Sustained growth through transformation

2024 ANNUAL REPORT



cogeco

A world of your **very own**

Profile

Cogeco Inc. is a North American leader in the telecommunications and media sectors. Through Cogeco Communications Inc., we provide world-class Internet, video and wireline phone services to 1.6 million residential and business subscribers in Canada and thirteen states in the United States. We also offer wireless services in most of our U.S. operating territory. Through Cogeco Media, we operate 21 radio stations in Canada, primarily in the province of Québec, as well as a news agency. We take pride in our strong presence in the communities we serve and in our commitment to a sustainable future. Both Cogeco Inc.'s and Cogeco Communications Inc.'s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO and CCA).

Sustained growth through transformation

We at Cogeco are proud to connect our communities and businesses with fast, reliable networks and high-quality entertainment. Our goal of putting customers at the center of everything we do drives us to explore new and innovative ways to serve them better and inspires us to transform.

As we continue to diligently invest in strengthening our networks, strategically expand our fibre-to-the-home high-speed Internet footprint and economically deploy wireless services in Canada and the United States, we are also transforming our business for sustainable growth and shareholder value creation.

The synergies created by the recent combination of our Canadian and American teams will enhance our operational capabilities, improve the deployment of top talent and accelerate the sharing of best practices. Meanwhile, our investment in digitization and analytics have already begun to improve the quality and speed of our customer service, enabling us to provide increasingly convenient options and personalized product offerings.

Our structured three-year transformation program will strengthen our agility, our competitiveness and our performance, while preserving our unique culture and passion to serve our customers and communities. We have laid the groundwork; now join us, as we continue to bring people together through powerful communications and entertainment experiences for generations to come.

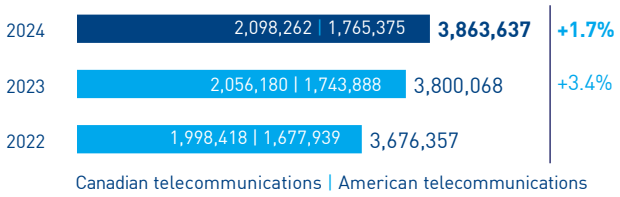
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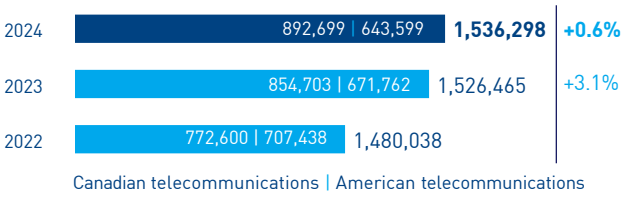
Fiscal 2024 financial performance

(In thousands of Canadian dollars, except homes passed, Internet service subscribers, per share data and percentages)

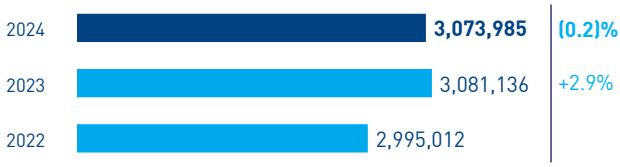
Homes passed



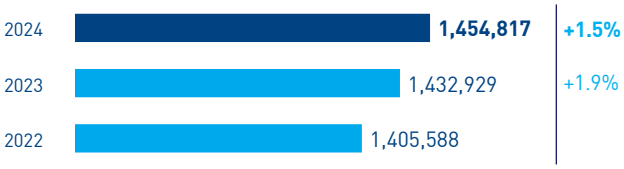
Internet service subscribers



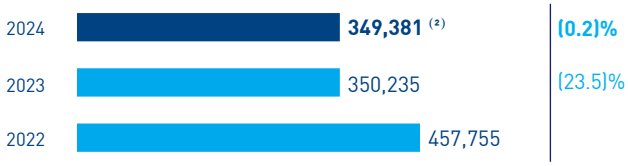
Revenue



Adjusted EBITDA[1]



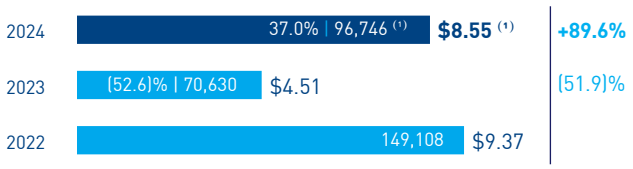
Profit for the year



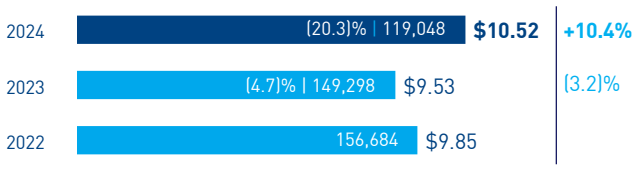
(1) Adjusted EBITDA is a total of segments measure. This indicated term does not have a standardized definition prescribed by IFRS® Accounting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and therefore, may not be comparable to similar measures presented by other companies. For more information on this financial measure, including references to the specific sections within the Management's discussion and analysis ("MD&A"), as applicable, for the reconciliations to the most directly comparable IFRS Accounting Standards measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section of the fiscal 2024 MD&A, available on SEDAR+ at www.sedarplus.ca. Fiscal 2022 reconciliations to the most directly comparable IFRS Accounting Standards measures have been incorporated by reference and can be found in the "Non-IFRS and other financial measures" section of the Corporation's 2023 annual MD&A, available on SEDAR+ at www.sedarplus.ca.

(2) Profit for the year includes the impact of charges related to a corporate reorganization aimed at combining the Canadian and U.S. management teams.

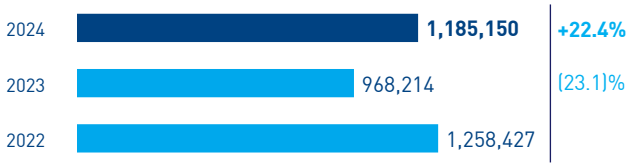
Profit attributable to owners of the Corporation and diluted earnings per share



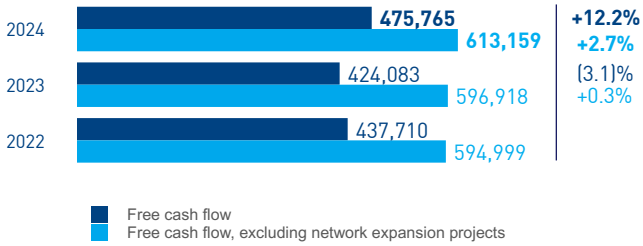
Adjusted profit attributable to owners of the Corporation[2] and adjusted diluted earnings per share[2]



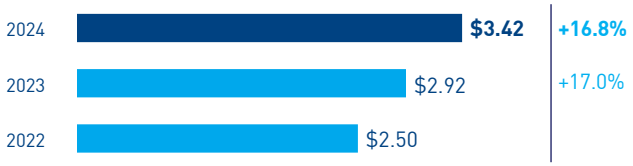
Cash flows from operating activities



Free cash flow[2,3] and free cash flow, excluding network expansion projects[2,3]



Dividend per share



(1) Profit attributable to owners of the Corporation and diluted earnings per share include the impact of charges related to a corporate reorganization aimed at combining Canadian and U.S. management teams.

(2) Free cash flow and free cash flow, excluding network expansion projects are non-IFRS Accounting Standards measures. Adjusted diluted earnings per share is a non-IFRS Accounting Standards ratio. Adjusted profit attributable to owners of the Corporation is a non-IFRS Accounting Standards measure and is a component of adjusted diluted earnings per share. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, including references to the specific sections within the MD&A, as applicable, for the reconciliations to the most directly comparable IFRS Accounting Standards measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section of the fiscal 2024 MD&A, available on SEDAR+ at www.sedarplus.ca. Fiscal 2022 reconciliations to the most directly comparable IFRS Accounting Standards measures have been incorporated by reference and can be found in the "Non-IFRS and other financial measures" section of the Corporation's 2023 annual MD&A, available on SEDAR+ at www.sedarplus.ca.

(3) During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation. For further details, please refer to the "Non-IFRS Accounting Standards and other financial measures" section of the fiscal 2024 MD&A.

Financial highlights

Years ended August 31	2024	2023 [1]	Change	Change in constant currency [2][3]
(In thousands of Canadian dollars, except % and per share data)	$	$	%	%
Operations				
Revenue	**3,073,985**	3,081,136	(0.2)	(0.7)
Adjusted EBITDA [3]	**1,454,817**	1,432,929	1.5	1.0
Acquisition, integration, restructuring and other costs [4]	**63,298**	36,245	74.6	
Impairment of property, plant and equipment, intangible assets and goodwill	**15,229**	88,000	(82.7)	
Profit for the year	**349,381**	350,235	(0.2)	
Profit for the year attributable to owners of the Corporation	**96,746**	70,630	37.0	
Adjusted profit attributable to owners of the Corporation [3][5]	**119,048**	149,298	(20.3)	
Cash flow				
Cash flows from operating activities	**1,185,150**	968,214	22.4	
Free cash flow [1][3]	**475,765**	424,083	12.2	12.0
Free cash flow, excluding network expansion projects [1][3]	**613,159**	596,918	2.7	2.4
Acquisition of property, plant and equipment	**664,004**	806,237	(17.6)	
Net capital expenditures [3][6]	**642,747**	702,913	(8.6)	(9.0)
Net capital expenditures, excluding network expansion projects [3]	**505,353**	530,078	(4.7)	(5.1)
Per share data [7]				
Earnings per share				
Basic	**8.63**	4.53	90.5	
Diluted	**8.55**	4.51	89.6	
Adjusted diluted [3][5]	**10.52**	9.53	10.4	
Dividends per share	**3.416**	2.924	16.8	

(1) During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment. Proceeds on disposals of property, plant and equipment amounted to $3.4 million in fiscal 2024 ($2.7 million in fiscal 2023). Comparative figures were restated to conform to the current presentation. For further details, please refer to the "Non-IFRS Accounting Standards and other financial measures" section of the fiscal 2024 MD&A.

