9	1,405,588	1,225,468	14.7	14.7
Acquisition, integration, restructuring and other costs <sup>(4)</sup>	12,657	3,961	—		35,029	8,744	—	
Profit for the period	111,379	103,418	7.7		457,755	439,015	4.3	
Profit for the period attributable to owners of the Corporation	36,433	33,082	10.1		149,108	141,856	5.1	
<b>Cash flow</b>								
Cash flows from operating activities	326,636	283,538	15.2		1,258,427	1,029,767	22.2	
Free cash flow <sup>(3)</sup>	34,704	72,915	(52.4)	(49.9)	433,181	498,273	(13.1)	(12.4)
Acquisition of property, plant and equipment	244,855	180,192	35.9		747,608	539,176	38.7	
Net capital expenditures <sup>(1) (3)</sup>	224,775	175,718	27.9	24.8	691,866	534,702	29.4	28.7
<b>Financial condition</b>								
Cash and cash equivalents					379,001	551,968	(31.3)	
Total assets					9,468,025	7,536,313	25.6	
Long-term debt								
Current					340,468	261,970	30.0	
Non-current					4,398,142	3,067,940	43.4	
Net indebtedness <sup>(3)</sup>					4,545,809	3,008,681	51.1	
Equity attributable to owners of the Corporation					919,843	816,658	12.6	
<b>Per share data <sup>(5)</sup></b>								
Earnings per share								
Basic	2.32	2.08	11.5		9.43	8.92	5.7	
Diluted	2.31	2.07	11.6		9.37	8.87	5.6	
Dividends	0.625	0.545	14.7		2.50	2.18	14.7	

- (1) Comparative figures have been restated following the application of the IFRS Interpretations Committee issued agenda decision *Demand Deposits with Restrictions on Use arising from a Contract with a Third Party* (IAS 7 *Statement of Cash Flows*) during the third quarter of fiscal 2022. Furthermore, the Corporation also changed the label of its "Acquisition of property, plant and equipment" key performance indicator measure to "Net capital expenditures" following this application. For further details, refer to the "Accounting policies" section of the Management's Discussion and Analysis ("MD&A").
- (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 comparable periods of the prior year. For the three-month period and year ended August 31, 2021, the average foreign exchange rates used for translation were 1.2450 USD/CDN and 1.2691 USD/CDN, respectively.
- (3) Adjusted EBITDA and net capital expenditures are total of segments measures. Free cash flow is a non-IFRS financial measure. Change in constant currency is a non-IFRS ratio. Net indebtedness is a capital management measure. These 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 information on these financial measures, please consult the "Non-IFRS and other financial measures" section of this press release.
- (4) For the three-month period and year ended August 31, 2022, acquisition, integration, restructuring and other costs resulted mostly from the ongoing integration of the Ohio broadband systems, from restructuring costs associated with organizational changes during the fourth quarter of fiscal 2022 within the Canadian telecommunications segment, resulting in cost optimization, as well as from costs associated with configuration and customization related to cloud computing arrangements. For the three-month period and year ended August 31, 2021, acquisition, integration, restructuring and other costs resulted mostly from costs incurred in connection with the acquisition, completed on December 14, 2020, and integration of DERYtelecom, and due diligence costs and legal fees related to the acquisition of the Ohio broadband systems, which was completed on September 1, 2021.
- (5) 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 2023 financial guidelines" sections of the Corporation's 2022 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 caused by economic and geopolitical instability resulting from the war in Ukraine and other contributing factors, increasing transportation lead times, scarcity and shortage of input materials and key telecommunication equipment and competition for resources), regulatory risks, technology risks (including cybersecurity), financial risks (including variations in currency and interest rates), economic conditions (including elevated inflation reaching historical highs pressuring revenue, due to reduced consumer spending, and increasing costs), human-caused and natural threats to our network, infrastructure and systems, community acceptance risks, ethical behavior risks, ownership risks, litigation risks and public health and safety, 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 2022 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 2022 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, 2022.*

# NON-IFRS AND OTHER FINANCIAL MEASURES

This press release includes references to non-IFRS and other financial measures used by Cogeco. These financial measures are reviewed in assessing the performance of Cogeco Communications and used in the decision-making process with regard to its business units.

Reconciliations between non-IFRS and other financial measures to the most directly comparable IFRS financial measures are provided below. Certain additional disclosures for non-IFRS and other financial measures used in this press release have been incorporated by reference and can be found in the "Non-IFRS and other financial measures" section of the Corporation's MD&A for the year ended August 31, 2022, available on SEDAR at [www.sedar.com](http://www.sedar.com).

