

Cogeco Releases its Financial Results for the Fourth Quarter of Fiscal 2023

- **A quarterly 15-year record of 14,041 Internet service customer net additions at Cogeco Connexion driven by organic growth, new customers gained from network expansions and under the oxio brand;**
- **Cogeco Communications added 23,031 homes passed in Canada and the United States as part of its fibre-to-the-home network expansion strategy. Total number of homes passed for fiscal 2023 rose by almost 124,000, or 3.4%;**
- **Successfully completed the Québec subsidized network expansions in October, subsequent to fiscal year end, connecting 180 municipalities;**
- **Revenue grew by 2.6% to \$766.7 million compared to the same period of the prior year;**
- **Adjusted EBITDA⁽¹⁾ of \$351.9 million increased 1.0% over last year;**
- **Profit for the period amounted to \$90.5 million, a decrease of 18.7%, mainly due to higher financial expense. Profit for the period attributable to owners of the Corporation amounted to \$29.2 million, a decrease of 19.8%;**
- **Free cash flow⁽¹⁾ amounted to \$86.2 million compared to \$34.7 million last year due to lower net capital expenditures, while cash flows from operating activities decreased by 12.9% to \$284.4 million. Free cash flow, excluding network expansion projects⁽¹⁾ was \$119.2 million, an increase of 23.7%;**
- **Cogeco is releasing its fiscal 2024 financial guidelines; and**
- **Declared a quarterly eligible dividend of \$0.854 per share, representing a 16.8% increase over last year.**

Montréal, November 1, 2023 – Today, Cogeco Inc. (TSX: CGO) ("Cogeco" or the "Corporation") announced its financial results for the fourth quarter ended August 31, 2023.

"Our relentless focus on delivering high quality product offerings and distinctive customer service to our customers was a hallmark of fiscal 2023, resulting in healthy business performance that offset challenges from the inflationary environment, increased competition, and global economic uncertainty. Our ongoing commitment to enhancing and expanding our network and service offering with leading edge technology and multiple brands for new and existing customers gives us confidence in our long-term growth opportunities," said Philippe Jetté, President and Chief Executive Officer of Cogeco Inc.

"Our Canadian telecommunications business performed solidly again this quarter, as we delivered strong Internet customer additions across each of our traditional, expansion and oxio footprints," continued Mr. Jetté. "Though only a half year has passed since we acquired oxio, we have been pleased with its performance to date."

"While the economic and competitive environment in the U.S. remains challenging, demand from customers for our higher speed offerings has resulted in rising revenue per subscriber which has helped offset customer losses at lower price points. Although revenue declined, a more attractive product mix combined with our focus on cost efficiencies and integration of easy to use, self-install equipment, delivered a higher adjusted EBITDA margin within our U.S. business," continued Mr. Jetté.

"Looking ahead, with our Québec expansion now complete, our Ontario network expansion in its early phases and Breezeline's network expansion ongoing, we expect to continue to add new Internet customers in fiscal 2024, which will contribute to our adjusted EBITDA and free cash flow in fiscal 2024 and beyond."

"In terms of our capital allocation, we continue to focus on the growth of the business through network enhancement and expansion, while developing our mobile offering in both countries. We remain confident in our growth strategy and outlook, and furthermore, we are committed to returning significant capital to our shareholders. We are pleased to announce a 16.8% increase in the dividend today, which brings the quarterly dividend per share to \$0.854. With this increase, we have now closed the gap in quarterly dividends between Cogeco and Cogeco Communications' dividends, which is a process that has been underway for three years."

"Cogeco Media's focus on financial discipline has remained steadfast over the past year as the challenges facing the traditional advertising markets have encouraged us to accelerate the adoption of new innovative digital solutions as we move to a multi-platform audio content model," continued Mr. Jetté. "Fiscal 2024 holds several exciting developments for us at Cogeco Media, as we look to grow the already strong listener engagement held by many of our stations over the past year. Finally, we are proud to announce that our station 98.5 Montréal, remained in the top spot of the Numeris rankings for its sixth consecutive quarter and once again, recorded not only the highest radio listenership in Québec, but the entire country."