(2) Key performance indicators presented on a constant currency basis are obtained by translating financial results from the current period denominated in US dollars at the foreign exchange rate of the prior year. For the year ended August 31, 2023, the average foreign exchange rate used for translation was 1.3467 USD/CDN.

(3) 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 Accounting Standards measures. Change in constant currency and adjusted diluted earnings per share are non-IFRS Accounting Standards ratios. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, including references to the specific sections within the MD&A, as applicable, for the reconciliations to the most directly comparable IFRS Accounting Standards measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section of the fiscal 2024 MD&A, available on SEDAR+ at www.sedarplus.ca.

(4) For the year ended August 31, 2024, acquisition, integration, restructuring and other costs were mostly related to restructuring costs recognized during the second half of the year, including costs related to the new organizational structure announced in May 2024 and other cost optimization initiatives. For the year ended August 31, 2023, acquisition, integration, restructuring and other costs resulted mostly from costs related to the 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 $8.4 million was recognized in fiscal 2023 following the Copyright Board preliminary conclusions on the redetermination of the 2014-2018 royalty rates, of which $4.2 million was reversed during the second quarter of fiscal 2024 following the Copyright Board decision issued in January 2024.

(5) Excludes the impact of non-cash impairment charges, acquisition, integration, restructuring and other costs, and gains/losses on debt modification and/or extinguishment, all net of tax and non-controlling interest.

(6) Net capital expenditures exclude non-cash acquisitions of right-of-use assets and the purchases, and related borrowing costs, of spectrum licences, and are presented net of government subsidies, including the utilization of those received in advance.

(7) Per multiple and subordinate voting share.

As at	August 31, 2024	August 31, 2023
(In thousands of Canadian dollars, except %)	$	$
Financial condition		
Cash and cash equivalents	**77,746**	363,854
Total assets	**9,773,739**	9,869,778
Long-term debt		
Current	**370,108**	43,325
Non-current	**4,594,057**	5,045,672
Net indebtedness [1]	**4,957,594**	4,817,113
Equity attributable to owners of the Corporation	**810,437**	925,863
Return on equity [2]	**11.1 %**	7.7 %

(1) Net indebtedness is a capital management measure. For more information on this financial measure, please consult the "Non-IFRS Accounting Standards and other financial measures" section of the Corporation's MD&A for the year ended August 31, 2024, 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.

"Fiscal 2024 marked the beginning of a transformational period at Cogeco. As we continue to adapt to a challenging market, we seek to further hone our skills in delivering high quality services to our customers, driving innovation and generating value to our shareholders."

- Louis Audet



Message from the Chairman of the Board

Fiscal 2024 marked the beginning of a transformational period at Cogeco. As we continue to adapt to a challenging market, we seek to further hone our skills in delivering high quality services to our customers, driving innovation and generating value to our shareholders.

As part of our ongoing mission to enhance connectivity and provide our customers with reliable services across North America, Cogeco continued the expansion of its fibre-to-the-home program this year through strategic investments. I am especially proud of our work to connect communities in remote, rural and underserved areas.

We reached several important milestones on the wireless front in fiscal 2024, and these achievements are just the beginning of our journey to offer the most compelling products and services to our customers. Cogeco continued the rollout of Breezeline Mobile, our wireless operation in the U.S., after its launch in May. And we recently announced progress in our plans to launch wireless in Canada as an MVNO, with partnerships that will help us offer attractive options for customers in a manner that makes financial sense for our business. These efforts are intended to complement our service offering in our wireline network coverage areas.

At Cogeco Media, our leading radio stations in Québec continued to fulfill their information and entertainment mandates with distinction.

Bringing value to our shareholders remained of paramount importance in fiscal 2024, as highlighted by the repurchase of Cogeco shares held by Rogers Communications Inc. and further investments positioning us for future growth.

At the core of Cogeco's work lies our commitment to leading with community service, adhering to robust corporate governance principles, and helping preserve the well-being of our planet. Cogeco was named one of the 100 most sustainable companies in the world by Corporate Knights for the fifth consecutive year in 2024 – a testament to our sustainability strategy and the value we place on the communities our employees and customers call home.

With these initiatives underway, we were pleased to welcome Frédéric Perron as President and Chief Executive Officer and Board Member this past March. With his extensive international experience and the energy he has displayed in leading our Canadian Broadband operation, Frédéric brings a new perspective to management team effectiveness and to the shaping of value creating strategies.

I want to acknowledge the members of the Board of Directors of Cogeco for their expert guidance in fiscal 2024. The Board's stewardship of Cogeco's values and growth strategies is especially helpful during this time of transformation.

As we look forward to fiscal 2025, I want to thank our hard-working employees across North America. Their dedication to excellence is what makes Cogeco a growing leader in our industry. Their tireless efforts are guarantors of a bright future for Cogeco. And to our shareholders, I want to express my gratitude for their trust in Cogeco. We remain committed to delivering on your confidence.



LOUIS AUDET
Chairman of the Board

Message from the President and CEO

Cogeco is a North American leader in the telecommunications and media sectors, and fiscal 2024 provided further evidence that we are poised to reach new heights in the years ahead. Cogeco is uniquely positioned to generate sustainable growth, leveraging its unique North American footprint, entry into the wireless sector, and unmatched proximity to local communities.

As the only broadband operator with a significant presence in both Canada and the United States – which includes 1.6 million subscribers, and a media footprint spanning 21 radio stations and a news agency in Québec – we take pride in connecting individuals and communities across borders, especially in remote, rural and underserved areas.

Resilient growth

We are proud of our ability to adapt to evolving industry dynamics, and our results from the past fiscal year demonstrate our resilience in these efforts.

In fiscal 2024, our consolidated revenue remained stable at $3.1 billion, while adjusted EBITDA increased by 1.5% to $1.5 billion. Profit for the year was $349 million, cash flows from operating activities was $1.2 billion, and free cash flow excluding network expansion projects was $613 million. We continued to take a balanced approach to capital allocation by maintaining prudent leverage while investing in the growth of the business - including through network enhancement and expansion, business acquisitions and expanding our mobile phone offering - all the while returning significant capital to shareholders through our dividends, which increased by 17% to $3.42 per share.

Over the past year we added close to 58,000 new homes passed in Canada and the U.S., mainly through fibre networks. We also acquired Niagara Regional Broadband Network, strengthening our presence in Ontario.

Understanding the vital role that strong connectivity plays in building communities, we further invested in making improvements to our products and services, including faster Internet speeds, stronger Wi-Fi connections, and new TV services over broadband. At Cogeco Media, our radio stations consistently ranked at the top of Canadian listener ratings, and we are continually expanding our multi-platform audio content offerings.

We also advanced the development of a competitive mobile offering. In May, we launched Breezeline Mobile, starting a strategic rollout of wireless across our U.S. footprint. And in August, we signed five-year partnerships with a national wireless network operator and with a supplier of wireless technology platforms, bringing us closer to a wireless launch in Canada through a capital-light model as an MVNO. We are determined to expand our market presence and provide compelling products and services to our customers, increasing loyalty and lowering churn along the way.

During fiscal 2024, Cogeco continued to make shareholder value creation a top priority. In December 2023, Cogeco Communications and Cogeco repurchased all the shares held by Rogers Communications Inc., in collaboration with CDPQ for a total value of $829 million. This transaction was accretive on both a net asset value per share and free cash flow per share to the benefit of our shareholders, all while maintaining the flexibility we need to pursue growth opportunities.

Refreshed plan for the future

Our relentless pursuit to continuously improve and grow is one of the many things that make me proud to be part of this organization. That is why, shortly after my appointment as President and CEO, we implemented a six-point growth plan to continue building on our progress from recent years:

1 - INCREASE CROSS-BORDER SYNERGIES - As of September 2024, our Canadian and U.S. telecommunications operations have successfully been combined into one team. With this reorganization, we will further harmonize processes, systems, and platforms across Canada and the U.S. and generate savings that will be funneled into historically under-invested areas such as digital and analytics. This leaner and nimbler structure will also accelerate best practice sharing and talent deployment across both markets.

2 - DIGITIZE SALES AND SERVICE INTERACTIONS - We recognize that customers increasingly prefer digital solutions, which is why we are working to modernize our sales and channels, with the introduction of new capabilities such as our first-ever AI chatbot "Charlie". First unveiled in the U.S., "Charlie" has already successfully interacted with tens of thousands of customers and has more recently been introduced in Canada, using the same platform and vendor, under the name "Sam". We are also accelerating the growth of oxio, our digital brand, and deploying oxio best practices across our Cogeco and Breezeline brands.

3 - ACCELERATE ADVANCED ANALYTICS - We are intensifying our use of advanced tools to enhance our customer base management, pricing, retention and sales efforts, as well as network management activities. This will provide opportunities for more personalized customer offers, improve our customer experience, and enhanced revenue generation.

4 - PURSUE DISCIPLINED NETWORK EXPANSION - We continue to deploy fibre Internet to new

communities across North America, often through partnerships with governments to increase rural connectivity. Cogeco is proud to have built more than 253,000 new homes passed since the beginning of fiscal 2022.