## CONSTANT CURRENCY BASIS AND FOREIGN EXCHANGE IMPACT RECONCILIATION

### Consolidated

Three months ended August 31, (In thousands of Canadian dollars, except percentages)	2022	Foreign exchange impact	2022 in constant currency <sup>(1)</sup>	2021	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Revenue	746,911	(12,518)	734,393	655,074	14.0	12.1
Operating expenses	398,401	(7,346)	391,055	361,450	10.2	8.2
Adjusted EBITDA	348,510	(5,172)	343,338	293,624	18.7	16.9
Free cash flow	34,704	1,825	36,529	72,915	(52.4)	(49.9)
Net capital expenditures	224,775	(5,434)	219,341	175,718	27.9	24.8

(1) Fiscal 2022 in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2021 which was 1.2450 USD/CDN.

Years ended August 31, (In thousands of Canadian dollars, except percentages)	2022	Foreign exchange impact	2022 in constant currency <sup>(1)</sup>	2021	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Revenue	2,995,012	(2,881)	2,992,131	2,603,845	15.0	14.9
Operating expenses	1,589,424	(2,460)	1,586,964	1,378,377	15.3	15.1
Adjusted EBITDA	1,405,588	(421)	1,405,167	1,225,468	14.7	14.7
Free cash flow	433,181	3,524	436,705	498,273	(13.1)	(12.4)
Net capital expenditures	691,866	(3,876)	687,990	534,702	29.4	28.7

(1) Fiscal 2022 in constant currency is translated at the average foreign exchange rate of fiscal 2021, which was 1.2691 USD/CDN.

## Canadian telecommunications segment

Three months ended August 31, (In thousands of Canadian dollars, except percentages)	2022	Foreign exchange impact	2022 in constant currency <sup>(1)</sup>	2021	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Revenue	360,834	—	360,834	356,850	1.1	1.1
Operating expenses	163,157	(527)	162,630	171,128	(4.7)	(5.0)
Adjusted EBITDA	197,677	527	198,204	185,722	6.4	6.7
Net capital expenditures	100,140	(1,305)	98,835	76,342	31.2	29.5

(1) Fiscal 2022 in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2021 which was 1.2450 USD/CDN.

Years ended August 31, (In thousands of Canadian dollars, except percentages)	2022	Foreign exchange impact	2022 in constant currency <sup>(1)</sup>	2021	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Revenue	1,440,276	—	1,440,276	1,393,097	3.4	3.4
Operating expenses	665,732	(374)	665,358	642,568	3.6	3.5
Adjusted EBITDA	774,544	374	774,918	750,529	3.2	3.2
Net capital expenditures	336,104	(1,500)	334,604	256,636	31.0	30.4

(1) Fiscal 2022 in constant currency is translated at the average foreign exchange rate of fiscal 2021, which was 1.2691 USD/CDN.

## American telecommunications segment

Three months ended August 31, (In thousands of Canadian dollars, except percentages)	2022	Foreign exchange impact	2022 in constant currency <sup>(1)</sup>	2021	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Revenue	364,612	(12,518)	352,094	275,834	32.2	27.6
Operating expenses	199,561	(6,819)	192,742	153,903	29.7	25.2
Adjusted EBITDA	165,051	(5,699)	159,352	121,931	35.4	30.7
Net capital expenditures	120,347	(4,129)	116,218	96,989	24.1	19.8

(1) Fiscal 2022 in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2021 which was 1.2450 USD/CDN.

Years ended August 31, (In thousands of Canadian dollars, except percentages)	2022	Foreign exchange impact	2022 in constant currency <sup>(1)</sup>	2021	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Revenue	1,460,378	(2,881)	1,457,497	1,117,356	30.7	30.4
Operating expenses	783,704	(2,086)	781,618	605,856	29.4	29.0
Adjusted EBITDA	676,674	(795)	675,879	511,500	32.3	32.1
Net capital expenditures	348,176	(2,376)	345,800	271,474	28.3	27.4

(1) Fiscal 2022 in constant currency is translated at the average foreign exchange rate of fiscal 2021, which was 1.2691 USD/CDN.

## ORGANIC REVENUE GROWTH IN CONSTANT CURRENCY RECONCILIATION

	Fiscal 2022 revenue in constant currency	Impact of acquisitions	Fiscal 2022 organic revenue in constant currency	Three months ended August 31, Fiscal 2021 actual	Organic revenue growth in constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%
Canadian telecommunications	360,834	—	360,834	356,850	1.1
American telecommunications	352,094	62,737	289,357	275,834	4.9
Other	21,465	—	21,465	22,390	(4.1)
	734,393	62,737	671,656	655,074	2.5

## ORGANIC ADJUSTED EBITDA IN CONSTANT CURRENCY RECONCILIATION

	Fiscal 2022 adjusted EBITDA in constant currency	Impact of acquisitions	Fiscal 2022 organic adjusted EBITDA in constant currency	Three months ended August 31, Fiscal 2021 actual	Organic adjusted EBITDA growth in constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%
Canadian telecommunications	198,204	—	198,204	185,722	6.7
American telecommunications	159,352	23,223	136,129	121,931	11.6
Corporate and eliminations	(15,654)	—	(15,654)	(17,083)	(8.4)
Other	1,436	—	1,436	3,054	(53.0)
	343,338	23,223	320,115	293,624	9.0