"We are making significant strides in executing our sustainability strategy. We do this through our long-standing tradition of social engagement and community involvement, prioritizing digital inclusion and climate action, implementing leading operating practices and pursuing our responsible and ethical management," Mr. Jetté concluded.

Consolidated Financial Highlights

Three months ended August 31	2023	2022	Change	Change in constant currency ⁽¹⁾
(In thousands of Canadian dollars, except % and per share data) (unaudited)	\$	\$	%	%
Revenue	766,652	746,911	2.6	1.0
Adjusted EBITDA ⁽¹⁾	351,925	348,510	1.0	(0.6)
Profit for the period	90,521	111,379	(18.7)	
Profit for the period attributable to owners of the Corporation	29,234	36,433	(19.8)	
Adjusted profit attributable to owners of the Corporation ⁽¹⁾⁽³⁾	33,006	39,459	(16.4)	
Cash flows from operating activities	284,370	326,636	(12.9)	
Free cash flow ⁽¹⁾	86,237	34,704	—	—
Free cash flow, excluding network expansion projects ⁽¹⁾	119,165	96,336	23.7	23.4
Acquisition of property, plant and equipment	207,434	244,855	(15.3)	
Net capital expenditures ⁽¹⁾⁽²⁾	178,481	224,775	(20.6)	(22.3)
Net capital expenditures, excluding network expansion projects ⁽¹⁾	145,553	163,143	(10.8)	(12.6)
Diluted earnings per share	1.87	2.31	(19.0)	
Adjusted diluted earnings per share ⁽¹⁾⁽³⁾	2.12	2.50	(15.2)	

Operating results

For the fourth quarter of fiscal 2023:

- Revenue increased by 2.6% to \$766.7 million. On a constant currency basis, revenue increased by 1.0%, driven by growth in the Canadian telecommunications segment and higher revenue in the media activities, which were partly offset by a decline in the American telecommunications segment, as explained below:

- Canadian telecommunications' revenue increased by 4.1%, mainly driven by the cumulative effect of high-speed Internet service additions over the past year, higher revenue per customer and contribution from the oxio acquisition completed on March 3, 2023.
- Revenue in the media activities increased by 8.3%.
- American telecommunications' revenue decreased by 2.5% in constant currency (increase of 0.8% as reported), mainly due to a lower Internet customer base over the past year and an overall decline in video and phone service customers, offset in part by a higher revenue per customer and a better product mix resulting from customers subscribing to increasingly fast Internet speeds.
- Adjusted EBITDA increased by 1.0% to reach \$351.9 million. On a constant currency basis, adjusted EBITDA remained stable compared to the same period of the prior year, mainly as a result of higher adjusted EBITDA in the American telecommunications segment, which was offset by higher corporate costs, primarily due to initiatives undertaken to support the Corporation's future growth and in relation to its plan to offer mobile services in Canada, and lower adjusted EBITDA in the Canadian telecommunications segment, as further explained below.
 - American telecommunications adjusted EBITDA increased by 5.7%, or 2.2% in constant currency, mainly resulting from a better product mix and cost reduction initiatives, which more than offset its revenue decline resulting from a lower customer base over the past year as it continued to face headwinds from the macroeconomic and nationwide competitive environments.
 - Canadian telecommunications adjusted EBITDA decreased by 1.1% or 0.9% in constant currency, mainly due to increased operating expenses to drive and support customer growth, while last year's operating expenses were also lower due to certain year-end adjustments.
- Profit for the period amounted to \$90.5 million, of which \$29.2 million, or \$1.87 per diluted share, was attributable to owners of the Corporation compared to \$111.4 million, \$36.4 million, and \$2.31 per diluted share, respectively, in the comparable period of fiscal 2022. The decreases in profit for the period and profit attributable to owners of the Corporation resulted mainly from higher financial expense, depreciation and amortization expense, and acquisition, integration, restructuring and other costs, partly offset by the impact of the appreciation of the US dollar.
 - Adjusted profit attributable to owners of the Corporation⁽³⁾ was \$33.0 million, or \$2.12 per diluted share⁽³⁾, compared to \$39.5 million, or \$2.50 per diluted share, last year.
- Net capital expenditures, which account for network expansion subsidies, were \$178.5 million, a decrease of 20.6% compared to \$224.8 million in the same period of the prior year. In constant currency, net capital expenditures⁽¹⁾ were \$174.6 million, a decrease of 22.3% compared to last year, mainly due to reduced spending in both the Canadian and American telecommunications segments following the completion of several rural network expansion projects, mainly in Québec, and the timing of certain initiatives.
 - Excluding network expansion projects, net capital expenditures were \$145.6 million, a decrease of 10.8% compared to \$163.1 million in the same period of the prior year. In constant currency, net capital expenditures, excluding network expansion projects⁽¹⁾ were \$142.5 million, a decrease of 12.6% compared to last year.
 - Fibre-to-the-home network expansion projects continued in both Canada and the United States, with homes passed additions of close to 196,000 over the past two fiscal years, of which close to 124,000 were added in fiscal 2023, equating to an approximately 7% growth⁽⁴⁾ in homes passed over the past two years. These fibre-to-the-home network expansion projects are increasing the Corporation's footprint in the provinces of Québec and Ontario and in several areas adjacent to Breezeline's network in the United States.
- Acquisition of property, plant and equipment decreased by 15.3% to \$207.4 million, due to reduced capital spending in both countries.