5 - CROSS-SELL WIRELESS - With the advancement of our MVNO wireless service in the U.S. – and progress towards a launch in Canada also as an MVNO – we are aiming to bundle Cogeco's wireless services with our wireline products, thereby creating a pathway for new sales and reduced subscriber churn.

6 - TRANSFORM OUR RADIO BUSINESS - Radio plays a pivotal role in local journalism and bringing communities together. That is why Cogeco Media will continue to focus on providing multi-platform audio content to our listeners. We are also investing in the digital transformation of our radio business to enhance efficiencies and drive revenue growth, so we can maintain our position as a leading broadcaster in the province of Québec.

Unleashing our collective power

In fiscal 2024, we welcomed new members to our executive team, bringing crucial new skills and industry-leading expertise aligned with the above strategy. This team will continue to guide and motivate our employees, who have continued to display tremendous dedication, resilience and hard work through our transformation. I am more convinced than ever that we are now ready to unleash a new level of performance to sustain our growth, for generations to come.

We will achieve the above through a sustainable approach which includes prioritizing digital inclusion and climate action in all facets of our business, and upholding responsible and ethical management practices.



I am thankful for our employees' dedication and our Board's invaluable support and commitment to Cogeco's success, and deeply appreciative of the support and trust our customers and shareholders continue to place in us. Cogeco's future is bright - thank you for being at the heart of it.



FRÉDÉRIC PERRON
President & Chief Executive Officer

Fiscal 2024 in review



Initiated a three-year transformation program, including a simplification of our organizational structure,

combining Cogeco's Canadian and U.S. telecommunications teams.

NRBN
NIAGARA REGIONAL BROADBAND NETWORK

Pursued our business expansion

with the acquisition of Niagara Regional Broadband Network, strengthening Cogeco's presence in Ontario.

Launched wireless

services successfully in the United States, expanding Breezeline service offerings across most of its footprint.

Progressed our plans to launch wireless in a capital-light manner in Canada,

by signing five-year partnerships with a national wireless network operator and with a supplier of wireless technology platforms. »





«

Remained focused on elevating the customer experience

by further investing in making improvements to our products and services, including faster Internet speeds, stronger Wi-Fi connections, and new services in TV over broadband.

Made a sustained impact on the growth, engagement and development

of our people by increasing our investments in leadership capabilities, refining our employee branding, and fostering a more inclusive workplace through our four employee-led resource groups.



Continued the acceleration of the digital transformation of our radio business

by continually expanding our multi-platform audio content offerings.





Pursued the execution of our climate action roadmap

through initiatives such as fleet fuel reduction projects.

Continued to bridge the digital divide

by adding fibre-to-the-home high-speed Internet access to close to 58,000 homes passed, or 1.5%, to our network in previously underserved and unserved regions, often in partnership with governments.



Management's discussion and analysis ("MD&A")

MD&A

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1. Forward-looking statements

Certain statements contained in this Management's Discussion and Analysis ("MD&A") 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 relating to 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 strategy" and "Fiscal 2025 financial guidelines" sections of the current 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 general market conditions, competitive risks (including changing competitive and technology ecosystems and disruptive competitive strategies adopted by our competitors), business risks, regulatory risks, tax 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 the highly competitive market for a 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, sustainability and sustainability reporting 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 increased competition and 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 current 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 MD&A and the forward-looking statements contained in this MD&A represent Cogeco's expectations as of the date of this MD&A (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 report should be read in conjunction with the Corporation's consolidated financial statements and the notes thereto prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") for the year ended August 31, 2024.

In preparing this MD&A, the Corporation has taken into account information available up to October 31, 2024, the date of this MD&A, unless otherwise indicated. Additional information relating to the Corporation, including its Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on the Corporation's website at corpo.cogeco.com.

2. Overview of the business

Cogeco is a diversified holding corporation which operates in the telecommunications and media sectors. Its Cogeco Communications Inc. ("Cogeco Communications") subsidiary provides Internet, video and wireline phone services to residential and business customers in Canada and in the United States. More recently, Cogeco Communications has expanded its services to also offer wireless services in most of the U.S. states in which it operates. Through Cogeco Media, it operates 21 radio stations in Canada, primarily in the province of Québec, as well as a news agency. The Corporation's results are reported in two operating segments: Canadian telecommunications and American telecommunications.

2.1 Canadian and American telecommunications segments

Description of services

The Canadian telecommunications activities are carried out by Cogeco Connexion under the Cogeco and oxio brands in Canada and the American telecommunications activities are carried out under the Breezeline brand in thirteen U.S. states: Connecticut, Delaware, Florida, Maine, Maryland, Massachusetts, New Hampshire, New York, Ohio, Pennsylvania, South Carolina, Virginia and West Virginia.

The following services represent our core suite of offerings:

Internet services: We offer a wide range of Internet packages with top download speeds of up to 1 Gbps in Canada (1+ Gbps in select areas), 1 Gbps in the United States, and up to 10 Gbps for commercial subscribers in both countries. We also offer best-in-class managed Wi-Fi, with home Wi-Fi solutions. These solutions improve the overall customer experience by providing expanded Wi-Fi coverage with enhanced reliability and consistent speed in every area of the home. Both Cogeco Connexion and Breezeline's home Wi-Fi solutions include self-installation options.

Video services: We offer our subscribers a full array of digital video services and programming offerings. Our subscribers have access to a basic service, various tier packages, pay-per-view ("PPV") channels, video on demand ("VOD") services, advanced video services and an Internet protocol television ("IPTV") service. Along with the launch of Cogeco Connexion's new user interface in fiscal 2023 and through Breezeline's Stream TV application, Cogeco video services are available on retail devices such as Apple TV, Roku, Samsung, and Amazon Fire TV, as well as on Android and Apple mobile phones and tablets, allowing for subscribers to watch what they want on multiple screens.

Wireline phone services: Wireline phone services use Internet protocol ("IP") to transport digitized voice signals over the same private network that brings video and Internet services to subscribers. Residential customers can subscribe to different packages. All wireline phone residential subscribers can have access to direct international calling and can subscribe to various long distance plans, voicemail and other popular custom calling features.

Wireless services: In fiscal 2024, Breezeline launched its wireless service across most of its wireline footprint. Breezeline Mobile is offered as a bundle to Breezeline's residential customers who also subscribe to home broadband service. Breezeline Mobile is available to Breezeline's broadband customers through an MVNO agreement with a major wireless network operator and an agreement with a national technology service company. Furthermore, the Corporation entered more recently into two key supplier agreements that will enable it to offer wireless services across its Canadian footprint through a five-year MVNO agreement with a national wireless network operator giving the Corporation access to its wireless network.

Business services: We offer to our business subscribers, depending on the area, a wide range of Internet packages, video services, voice services and other advanced network connectivity services, such as dedicated fibre, session initiation protocol ("SIP") or primary rate interface ("PRI") trunking solutions and hosted private branch exchange ("HPBX") solutions, as well as managed business Wi-Fi ("MBW").

We actively bundle our services into "double play", "triple play" and/or "quadruple play" offerings at competitive prices to promote cross-selling within our subscriber base and to attract new customers.

Networks and infrastructure

Cogeco Connexion and Breezeline provide residential Internet, video and wireline phone services as well as business services through advanced fibre optic and two-way telecommunications distribution networks. Cogeco Connexion and Breezeline deliver these services through their own long-distance fibre optic systems, advanced hybrid fibre-coaxial ("HFC")

telecommunications distribution networks, point-to-point fibre networks and fibre-to-the-home ("FTTH") network technologies.

Cogeco Connexion's distribution network covers a large territory from Western Ontario to Eastern Québec. Breezeline's distribution network covers thirteen states along the East Coast of the United States, from Maine to Florida, as well as Pennsylvania and Ohio. Each of Cogeco Connexion and Breezeline's core transport networks have a broad reach and are designed to easily interconnect, at very high speed, their many local distribution systems to video content providers, other telecommunications provider networks, software application providers and the Internet.

For residential services, Cogeco Connexion and Breezeline are constantly densifying optical fibres to nodes serving small clusters of homes passed, with multiple fibres per node, to rapidly increase speed and capacity when necessary. This "just in time" process, known as "node splitting", improves the quality and reliability while increasing the capacity of two-way services such as Internet, interactive video services and wireline phone and optimizing the efficiency of capital investments. The HFC distribution infrastructure is designed with radio frequency ("RF") capacity of up to 1.8 GHz of bandwidth capacity, depending on the market served and customer needs.

This hybrid combination of fibre optic and coaxial cable allows us to optimize the delivery of high quality networks through efficient capital investments. Cogeco Connexion and Breezeline are also deploying FTTH technology in all new residential developments which meet specific criteria of size, proximity to the existing plant and service penetration rate. Cogeco Connexion and Breezeline's current FTTH deployment utilizes Passive Optical Networking ("PON") technology, as it is a robust solution offering subscribers symmetrical speeds.

Cogeco Connexion and Breezeline use CableLabs' DOCSIS technology to deliver Internet and business services over HFC networks. DOCSIS has numerous advanced features to ensure continuous transmission and high-quality service delivery. In addition, this technology provides a flexible and expandable platform to further increase IP transmission speeds and to provide other products such as symmetrical services, which are particularly well suited for commercial subscriber applications. Cogeco Connexion offers Internet download speeds of up to 1 Gbps in approximately 88% of its footprint. Breezeline offers up to 1 Gbps Internet download speeds to approximately 97% of its footprint of serviceable homes and businesses. Higher speed packages are available to businesses and on a bespoke basis. Cogeco Connexion and Breezeline intend to continue deploying Gbps speeds in the coming years using the DOCSIS 3.1 technology and selectively deploy DOCSIS 4.0, capable of offering 8 to 10 Gbps download speeds.