## FREE CASH FLOW RECONCILIATION

	Three months ended August 31,		Years ended August 31,	
	2022	2021	2022	2021
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
<b>Cash flows from operating activities</b>	<b>326,636</b>	283,538	<b>1,258,427</b>	1,029,767
Amortization of deferred transaction costs and discounts on long-term debt <sup>(1)</sup>	2,992	2,361	11,888	9,355
Changes in other non-cash operating activities	(36,411)	(48,187)	(81,883)	(35,370)
Income taxes paid	7,404	25,072	39,168	102,470
Current income taxes	(27,362)	(20,892)	(70,711)	(67,560)
Interest paid	40,603	32,351	163,663	127,945
Financial expense	(53,010)	(24,535)	(189,914)	(128,212)
Net capital expenditures	(224,775)	(175,718)	(691,866)	(534,702)
Repayment of lease liabilities	(1,373)	(1,075)	(5,591)	(5,420)
<b>Free cash flow</b>	<b>34,704</b>	72,915	<b>433,181</b>	498,273

(1) Included within financial expense.



## NET CAPITAL EXPENDITURES RECONCILIATION

	Three months ended August 31,		Years ended August 31,	
	2022	2021	2022	2021
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
<b>Acquisition of property, plant and equipment</b>	<b>244,855</b>	180,192	<b>747,608</b>	539,176
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(20,080)	(4,474)	(55,742)	(4,474)
<b>Net capital expenditures</b>	<b>224,775</b>	175,718	<b>691,866</b>	534,702

## ADJUSTED EBITDA RECONCILIATION

	Three months ended August 31,		Years ended August 31,	
	2022	2021	2022	2021
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
<b>Profit for the period</b>	<b>111,379</b>	103,418	<b>457,755</b>	439,015
Income taxes	17,353	29,456	97,287	134,242
Financial expense	53,010	24,535	189,914	128,212
Depreciation and amortization	154,111	132,254	625,603	515,255
Acquisition, integration, restructuring and other costs	12,657	3,961	35,029	8,744
<b>Adjusted EBITDA</b>	<b>348,510</b>	293,624	<b>1,405,588</b>	1,225,468

## NET CAPITAL EXPENDITURES AND FREE CASH FLOW EXCLUDING NETWORK EXPANSION PROJECTS RECONCILIATIONS

### Net capital expenditures

	Three months ended,				Fiscal 2022	Foreign exchange impact	Fiscal 2022 in constant currency <sup>(1)</sup>
	Nov. 30	Feb. 28	May 31	Aug. 31			
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$	\$
<b>Net capital expenditures</b>	141,509	142,475	183,107	224,775	<b>691,866</b>	(3,876)	<b>687,990</b>
Net capital expenditures in connection with network expansion projects	20,016	36,982	38,659	61,632	157,289	(1,178)	156,111
<b>Net capital expenditures, excluding network expansion projects</b>	121,493	105,493	144,448	163,143	<b>534,577</b>	(2,698)	<b>531,879</b>

(1) Fiscal 2022 in constant currency is translated at the average foreign exchange rate of fiscal 2021, which was 1.2691 USD/CDN.

### Free cash flow

	Three months ended,				Fiscal 2022	Foreign exchange impact	Fiscal 2022 in constant currency <sup>(1)</sup>
	Nov. 30	Feb. 28	May 31	Aug. 31			
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$	\$
<b>Free cash flow</b>	135,820	153,703	108,954	34,704	<b>433,181</b>	3,524	<b>436,705</b>
Net capital expenditures in connection with network expansion projects	20,016	36,982	38,659	61,632	157,289	(1,178)	156,111
<b>Free cash flow, excluding network expansion projects</b>	155,836	190,685	147,613	96,336	<b>590,470</b>	2,346	<b>592,816</b>

(1) Fiscal 2022 in constant currency is translated at the average foreign exchange rate of fiscal 2021, which was 1.2691 USD/CDN.

## 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 INC.

Rooted in the communities it serves, Cogeco Inc. is a growing competitive force in the North American telecommunications and media sectors with a legacy of 65 years. Through its business units Cogeco Connexion and Breezeline (formerly Atlantic Broadband), Cogeco provides Internet, video and phone services to 1.6 million residential and business customers in Québec and Ontario in Canada as well as in thirteen states in the United States. Through Cogeco Media, it owns and operates 21 radio stations primarily in the province of Québec as well as 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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For information:

#### Investors

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#### Conference Call:

**Friday, October 28, 2022 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/>. Members of the financial community will be able to access the conference call and ask questions. Media representatives may attend as listeners only. The webcast will be available on Cogeco's website for a three-month period.

Please use the following dial-in number to have access to the conference call 10 minutes before the start of the conference:

Local - Toronto: 1-416-764-8646  
Toll Free - North America: 1-888-396-8049

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.