- Free cash flow amounted to \$86.2 million, or \$86.8 million in constant currency, compared to \$34.7 million last year. The increase in constant currency is mainly due to lower net capital expenditures and lower current income taxes, partly offset by higher financial expense.
 - Free cash flow, excluding network expansion projects amounted to \$119.2 million, or \$118.9 million in constant currency, an increase of 23.7%, or 23.4% in constant currency, compared to the same period of the prior year.
- Cash flows from operating activities decreased by 12.9% to reach \$284.4 million, mainly resulting from higher interest paid and a lower net inflow in non-cash operating activities mostly due to the timing of trade and other payables.
- At its November 1, 2023 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of \$0.854 per share, an increase of 16.8% compared to \$0.731 per share last year. With this increase, the dividends per share of the Corporation and Cogeco Communications are now fully aligned.

FISCAL 2024 FINANCIAL GUIDELINES

Cogeco released its fiscal 2024 financial guidelines. On a constant currency basis, the Corporation expects fiscal 2024 revenue to remain stable. The Corporation anticipates revenue growth in the Canadian telecommunications segment being offset by lower revenue in the American telecommunications segment as it continues to face competition in its markets, in part from fixed wireless competitors, and video services cord cutting. On a constant currency basis, fiscal 2024 adjusted EBITDA is anticipated to remain stable, mainly as a result of stable revenue and an improved product mix contributing to adjusted EBITDA margin, combined with several cost optimization initiatives. The financial guidelines reflect a negative estimated (1)% impact on adjusted EBITDA compared to the prior year related to additional preparation costs to offer mobility services in both countries. Net capital expenditures are anticipated to be between \$700 and \$775 million, including net investments of approximately \$140 to \$190 million in growth-oriented network expansions, which will increase the Corporation's footprint in Canada and the United States. As a result of these growth initiatives and an anticipated increase in financial expense, free cash flow and free cash flow, excluding network expansion projects, are expected to decrease between (5)% and (15)%, which reflects an estimated (10)% impact from additional mobility investments.

	November 1, 2023 Projections ⁽¹⁾ Fiscal 2024 (constant currency) ⁽²⁾	Actual Fiscal 2023
<i>(In millions of Canadian dollars, except percentages)</i>	\$	\$
Financial guidelines		
Revenue	Stable	3,081
Adjusted EBITDA	Stable	1,433
Net capital expenditures	\$700 to \$775	703
Net capital expenditures in connection with network expansion projects	\$140 to \$190	530
Free cash flow	(5)% to (15)% ⁽³⁾	421
Free cash flow, excluding network expansion projects	(5)% to (15)% ⁽³⁾	594

(1) Percentage of changes compared to fiscal 2023.