Cogeco Connexion and Breezeline's wireline phone service uses VoIP technology which makes it possible to have a telephone conversation over an Internet IP network instead of dedicated voice transmission lines. IP networks allow the elimination of circuit switching phone equipment and the associated waste of bandwidth. Instead, packet switching is used, whereby IP packets with voice data are sent over the network only when data needs to be sent, for example when a caller is talking. VoIP's advantages over traditional telephony systems include lower costs per call and lower infrastructure costs as, once the IP infrastructure is installed, little or no additional phone infrastructure is needed.

2.2 Media activities

Cogeco Media, one of Québec's largest radio broadcasters, operates 21 radio stations, delivering varied and complementary programming to a wide range of audiences. Stations include 98.5 in Montréal, the most listened to station in Canada in the last Numeris surveys of spring 2024, as well as 106.9 in Mauricie, 107.7 in Estrie, 104.7 in Outaouais, FM93 in Québec City and KYK 95.7 in Saguenay; the Rythme network stations: 105.7 in Montréal, 102.9 in Québec City, 100.1 in Mauricie, 98.3 in Saguenay and 93.7 in Estrie; as well as the stations CIME 103.9 in Laurentides, 96.9 CKOI, The Beat 92.5, the four Planète stations in Lac-St-Jean and Radio Circulation in Montréal.

Cogeco Media's stations are leaders in their respective markets, reaching nearly 5 million listeners each week by providing to a wide audience a varied and relevant programming. Cogeco Media also owns Cogeco Nouvelles, the largest private news agency in Québec.

2.3 Corporate objectives and strategy

Our vision is to be the organization that delivers the best and most sustainable value to its stakeholders, including its customers, communities, colleagues, suppliers and shareholders. We are taking action every day to fulfill our mission of bringing people together through powerful communication and entertainment experiences.

The digitization of society is creating exciting growth opportunities for Cogeco, with increasing demand for fixed and mobile telecommunication and entertainment services. High-speed Internet access and digital inclusion remain societal priorities and are generating opportunities for network expansion in collaboration with governments, while audio content on digital platforms is also proliferating. While we are now navigating a more difficult economic environment with changing market dynamics, we continue to drive business performance and to leverage the advantages that come from our mid-size scale, our unique North American platform, our recent entry into the wireless sector and our leadership position in radio broadcasting.

Strategy for growth

We focus on growing the business and continuously innovating while returning capital to shareholders and maintaining a prudent level of financial leverage, supported by robust environmental, social and governance (ESG) practices. Our growth strategy leverages our fibre-powered networks, strong multi-platform digital content offering, and innovative products and services. We are committed to offer a compelling customer experience and to maintain deep connections within the communities we serve. Our human scale culture is focused on collaboration, connection and commitment to our customers, employees, communities and other key stakeholders.

Every day, we drive sustainable and inclusive growth through our long-standing tradition of social engagement and community involvement, our commitment to digital inclusion, our leading operating practices as well as our strong commitment to responsible and ethical management. Ultimately, Cogeco exists to enrich people's lives through human connection and vibrant communities. Our purpose is at the core of the relationships with our stakeholders and is a central element of our long-term growth.

Fiscal 2024 key achievements

Solidify our foundation

- Improved our customer experience by enhancing streaming options, offering new Wi-Fi products, and enriching audio content.
- Launched a new operating model, combining the management of Canadian and U.S. telecommunications businesses, aimed at achieving operational excellence, while generating synergies to power future growth.
- Pursued our branding activities, focused on raising awareness in the U.S. while also growing our Canadian Internet service subscriber base organically by more than 35,000 subscribers using a dual-brand strategy.
- Continued to invest in digital tools which are increasingly providing personalized services and generating operational efficiencies. In this context, we introduced an artificial intelligence ("AI") powered chatbot in both Canada and the U.S. In our radio operations, we further increased the level of digitization of sales, marketing and promotion of our audio content offering across multiple platforms.
- Recognized among the world's 100 most sustainable corporations for the fifth consecutive year by Corporate Knights.

Pursue network expansion

- Added close to 58,000 homes passed organically, or 1.5%, to our network, often in partnership with governments, to bring fibre-to-the-home high-speed Internet to unserved and underserved rural areas. Our ability to quickly develop and grow our customer base in such areas demonstrates the importance of our services.
- Initiated a detailed review of opportunities related to the upcoming launch of the Broadband Equity Access and Deployment funding program in the U.S.

Evolve our wireline network

- Pursued the evolution of our network through fibre deployment and DOCSIS upgrades, leveraging technological enhancements, to enhance customer experience through improved performance, capacity, resilience and reliability.
- Implemented several predictive maintenance strategies focused on proactive network and in-home equipment upgrades, with initial success in reducing service and billing customer calls, as well as field repairs.

Make accretive & complementary acquisitions

- Successfully completed the integration of oxio, a growing digital brand operating in many Canadian provinces, which also serves as a second brand where Cogeco Connexion already operates.
- Acquired Niagara Regional Broadband Network to strengthen our Ontario presence.

Expand in new customer segments

- Expanded our digital oxio brand to serve growing customer segments through a digital-first offering.
- Increased the number of listeners on digital audio products, both for broadcast content and for new digital-only content.

Launch and grow mobile services

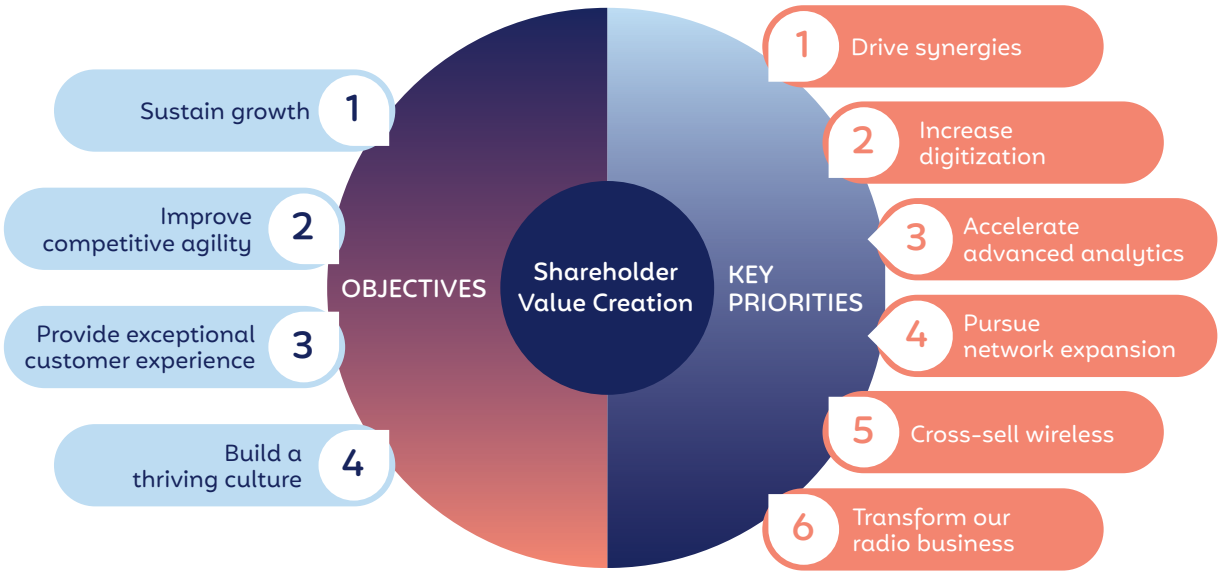
- Launched wireless services in the U.S., allowing fixed/mobile bundling for both the acquisition and retention of new customers.
- Signed a five-year MVNO agreement with a national Canadian wireless network operator, giving Cogeco access to its wireless network.
- Entered into a separate five-year agreement for the delivery of Cogeco's wireless technology platforms, including business support systems, core network, and operations systems in Canada.
- Acquired 99 spectrum licences in the 3800 MHz spectrum auction. We now own wireless spectrum bands in all of our Canadian broadband footprint.

Transform our radio business

- Deployed renewed audio content in our radio stations and digital platforms.
- Designed and built with external partners our key infrastructures (Broadcasting system, Digital platform and Customer relationship platform).
- Secured key on-air talents required to maintain our leadership in the Québec Audio market and developed new digital skills.
- Built strong relationships with partners to maximize our presence and content leadership.

Transforming to deliver sustainable growth

To ensure our continued success, we announced in May 2024 a new operating model and a three-year transformation program that will allow us to sustain our growth, take our competitive agility to new heights, provide exceptional customer experience, and build a thriving culture (refer to section "Business developments" for further details).



SHAREHOLDER VALUE CREATION will remain at the forefront of everything we do, including positioning the Corporation for a sustainable growth trajectory by broadening our product offering, reaching new segments and markets, and accelerating our digital and analytics capabilities.

Our key priorities for fiscal 2025 are as follows:

1 **DRIVE SYNERGIES** - Further harmonize processes, technologies, systems, and platforms across the U.S. and Canada to simplify operations and generate efficiencies.

2 **INCREASE DIGITIZATION** - Drive revenue growth, cost reductions, and enhanced customer satisfaction by increasing the share of sales and service transactions which are done digitally.

3 **ACCELERATE ADVANCED ANALYTICS** - Elevate our use of analytics and, over time, AI, to deploy more personalized customer offers, increase revenue, improve retention performance and optimize network maintenance.

4 **PURSUE NETWORK EXPANSION** - Selectively expand our wireline network into adjacent areas, in a financially disciplined manner, mainly through government programs that subsidize broadband deployment in underserved regions.

5 **CROSS-SELL WIRELESS** - Bolster our existing product set with our recently-launched U.S. wireless service and continue to prepare for an upcoming launch in Canada as an MVNO.

6 **TRANSFORM OUR RADIO BUSINESS** - Consolidate our leadership in radio content, continue to promote and monetize this content on digital platforms, and modernize our operations and sales platforms.

Looking further into the future, we also intend to invest up to $100 million of capital into longer-term opportunities with new growth prospects. It is anticipated that these funds will be invested over a five-year period on an exploratory basis with the objective of generating attractive long-term returns. Opportunities may include new promising technologies which could enable or accelerate our development, new products likely to be appealing to our customers and/or new geographies that show promise for profitable subscriber growth in the future. The objective is to create new opportunities for growth in a fast-changing environment by building on our innovation and operational experience.

2.4 Business developments

Strategic partnerships to launch wireless services in Canada as an MVNO

On August 19, 2024, Cogeco and Cogeco Communications announced strategic partnerships with a national wireless network operator and with a supplier of wireless technology platforms to facilitate the development of wireless services in Canada under a capital-light operating model. These partnerships represent an important milestone in the Corporation's plan to offer wireless services to more than 4.2 million Canadians residing within its cable footprint in Ontario and Québec, and enabling the Corporation to provide a broader range of bundled offers to its customers.

New organizational structure combining Cogeco's and Cogeco Communications' Canadian and U.S. telecommunications teams

On May 29, 2024, Cogeco and Cogeco Communications announced a strategic transformation aimed at achieving operational excellence, while generating synergies to power future growth. Effective September 1, 2024, both corporations successfully combined the commercial, operational and technical functions of their Canadian and U.S. telecommunications businesses into a simpler North American organization.

This transformation will enable the creation of strong cross-border centers of expertise in key strategic areas such as digitization, advanced analytics and technology. It will also accelerate the deployment of top talent and best practices across the organization and will facilitate the harmonization of systems and platforms.

Successfully launched wireless service in the United States, expanding Breezeline's service offerings

On May 23, 2024, Breezeline launched a wireless service across most of its wireline footprint. Breezeline Mobile, which is offered as a bundle to Breezeline's residential customers who also subscribe to home broadband service, enables the Corporation to bolster its already robust value proposition and further enhance its competitive position in the United States. Breezeline Mobile is available to Breezeline's broadband customers through an MVNO agreement with a major wireless network operator and an agreement with a national technology service company.

High-speed Internet network expansion in Canada and the United States

As part of its plan to extend its high-speed Internet coverage to underserved and unserved rural areas, the Corporation continued its fibre-to-the-home Internet network expansion projects in both Canada and the United States, a portion of which was done in collaboration with governments. The Corporation has added close to 58,000 homes passed organically during fiscal 2024, and a total of more than 253,000 since the beginning of fiscal 2022.

In Canada, over the past years, Cogeco Connexion announced investments in several fibre-to-the-home Internet network expansion projects in Québec and Ontario, partially funded by provincial and federal government programs. In fiscal 2024, Cogeco Connexion successfully completed its 13 high-speed Internet network expansion projects in 180 Québec municipalities. Cogeco Connexion is also carrying out six new high-speed Internet network expansion projects in several regions of Ontario, which will benefit 37 municipalities.

In the United States, Breezeline continued its geographical fibre-to-the-home network expansion in adjacent cities with attractive demographic and economic growth, including those in multiple communities in New Hampshire, Massachusetts, Maryland, Virginia and West Virginia. In the future, Breezeline may seek to further expand its network by participating in government programs such as the upcoming US$42.5 billion Broadband Equity, Access, and Deployment (BEAD) Program.

New temporary fund to support the production of news programming by commercial radio stations

On June 4, 2024, the CRTC released Broadcasting Regulatory Policy 2024-121, *The Path Forward - Supporting Canadian and Indigenous content through base contributions*, which will require online streaming services to make financial contributions to the production of Canadian and Indigenous programming. Specifically, the Commission will require both audio-visual and audio online services that make $25 million or more in gross broadcasting revenues (excluding revenues generated from audiobook, podcast and video games services, and from user-generated content) and that are not affiliated with a Canadian broadcaster to contribute 5% of those revenues to certain funds. Audio streaming services subject to this requirement will be required to direct at least 30% of their contributions to a new temporary fund to support news on commercial radio stations outside of the Montréal, Toronto, Vancouver, Calgary, Edmonton and Ottawa-Gatineau markets. Some of Cogeco Media's radio stations will be entitled to receive funding from this new fund, which will be administered by the Canadian Association of Broadcasters ("CAB"). On July 4, 2024, the CAB submitted an operational plan to administer the fund to the CRTC, which launched a public consultation seeking comments on the plan thereafter. A decision on the CAB's proposed

plan is pending. The CRTC expects these new measures to take effect in the 2024-2025 broadcasting year. Certain audio streaming services are challenging the requirement to make contributions and have submitted applications for leave to appeal and for judicial review of Broadcasting Regulatory Policy 2024-121 to the Federal Court of Appeal.

2.5 Operating environment

The Corporation operates in an industry that provides essential services to residential and commercial consumers and is known for its resilience during various economic cycles. However, due to greater competitive intensity and changing video subscriber trends, the Corporation expects sustained pressure on its revenue and operating costs. To address this, the Corporation is actively pursuing cost optimization initiatives, such as its recently revamped operating model, and exploring new product and revenue stream opportunities.

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.

2.6 Key performance indicators

The following key performance indicators are closely monitored to ensure that business strategies and objectives are closely aligned with shareholder value creation. The key performance indicators are not measurements in accordance with IFRS Accounting Standards and should not be considered an alternative to other measures of performance in accordance with IFRS Accounting Standards. The Corporation's method of calculating key performance indicators may differ from other companies and, accordingly, these key performance indicators may not be comparable to similar measures presented by other companies. The Corporation measures its financial performance, with regard to its corporate objectives, by monitoring revenue, adjusted EBITDA, net capital expenditures and free cash flow on a constant currency basis. The Corporation also measures net capital expenditures and free cash flow excluding network expansion projects as it provides a common basis for comparing the net capital expenditures to historical net capital expenditures prior to the acceleration of the network expansion projects and for assessing the impact of the network expansion projects on the net capital expenditures and free cash flow.

	Fiscal 2024 performance and results				Fiscal 2024 projections (constant currency) [1]	
	Actuals [1]		In constant currency [1][2]			
(In millions of Canadian dollars, except percentages)	$	% increase (decrease) [3]	$	% increase (decrease) [3]	November 1, 2023	Achievement of the projections
Financial guidelines						
Revenue	3,074	(0.2)	3,059	(0.7)	Stable	Achieved
Adjusted EBITDA [2]	1,455	1.5	1,448	1.0	Stable	Achieved
Profit for the year [4]	349	(0.2)	N/A	N/A	N/A	N/A
Net capital expenditures [2][5]	643	(8.6)	639	(9.0)	$700 to $775	Surpassed
Net capital expenditures in connection with network expansion projects	137	(20.5)	137	(21.0)	$140 to $190	Surpassed
Acquisition of property, plant and equipment [4]	664	(17.6)	N/A	N/A	N/A	N/A
Free cash flow [2][3]	476	12.2	475	12.0	Decrease of 5% to 15%	Surpassed
Free cash flow, excluding network expansion projects [2][3]	613	2.7	611	2.4	Decrease of 5% to 15%	Surpassed
Cash flows from operating activities [4]	1,185	22.4	N/A	N/A	N/A	N/A

(1) Actual results and projections are presented in constant currency based on fiscal 2023 average foreign exchange rate of 1.3467 USD/CDN.

(2) Adjusted EBITDA and net capital expenditures are total of segments measures. Constant currency basis, free cash flow and free cash flow, excluding network expansion projects are non-IFRS Accounting Standards measures. Change in constant currency is a non-IFRS Accounting Standards ratio. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, including references to the specific sections within the MD&A, as applicable, for the reconciliations to the most directly comparable IFRS Accounting Standards measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

(3) Percentage of changes compared to fiscal 2023. During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation. This change in calculation did not have a material impact on the Corporation's fiscal 2024 previously issued financial guidelines. For further details, please refer to the "Non-IFRS Accounting Standards and other financial measures" section.

(4) These are presented as the most directly comparable IFRS Accounting Standards measures and are not presented as part of the Corporation's fiscal 2024 projections.

(5) Net capital expenditures exclude non-cash acquisitions of right-of-use assets and the purchases, and related borrowing costs, of spectrum licences, and are presented net of government subsidies, including the utilization of those received in advance.

The Corporation achieved its stable revenue and adjusted EBITDA projections in constant currency mainly as a result of both the Canadian and American telecommunications segments being in line with expectations. As anticipated, revenue growth in the Canadian telecommunications segment was offset by a decline in revenue in the American telecommunications segment as it continues to face competition in its markets, especially for entry-level services and video services cord cutting. Revenue growth in the Canadian telecommunications segment was marked by continued growth in its Internet subscriber base, driven by a mix of new subscribers added under the Cogeco and oxio brands, as well as new subscribers from fibre-to-the-home network expansions. Adjusted EBITDA remained stable on a constant currency basis compared to last year driven by stable revenue combined with several cost optimization initiatives initiated across the Corporation.

On a constant currency basis, net capital expenditures, along with net capital expenditures in connection with network expansion projects were lower than planned, surpassing the Corporation's projections, mainly due to the timing of certain initiatives. Excluding network expansion projects, the Corporation also surpassed its free cash flow projections.