(2) Fiscal 2024 financial guidelines are based on a USD/CDN constant exchange rate of 1.3467 USD/CDN.

(3) The assumed current income tax effective rate is approximately 7%.

These financial guidelines, including the various assumptions underlying them, contain forward-looking statements concerning the business outlook for Cogeco, and should be read in conjunction with the "Forward-looking statements" section of this press release.

-
- (1) Adjusted EBITDA and net capital expenditures are total of segments measures. Constant currency basis, adjusted profit attributable to owners of the Corporation, net capital expenditures, excluding network expansion projects, free cash flow and free cash flow, excluding network expansion projects are non-IFRS financial measures. Change in constant currency and adjusted diluted earnings per share are non-IFRS ratios. These indicated terms do not have standardized definitions prescribed by International Financial Reporting Standards ("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) Excludes the impact of acquisition, integration, restructuring and other costs, net of tax and non-controlling interest.
- (4) Growth is calculated by excluding additions resulting from acquisitions.

Financial highlights

Three months and years ended August 31								
	2023	2022	Change	Change in constant currency ⁽¹⁾ (2)	2023	2022	Change	Change in constant currency ⁽¹⁾ (2)
(In thousands of Canadian dollars, except percentages and per share data)	\$	\$	%	%	\$	\$	%	%
Operations								
Revenue	766,652	746,911	2.6	1.0	3,081,136	2,995,012	2.9	0.1
Adjusted EBITDA ⁽²⁾	351,925	348,510	1.0	(0.6)	1,432,929	1,405,588	1.9	(0.6)
Acquisition, integration, restructuring and other costs ⁽³⁾	15,239	12,657	20.4		36,245	35,029	3.5	
Impairment of goodwill and intangible assets	—	—	—		88,000	—	—	
Profit for the period	90,521	111,379	(18.7)		350,235	457,755	(23.5)	
Profit for the period attributable to owners of the Corporation	29,234	36,433	(19.8)		70,630	149,108	(52.6)	
Adjusted profit attributable to owners of the Corporation ⁽²⁾⁽⁴⁾	33,006	39,459	(16.4)		149,298	156,684	(4.7)	
Cash flow								
Cash flows from operating activities	284,370	326,636	(12.9)		968,214	1,258,427	(23.1)	
Free cash flow ⁽²⁾	86,237	34,704	—	—	421,430	433,181	(2.7)	(2.0)
Free cash flow, excluding network expansion projects ⁽²⁾	119,165	96,336	23.7	23.4	594,265	590,470	0.6	—
Acquisition of property, plant and equipment	207,434	244,855	(15.3)		806,237	747,608	7.8	
Net capital expenditures ⁽²⁾	178,481	224,775	(20.6)	(22.3)	702,913	691,866	1.6	(2.4)
Net capital expenditures, excluding network expansion projects ⁽²⁾	145,553	163,143	(10.8)	(12.6)	530,078	534,577	(0.8)	(4.7)
Per share data⁽⁵⁾								
Earnings per share								
Basic	1.89	2.32	(18.5)		4.53	9.43	(52.0)	
Diluted	1.87	2.31	(19.0)		4.51	9.37	(51.9)	
Adjusted diluted ⁽²⁾⁽⁴⁾	2.12	2.50	(15.2)		9.53	9.85	(3.2)	
Dividends per share	0.731	0.625	17.0		2.924	2.500	17.0	

(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 rate of the comparable periods of the prior year. For the three-month period and year ended August 31, 2022, the average foreign exchange rates used for translation were 1.2893 USD/CDN and 1.2718 USD/CDN, respectively.

(2) Adjusted EBITDA and net capital expenditures are total of segments measures. Adjusted profit attributable to owners of the Corporation, free cash flow, free cash flow, excluding network expansion projects and net capital expenditures, excluding network expansion projects are non-IFRS financial measures. Change in constant currency and adjusted diluted earnings per share 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.