As for free cash flow on a constant currency basis, the Corporation surpassed its projections mainly due to lower net capital expenditures, as explained above, including lower than expected wireless investments in Canada driven by initiatives undertaken in relation to strategic partnerships to facilitate the development of wireless services in Canada under a capital-light operating model.

For further details on the Corporation's operating results, please refer to the "Consolidated operating and financial results", the "Segmented operating and financial results" and the "Cash flows analysis" sections.

2.7 Three-year annual financial highlights

Years ended August 31 *(In thousands of Canadian dollars, except percentages and per share data)*	2024 $	2023 [1] $	2022 [1] $
Operations			
Revenue	**3,073,985**	3,081,136	2,995,012
Adjusted EBITDA [2]	**1,454,817**	1,432,929	1,405,588
Acquisition, integration, restructuring and other costs	**63,298**	36,245	35,029
Impairment of property, plant and equipment, intangible assets and goodwill	**15,229**	88,000	—
Profit for the year	**349,381**	350,235	457,755
Profit for the year attributable to owners of the Corporation	**96,746**	70,630	149,108
Cash flow			
Cash flows from operating activities	**1,185,150**	968,214	1,258,427
Free cash flow [1][2]	**475,765**	424,083	437,710
Acquisition of property, plant and equipment	**664,004**	806,237	747,608
Net capital expenditures [2][3]	**642,747**	702,913	691,866
Per share data [4]			
Earnings per share			
Basic	**8.63**	4.53	9.43
Diluted	**8.55**	4.51	9.37
Dividends per share	**3.416**	2.924	2.50

As at **Financial condition**	August 31, 2024	August 31, 2023	August 31, 2022
Cash and cash equivalents	**77,746**	363,854	379,001
Total assets	**9,773,739**	9,869,778	9,468,025
Long-term debt			
Current	**370,108**	43,325	340,468
Non-current	**4,594,057**	5,045,672	4,398,142
Net indebtedness [2]	**4,957,594**	4,817,113	4,545,809
Long-term financial liabilities [5]	**4,603,891**	5,046,221	4,398,868
Equity attributable to owners of the Corporation	**810,437**	925,863	919,843
Return on equity [2]	**11.1 %**	7.7 %	17.2 %

(1) During the fourth quarter of fiscal 2024, the Corporation updated its free cash flow calculation to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation. For further details, please refer to the "Non-IFRS Accounting Standards and other financial measures" section.

(2) Adjusted EBITDA and net capital expenditures are total of segments measures. Free cash flow is a non-IFRS Accounting Standards measure. Net indebtedness is a capital management measure. Return on equity is a supplementary financial measure. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards 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 Accounting Standards and other financial measures" section.

(3) Net capital expenditures exclude non-cash acquisitions of right-of-use assets and the purchases, and related borrowing costs, of spectrum licences, and are presented net of government subsidies, including the utilization of those received in advance.

(4) Per multiple and subordinate voting shares.

(5) Long-term financial liabilities include mainly long-term debt and derivative financial instruments.

3. Consolidated operating and financial results

3.1 Operating results

Years ended August 31			2024	2023	Change	
(In thousands of Canadian dollars, except percentages)	Actual [1]	Foreign exchange impact	In constant currency [2]	Actual	Actual	In constant currency
	$	$	$	$	%	%
Revenue	**3,073,985**	(15,024)	**3,058,961**	3,081,136	**(0.2)**	**(0.7)**
Operating expenses	**1,619,168**	(8,121)	**1,611,047**	1,648,207	**(1.8)**	**(2.3)**
Adjusted EBITDA	**1,454,817**	(6,903)	**1,447,914**	1,432,929	**1.5**	**1.0**

(1) For fiscal 2024, the average foreign exchange rate used for translation was 1.3606 USD/CDN.

(2) Fiscal 2024 in constant currency is translated at the average foreign exchange rate of fiscal 2023, which was 1.3467 USD/CDN.

Revenue

Years ended August 31	2024	2023	Change	Change in constant currency	Foreign exchange impact [1]
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**1,510,506**	1,489,915	1.4	1.4	—
American telecommunications	**1,466,018**	1,494,213	(1.9)	(2.9)	(15,024)
Cogeco Communications	**2,976,524**	2,984,128	(0.3)	(0.8)	(15,024)
Other	**97,461**	97,008	0.5	0.5	—
Consolidated	**3,073,985**	3,081,136	(0.2)	(0.7)	(15,024)

(1) Foreign exchange impact is a non-IFRS Accounting Standards measure. This indicated term does not have a standardized definition prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on this financial measure, including references to the specific sections within the MD&A, as applicable, for the reconciliations to the most directly comparable IFRS Accounting Standards measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

Fiscal 2024 revenue remained stable as reported and in constant currency, mainly resulting from:

- a decline in the American telecommunications segment's subscriber base, especially for entry-level services, and a higher proportion of customers subscribing to Internet-only services. The decline was offset in part by higher revenue per subscriber and a better product mix resulting from improving subscriber metrics; offset by
- revenue growth in the Canadian telecommunications segment, driven mostly by the cumulative effect of high-speed Internet service additions over the past year, including from network expansion projects, as well as the oxio acquisition completed on March 3, 2023 and the NRBN acquisition completed on February 5, 2024. The increase was offset in part by an overall decline in video and wireline phone service subscribers as an increasing proportion of customers subscribe to Internet-only services.

Operating expenses

Years ended August 31	2024	2023	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**710,706**	701,717	1.3	1.2	(447)
American telecommunications	**759,658**	800,409	(5.1)	(6.0)	(7,632)
Corporate and eliminations	**42,894**	42,336	1.3	1.2	(42)
Cogeco Communications	**1,513,258**	1,544,462	(2.0)	(2.5)	(8,121)
Other	**105,910**	103,745	2.1	2.1	—
Consolidated	**1,619,168**	1,648,207	(1.8)	(2.3)	(8,121)

Fiscal 2024 operating expenses decreased by 1.8% (2.3% in constant currency), mainly attributable to:

- lower operating expenses in the American telecommunications segment, mostly due to reduced video service costs resulting from a decline in TV subscriptions, cost reduction initiatives and operating efficiencies; partly offset by
- higher operating expenses in the Canadian telecommunications segment, mainly resulting from the oxio and the NRBN acquisitions and higher sales and other operating expenses to drive subscriber growth.

Adjusted EBITDA

Years ended August 31	2024	2023	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**799,800**	788,198	1.5	1.5	447
American telecommunications	**706,360**	693,804	1.8	0.7	(7,392)
Corporate and eliminations	**(63,846)**	(60,936)	(4.8)	(4.7)	42
Cogeco Communications	**1,442,314**	1,421,066	1.5	1.0	(6,903)
Other	**12,503**	11,863	5.4	5.4	—
Consolidated	**1,454,817**	1,432,929	1.5	1.0	(6,903)

Fiscal 2024 adjusted EBITDA increased by 1.5% (1.0% in constant currency), mainly resulting from:

- higher adjusted EBITDA in the Canadian telecommunications segment resulting from revenue growth, partly offset by higher sales and other operating expenses to drive subscriber growth; and
- higher adjusted EBITDA in the American telecommunications segment mainly due to lower operating expenses driven by cost reduction initiatives and operating efficiencies; partially offset by
- higher corporate costs.

3.2 Acquisition, integration, restructuring and other costs

Fiscal 2024

Fiscal 2024 acquisition, integration, restructuring and other costs amounted to $63.3 million, mostly related to:

- restructuring costs recognized during the second half of the year, including costs related to the new organizational structure announced in May 2024 and other cost optimization initiatives, consisting mainly of severance charges, including accelerated share-based compensation expense, and other related costs; and
- configuration and customization costs related to cloud computing and other arrangements, including certain costs associated with Breezeline's launch of wireless service in the United States; partly offset by
- a $4.2 million reversal of a charge, recognized during the second quarter following the Copyright Board decision issued in January 2024 on the redetermination of the 2014-2018 royalty rates (refer to the "Contractual obligations, contingencies and guarantees" section for further details).

Fiscal 2023

Fiscal 2023 acquisition, integration, restructuring and other costs amounted to $36.2 million, mainly related to:

- costs related to the integration of past acquisitions, as well as those incurred in connection with the acquisition of oxio, completed on March 3, 2023;
- restructuring costs associated with organizational changes during the fourth quarter within the Canadian and the American telecommunications segments;
- an $8.4 million retroactive adjustment recognized last year following the Copyright Board preliminary conclusions on the redetermination of the 2014-2018 royalty rates related to higher rates than previously expected for the period of 2016 to 2022; and
- configuration and customization costs related to cloud computing and other arrangements.

3.3 Depreciation and amortization

Fiscal 2024 depreciation and amortization expense amounted to $678.4 million, an increase of 8.5% compared to the prior year, mainly due to a higher level of capital assets and the appreciation of the US dollar against the Canadian dollar since last year.

3.4 Impairment of property, plant and equipment, intangible assets and goodwill

Fiscal 2024

During the fourth quarter of fiscal 2024, non-cash pre-tax impairment charges amounting to $15.2 million were recognized, mostly related to assets under construction write-offs, in relation to strategic partnerships to facilitate the development of wireless services in Canada under a capital-light operating model.

Fiscal 2023

Last year, as the Corporation's radio operations continued to face revenue pressure due to an industry-wide reduction in radio advertising demand, assumptions on projected earnings and cash flow growth for the Radio broadcasting cash generating unit ("CGU") were revised, also factoring in a higher discount rate. As a result, the Corporation recognized non-cash pre-tax impairment charges of $88 million during the third quarter of fiscal 2023, within its Cogeco Media subsidiary, of which $28 million was allocated to goodwill and $60 million was allocated to indefinite-life intangible assets for broadcasting licences, as it had concluded that the recoverable amount based on value in use was less than the carrying amount of the CGU.

3.5 Financial expense

Years ended August 31	2024	2023	Change
(In thousands of Canadian dollars, except percentages)	$	$	%
Interest on long-term debt, excluding interest on lease liabilities	**293,773**	257,927	13.9
Interest on lease liabilities	**3,498**	2,751	27.2
Loss on debt extinguishment [1]	**16,880**	—	—
Net foreign exchange loss (gain)	**(3,729)**	3,937	—
Amortization of deferred transaction costs related to the revolving facilities	**716**	744	(3.8)
Interest and other income	**(10,321)**	(11,098)	(7.0)
Capitalized borrowing costs [2]	**(17,432)**	(1,636)	—
Other	**3,287**	2,385	37.8
Financial expense	**286,672**	255,010	12.4
Adjusted financial expense [3]	**269,792**	255,010	5.8

(1) In connection with the prepayment of Tranche 1 of the Senior Secured Term Loan B Facility and the amendment of the Senior Secured Revolving Facility in September 2023.

(2) Capitalized borrowing costs in connection with debt incurred for the purchase of spectrum licences and the construction of certain networks.

(3) Adjusted financial expense, which excludes gains/losses on debt modification and/or extinguishment, is a non-IFRS Accounting Standards measure. This indicated term does not have a standardized definition prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on this financial measure, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

Fiscal 2024 financial expense increased by 12.4%, mostly due to:

- higher interest expense following the refinancing of the First Lien Credit Facilities in September 2023, the rising interest rates on the floating interest rate portion of the Senior Secured Term Loan B Facility and the appreciation of the US dollar against the Canadian dollar;
- a non-cash loss on debt extinguishment of $16.9 million recognized in the first quarter of fiscal 2024 following the prepayment of the US$1.6 billion Tranche 1 of the Senior Secured Term Loan B Facility and the amendment of the Senior Secured Revolving Facility in September 2023;
- higher usage under the term revolving facilities and rising interest rates compared to last year; and
- higher interest expense following the issuance of the $275 million Senior Unsecured Notes in February 2024 and the issuance of the $75 million Non-Revolving Term Credit Facility in December 2023; partly offset by
- capitalized interest recognized during the second half of fiscal 2024 in connection with debt incurred mainly for previously acquired spectrum licences.

Excluding the non-cash loss on debt extinguishment recognized in the first quarter, financial expense for fiscal 2024 increased by 5.8%.

3.6 Income taxes

Years ended August 31	2024	2023	Change
(In thousands of Canadian dollars, except percentages)	$	$	%
Current	**20,995**	31,973	(34.3)
Deferred	**40,813**	46,406	(12.1)
Income taxes	**61,808**	78,379	(21.1)
Effective income tax rate	**15.0 %**	18.3 %	(18.0)

Fiscal 2024 income tax expense decreased by 21.1%, mainly due to:

- higher tax benefits related to financing costs in connection with past acquisitions;
- last year's tax impact in connection to the non-deductible impairment of goodwill; and
- the decrease in profit before income taxes.

Current income taxes were lower in fiscal 2024 compared to the prior year, mainly due to higher tax benefits related to financing costs in connection with past acquisitions.

3.7 Profit for the year

Years ended August 31	**2024**	2023	Change
(In thousands of Canadian dollars, except percentages and earnings per share)	**$**	$	%
Profit for the year	**349,381**	350,235	(0.2)
Profit for the year attributable to owners of the Corporation	**96,746**	70,630	37.0
Profit for the year attributable to non-controlling interest [1]	**252,635**	279,605	(9.6)
Adjusted profit attributable to owners of the Corporation [2]	**119,048**	149,298	(20.3)
Basic earnings per share	**8.63**	4.53	90.5
Diluted earnings per share	**8.55**	4.51	89.6
Adjusted diluted earnings per share [2]	**10.52**	9.53	10.4

(1) At August 31, 2024, the non-controlling interest relates to its participation of approximately 71.6% in the profit for the period attributable to owners of Cogeco Communications in addition to the 21% ownership of Caisse de dépôt et placement du Québec ("CDPQ") in a U.S. subsidiary of Cogeco Communications.

(2) Adjusted profit attributable to owners of the Corporation is a non-IFRS Accounting Standards measure. Adjusted diluted earnings per share is a non-IFRS Accounting Standards ratio. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards 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 Accounting Standards and other financial measures" section.

Fiscal 2024 profit for the year remained stable, mainly due to:

- higher depreciation and amortization expense;
- higher financial expense, due in part to a pre-tax $16.9 million non-cash loss on debt extinguishment recognized in the first quarter of fiscal 2024;
- higher acquisition, integration, restructuring and other costs, mainly due to restructuring costs recognized during the second half of fiscal 2024; and
- non-cash pre-tax impairment charges of $15.2 million recognized in the fourth quarter of fiscal 2024, mostly related to assets under construction write-offs, in relation to strategic partnerships to facilitate the development of wireless services in Canada under a capital-light operating model; offset by
- last year's non-cash pre-tax impairment charges of $88 million related to the radio operations;
- lower income tax expense; and
- higher adjusted EBITDA.

Fiscal 2024 profit for the year attributable to owners of the Corporation increased by 37.0%, reflecting the impact of the reduced ownership in Cogeco Communications following a share repurchase transaction in December 2023.

Fiscal 2024 adjusted profit attributable to owners of the Corporation, which excludes the impact of acquisition, integration, restructuring and other costs, and non-cash impairment charges, as well as the non-cash loss on debt extinguishment recognized in the first quarter of fiscal 2024 (all net of tax and non-controlling interest), decreased by 20.3% compared to last year. Adjusted diluted earnings per share was higher reflecting the benefit of share buybacks.

4. Segmented operating and financial results

The Corporation's results are reported in two operating segments: Canadian telecommunications and American telecommunications.

Considering wireless service is now offered commercially in multiple locations throughout the Corporation's U.S. footprint, the Corporation changed the label of its "phone" service to "wireline phone" service during the third quarter of fiscal 2024. In addition, the Corporation changed the label of its primary service units "customer" measure to "subscriber".

4.1 Canadian telecommunications

Operating and financial results

Years ended August 31	2024			2023	Change	
(In thousands of Canadian dollars, except percentages)	Actual [1]	Foreign exchange impact	In constant currency [2]	Actual	Actual	In constant currency
	$	$	$	$	%	%
Revenue	**1,510,506**	—	**1,510,506**	1,489,915	**1.4**	**1.4**
Operating expenses	**710,706**	(447)	**710,259**	701,717	**1.3**	**1.2**
Adjusted EBITDA	**799,800**	447	**800,247**	788,198	**1.5**	**1.5**
Adjusted EBITDA margin [3]	**52.9 %**			52.9 %		
Net capital expenditures	**356,274**	(463)	**355,811**	354,384	**0.5**	**0.4**
Capital intensity [3]	**23.6 %**			23.8 %		

(1) For fiscal 2024, the average foreign exchange rate used for translation was 1.3606 USD/CDN.

(2) Fiscal 2024 in constant currency is translated at the average foreign exchange rate of fiscal 2023, which was 1.3467 USD/CDN.

(3) Adjusted EBITDA margin and capital intensity are supplementary financial measures. Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue and capital intensity is calculated as net capital expenditures divided by revenue.

Revenue

Fiscal 2024 revenue increased by 1.4% as reported and in constant currency, mainly as a result of:

- a higher Internet service subscriber base, including from network expansion projects; and
- the oxio acquisition completed on March 3, 2023 and the NRBN acquisition completed on February 5, 2024; partly offset by
- an overall decline in video and wireline phone service subscribers.

Operating expenses

Fiscal 2024 operating expenses increased by 1.3% (1.2% in constant currency), mainly due to:

- the oxio and the NRBN acquisitions; and
- higher sales and other operating expenses to drive subscriber growth; partly offset by
- lower technology licensing costs and the timing of certain operating expenses.

Adjusted EBITDA

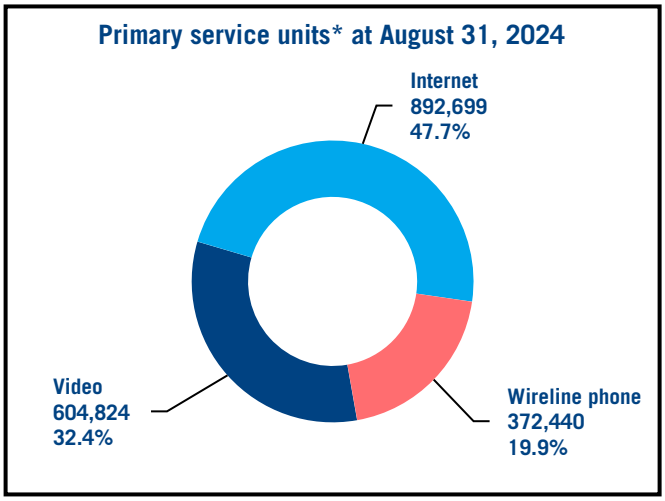
Fiscal 2024 adjusted EBITDA increased by 1.5% as reported and in constant currency, driven mainly from revenue growth, partly offset by higher sales and other operating expenses to drive subscriber growth.