(3) For the three-month period and year ended August 31, 2023, acquisition, integration, restructuring and other costs resulted mostly from costs related to the ongoing integration of past acquisitions as well as acquisition and integration costs incurred in connection with the acquisition of oxio, completed on March 3, 2023, from restructuring costs associated with organizational changes during the fourth quarter of fiscal 2023 within the Canadian and the American telecommunications segments and from configuration and customization costs related to cloud computing arrangements. Furthermore, a retroactive adjustment of \$3.3 million was recognized during the third quarter of fiscal 2023, in addition to a \$5.1 million adjustment recognized in the second quarter, both related to the Copyright Board preliminary conclusions of the 2016-2018 retransmission tariffs, impacting those years and estimated costs for the following years. For the three-month period and year ended August 31, 2022, acquisition, integration, restructuring and other costs resulted mostly from the 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.

(4) Excludes the impact of non-cash impairment charges, and acquisition, integration, restructuring and other costs, net of tax and non-controlling interest.

(5) Per multiple and subordinate voting share.

As at	August 31, 2023	August 31, 2022
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$
Financial condition		
Cash and cash equivalents	363,854	379,001
Total assets	9,869,778	9,468,025
Long-term debt		
Current	43,325	340,468
Non-current	5,045,672	4,398,142
Net indebtedness ⁽¹⁾	4,817,113	4,545,809
Equity attributable to owners of the Corporation	925,863	919,843
Return on equity ⁽²⁾	7.7 %	17.2 %

(1) Net indebtedness is a capital management measure. For more information on this financial measure, please consult the "Non-IFRS and other financial measures" section of the Corporation's MD&A for the year ended August 31, 2023, available on SEDAR+ at www.sedarplus.ca.

(2) Return on equity is a supplementary financial measure and is calculated as profit attributable to owners of the Corporation for the year divided by the average of the equity attributable to owners of the Corporation for the year.

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 2024 financial guidelines" sections of the Corporation's 2023 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 (including changing competitive ecosystems and disruptive competitive strategies adopted by our competitors), business risks, regulatory risks, technology risks (including cybersecurity), financial risks (including variations in currency and interest rates), economic conditions (including inflation pressuring revenue, reduced consumer spending and increasing costs), talent management risks (including highly competitive market for limited pool of digitally skilled employees), human-caused and natural threats to the Corporation's network (including increased frequency of extreme weather events with the potential to disrupt operations), 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 2023 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 2023 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, 2023.

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, 2023, available on SEDAR+ at www.sedarplus.ca. The following non-IFRS financial measures are used as a component of Cogeco's non-IFRS ratios.

Specified non-IFRS financial measure	Used in the component of the following non-IFRS ratio
Adjusted profit attributable to owners of the Corporation	Adjusted diluted earnings per share

Financial measures presented on a constant currency basis for the three-month period and year ended August 31, 2023 are translated at the average foreign exchange rate of the comparable periods of the prior year, which were 1.2893 USD/CDN and 1.2718 USD/CDN, respectively.

Constant currency basis and foreign exchange impact reconciliation

Consolidated

Three months ended August 31 (In thousands of Canadian dollars, except percentages)	2023 \$	Foreign exchange impact \$	2023 in constant currency \$	2022 \$	Change	
					Actual %	In constant currency %
Revenue	766,652	(12,037)	754,615	746,911	2.6	1.0
Operating expenses	414,727	(6,686)	408,041	398,401	4.1	2.4
Adjusted EBITDA	351,925	(5,351)	346,574	348,510	1.0	(0.6)
Free cash flow	86,237	599	86,836	34,704	—	—
Net capital expenditures	178,481	(3,906)	174,575	224,775	(20.6)	(22.3)

Years ended August 31	2023	Foreign exchange impact	2023 in constant currency	2022	Change	
					Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	3,081,136	(83,268)	2,997,868	2,995,012	2.9	0.1
Operating expenses	1,648,207	(47,115)	1,601,092	1,589,424	3.7	0.7
Adjusted EBITDA	1,432,929	(36,153)	1,396,776	1,405,588	1.9	(0.6)
Free cash flow	421,430	2,952	424,382	433,181	(2.7)	(2.0)
Net capital expenditures	702,913	(27,345)	675,568	691,866	1.6	(2.4)

Canadian telecommunications segment

Three months ended August 31	2023	Foreign exchange impact	2023 in constant currency	2022	Change	
					Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	375,754	—	375,754	360,834	4.1	4.1
Operating expenses	180,183	(367)	179,816	163,157	10.4	10.2
Adjusted EBITDA	195,571	367	195,938	197,677	(1.1)	(0.9)
Net capital expenditures	73,348	(614)	72,734	100,140	(26.8)	(27.4)

Years ended August 31	2023	Foreign exchange impact	2023 in constant currency	2022	Change	
					Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	1,489,915	—	1,489,915	1,440,276	3.4	3.4
Operating expenses	701,717	(2,425)	699,292	665,732	5.4	5.0
Adjusted EBITDA	788,198	2,425	790,623	774,544	1.8	2.1
Net capital expenditures	354,384	(9,091)	345,293	336,104	5.4	2.7

American telecommunications segment

Three months ended August 31 <i>(In thousands of Canadian dollars, except percentages)</i>	2023	Foreign exchange impact	2023 in constant currency	2022	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Revenue	367,643	(12,037)	355,606	364,612	0.8	(2.5)
Operating expenses	193,172	(6,319)	186,853	199,561	(3.2)	(6.4)
Adjusted EBITDA	174,471	(5,718)	168,753	165,051	5.7	2.2
Net capital expenditures	100,488	(3,292)	97,196	120,347	(16.5)	(19.2)

Years ended August 31 <i>(In thousands of Canadian dollars, except percentages)</i>	2023	Foreign exchange impact	2023 in constant currency	2022	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Revenue	1,494,213	(83,268)	1,410,945	1,460,378	2.3	(3.4)
Operating expenses	800,409	(44,690)	755,719	783,704	2.1	(3.6)
Adjusted EBITDA	693,804	(38,578)	655,226	676,674	2.5	(3.2)
Net capital expenditures	336,910	(18,254)	318,656	348,176	(3.2)	(8.5)

Adjusted profit attributable to owners of the Corporation

	Three months ended August 31		Years ended August 31	
	2023	2022	2023	2022
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Profit for the period attributable to owners of the Corporation	29,234	36,433	70,630	149,108
Acquisition, integration, restructuring and other costs	15,239	12,657	36,245	35,029
Impairment of goodwill and intangible assets	—	—	88,000	—
Tax impact for the above items	(3,832)	(3,312)	(27,770)	(9,062)
Non-controlling interest impact for the above items	(7,635)	(6,319)	(17,807)	(18,391)
Adjusted profit attributable to owners of the Corporation	33,006	39,459	149,298	156,684

Free cash flow reconciliation

	Three months ended August 31		Years ended August 31	
	2023	2022	2023	2022
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Cash flows from operating activities	284,370	326,636	968,214	1,258,427
Amortization of deferred transaction costs and discounts on long-term debt ⁽¹⁾	3,212	2,992	12,672	11,888
Changes in other non-cash operating activities	(12,970)	(36,411)	102,422	(81,883)
Income taxes paid	2,190	7,404	91,968	39,168
Current income taxes	(5,523)	(27,362)	(31,973)	(70,711)
Interest paid	66,544	40,603	243,321	163,663
Financial expense	(71,198)	(53,010)	(255,010)	(189,914)
Net capital expenditures	(178,481)	(224,775)	(702,913)	(691,866)
Repayment of lease liabilities	(1,907)	(1,373)	(7,271)	(5,591)
Free cash flow	86,237	34,704	421,430	433,181

(1) Included within financial expense.

Net capital expenditures reconciliation

	Three months ended August 31		Years ended August 31	
	2023	2022	2023	2022
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Acquisition of property, plant and equipment	207,434	244,855	806,237	747,608
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(28,953)	(20,080)	(103,324)	(55,742)
Net capital expenditures	178,481	224,775	702,913	691,866

Adjusted EBITDA reconciliation

	Three months ended August 31		Years ended August 31	
	2023	2022	2023	2022
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Profit for the period	90,521	111,379	350,235	457,755
Income taxes	17,827	17,353	78,379	97,287
Financial expense	71,198	53,010	255,010	189,914
Impairment of goodwill and intangible assets	—	—	88,000	—
Depreciation and amortization	157,140	154,111	625,060	625,603
Acquisition, integration, restructuring and other costs	15,239	12,657	36,245	35,029
Adjusted EBITDA	351,925	348,510	1,432,929	1,405,588

Net capital expenditures and free cash flow excluding network expansion projects reconciliations

Net capital expenditures

Three months ended August 31 <i>(In thousands of Canadian dollars, except percentages)</i>	2023	Foreign exchange impact	2023 in constant currency	2022	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Net capital expenditures	178,481	(3,906)	174,575	224,775	(20.6)	(22.3)
Net capital expenditures in connection with network expansion projects	32,928	(890)	32,038	61,632	(46.6)	(48.0)
Net capital expenditures, excluding network expansion projects	145,553	(3,016)	142,537	163,143	(10.8)	(12.6)

Years ended August 31 <i>(In thousands of Canadian dollars, except percentages)</i>	2023	Foreign exchange impact	2023 in constant currency	2022	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Net capital expenditures	702,913	(27,345)	675,568	691,866	1.6	(2.4)
Net capital expenditures in connection with network expansion projects	172,835	(6,550)	166,285	157,289	9.9	5.7
Net capital expenditures, excluding network expansion projects	530,078	(20,795)	509,283	534,577	(0.8)	(4.7)

Free cash flow

Three months ended August 31 <i>(In thousands of Canadian dollars, except percentages)</i>	2023	Foreign exchange impact	2023 in constant currency	2022	Change	
					Actual	In constant currency
	\$	\$	\$	\$	%	%
Free cash flow	86,237	599	86,836	34,704	—	—
Net capital expenditures in connection with network expansion projects	32,928	(890)	32,038	61,632	(46.6)	(48.0)
Free cash flow, excluding network expansion projects	119,165	(291)	118,874	96,336	23.7	23.4

Years ended August 31	2023	Foreign exchange impact	2023 in constant currency	2022	Change	
					Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Free cash flow	421,430	2,952	424,382	433,181	(2.7)	(2.0)
Net capital expenditures in connection with network expansion projects	172,835	(6,550)	166,285	157,289	9.9	5.7
Free cash flow, excluding network expansion projects	594,265	(3,598)	590,667	590,470	0.6	—

Additional information

Additional information relating to the Corporation, including its Annual Information Form, is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at 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, serving 1.6 million residential and business customers. Its Cogeco Communications Inc. subsidiary provides Internet, video and phone services in Canada as well as in thirteen states in the United States through its business units Cogeco Connexion and Breezeline. 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).

- 30 -

For information:

Investors

Patrice Ouimet
Senior Vice President and Chief Financial Officer
Cogeco Inc.
Tel.: 514-764-4600
patrice.ouimet@cogeco.com

Troy Crandall
Head, Investor Relations
Cogeco Inc.
Tel.: 514-764-4700
troy.crandall@cogeco.com

Media

Marie-Hélène Labrie
Senior Vice President and Chief Public Affairs,
Communications and Strategy Officer
Cogeco Inc.
Tel.: 514-764-4600
marie-helene.labrie@cogeco.com

Conference Call:

Thursday, November 2nd, 2023 at 11:00 a.m. (Eastern Time)

The conference call will be available on Cogeco's website at <https://corpo.cogeco.com/cgo/en/investors/investor-relations/>. Financial analysts will be able to access the conference call and ask questions. Media representatives may attend as listeners only. The conference replay will be available on Cogeco's website for a three-month period.

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

Local - Toronto: **1 416-764-8658**
Toll Free - North America: **1 888-886-7786**

To join this conference call, participants are required to provide the operator with the name of the company hosting the call, that is, Cogeco Inc. or Cogeco Communications Inc.