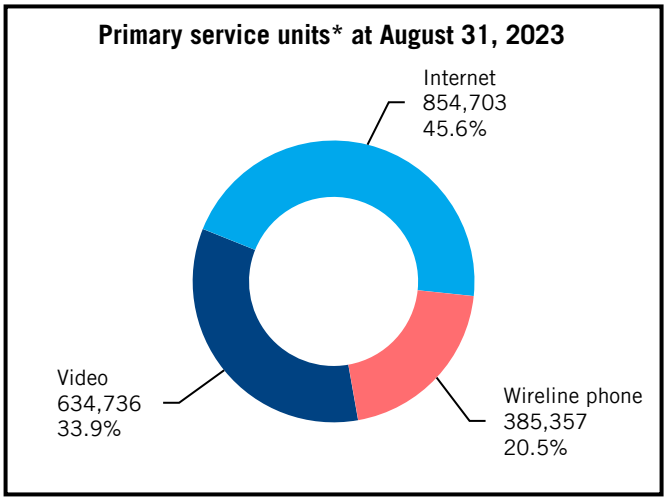
Net capital expenditures and capital intensity

Fiscal 2024 net capital expenditures remained stable as reported and in constant currency as the segment continues its fibre-to-the-home network expansions in Ontario.

Fiscal 2024 capital intensity was 23.6%, a decrease compared to 23.8% for fiscal 2023 due to revenue growth.

Primary service units and subscriber statistics





* Primary service units exclude mobile phone service subscribers.

Primary service units

	August 31, 2024	Net additions (losses) Years ended August 31 2024 [1]	2023 [2]
Primary service units [3]	**1,869,963**	**(9,639)**	4,061
Internet service subscribers	**892,699**	**35,305**	35,447
Video service subscribers	**604,824**	**(30,135)**	(21,570)
Wireline phone service subscribers	**372,440**	**(14,809)**	(9,816)

(1) Excludes the 4,806 opening primary service units (2,691 Internet, 223 video and 1,892 wireline phone) from the acquisition of Niagara Regional Broadband Network as at February 5, 2024.

(2) Excludes the 52,577 opening primary service units (46,656 Internet, 3,716 video and 2,205 wireline phone) from the acquisition of oxio as at March 3, 2023.

(3) Primary service units exclude mobile phone service subscribers.

Internet

Fiscal 2024 Internet service subscribers net additions of 35,305 resulted from new subscribers added under the Cogeco and oxio brands, as well as new subscribers from fibre-to-the-home network expansions.

Video

Fiscal 2024 video service subscribers net losses of 30,135 were mainly due to ongoing changes in video consumption trends, with an increasing proportion of customers subscribing to Internet-only services, partly offset by additions in network expansion areas.

Wireline phone

Fiscal 2024 wireline phone service subscribers net losses of 14,809 were mainly due to a higher mobile phone substitution, partly offset by additions in network expansion areas.

Distribution of subscribers

On August 31, 2024, 57% of subscribers in the Canadian telecommunications segment subscribed to "double play" or "triple play" bundled services.

Homes passed

Fiscal 2024 homes passed net additions were 42,082, driven by fibre-to-the-home network expansions and those acquired from the NRBN acquisition, while certain homes passed were disconnected during the third quarter of fiscal 2024 due to the disbandment of an older rural network.

4.2 American telecommunications

Operating and financial results

Years ended August 31	2024			2023	Change	
(In thousands of Canadian dollars, except percentages)	Actual [1]	Foreign exchange impact	In constant currency [2]	Actual	Actual	In constant currency
	$	$	$	$	%	%
Revenue	**1,466,018**	(15,024)	**1,450,994**	1,494,213	**(1.9)**	**(2.9)**
Operating expenses	**759,658**	(7,632)	**752,026**	800,409	**(5.1)**	**(6.0)**
Adjusted EBITDA	**706,360**	(7,392)	**698,968**	693,804	**1.8**	**0.7**
Adjusted EBITDA margin [3]	**48.2 %**			46.4 %		
Net capital expenditures	**267,728**	(2,865)	**264,863**	336,910	**(20.5)**	**(21.4)**
Capital intensity [3]	**18.3 %**			22.5 %		

(1) For fiscal 2024, the average foreign exchange rate used for translation was 1.3606 USD/CDN.

(2) Fiscal 2024 in constant currency is translated at the average foreign exchange rate of fiscal 2023, which was 1.3467 USD/CDN.

(3) Adjusted EBITDA margin and capital intensity are supplementary financial measures. Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue and capital intensity is calculated as net capital expenditures divided by revenue.

Revenue

Fiscal 2024 revenue decreased by 1.9% (2.9% in constant currency). The decrease in constant currency is mainly resulting from:

- a decline in the segment's subscriber base, especially for entry-level services, and a higher proportion of customers subscribing to Internet-only services; partly offset by
- higher revenue per subscriber and a better product mix resulting from improving subscriber metrics.

In local currency, revenue amounted to US$1,077.4 million compared to US$1,109.5 million for fiscal 2023.

Operating expenses

Fiscal 2024 operating expenses decreased by 5.1% (6.0% in constant currency). The decrease in constant currency is mainly due to:

- reduced video service costs resulting from a decline in TV subscriptions; and
- cost reduction initiatives and operating efficiencies.

Adjusted EBITDA

Fiscal 2024 adjusted EBITDA increased by 1.8% (0.7% in constant currency), mainly resulting from lower operating expenses driven by cost reduction initiatives and operating efficiencies, partly offset by lower revenue, as explained above.

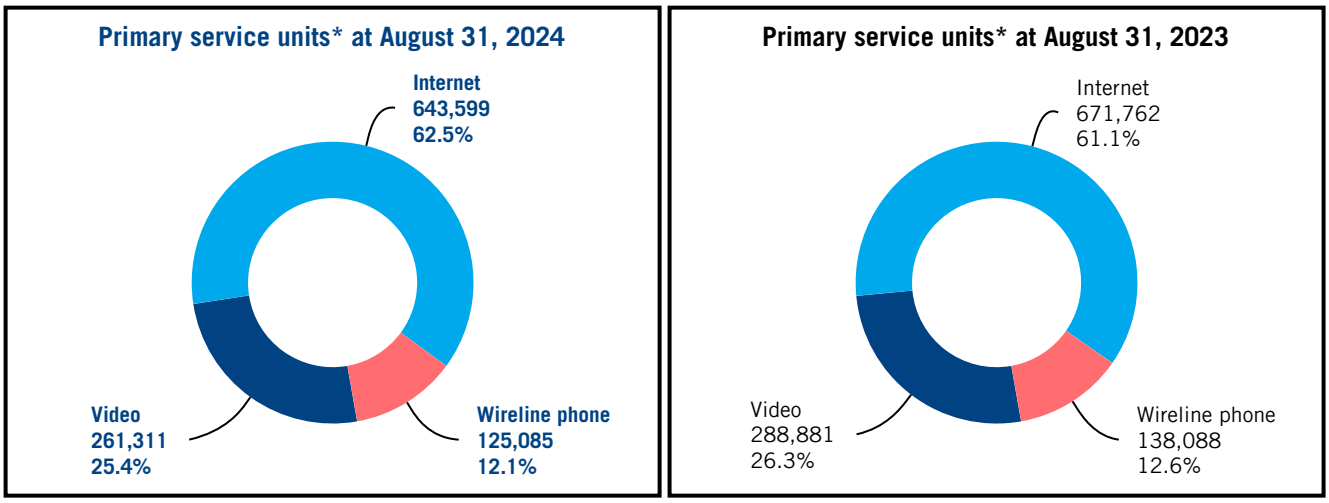
In local currency, adjusted EBITDA amounted to US$519.1 million compared to US$515.2 million for fiscal 2023.

Net capital expenditures and capital intensity

Fiscal 2024 net capital expenditures decreased by 20.5% (21.4% in constant currency) and capital intensity was 18.3% compared to 22.5% for fiscal 2023, mainly resulting from lower capital spending due to the timing of network expansion projects and from drawdowns of previously accumulated customer premise equipment inventory, partly offset by equipment upgrades with IPTV in specific markets.

In local currency, net capital expenditures amounted to US$196.7 million compared to US$250.3 million for fiscal 2023.

Primary service units and subscriber statistics



* Primary service units exclude mobile phone service subscribers.

Primary service units

	August 31, 2024 [1]	Net additions (losses) Years ended August 31 2024 [1]	2023 [2]
Primary service units [3]	**1,029,995**	**(68,736)**	(89,916)
Internet service subscribers	**643,599**	**(28,163)**	(35,676)
Video service subscribers	**261,311**	**(27,570)**	(34,157)
Wireline phone service subscribers	**125,085**	**(13,003)**	(20,083)

(1) During fiscal 2024, 7,750 Internet service subscriber losses were related to the discontinuation of the government-sponsored Affordable Connectivity Program. A provision related to non-paying Internet service subscribers who were previously on the program and were not disconnected as of August 31, 2024, is included in subscriber losses.

(2) During the third quarter of fiscal 2023, Internet service subscribers were adjusted following a change in Breezeline's system. This change was applied retrospectively to the comparative figures.

(3) Primary service units exclude mobile phone service subscribers.

Internet

Fiscal 2024 Internet service subscribers net losses amounted to 28,163, of which 13,475 were in Ohio. The improvement in net losses over last year was primarily due to improved customer management in the Ohio market resulting from investments made in the network infrastructure and the proactive replacement of customer IPTV video equipment. However, this improvement was partly offset by losses of 7,750 of mostly lower ARPU subscribers following the discontinuation of the government-sponsored Affordable Connectivity Program, effective on June 1, 2024. These losses include a provision for remaining non-paying subscribers who were ACP program participants.

Internet subscribers net losses also reflect a more competitive environment, notably for entry-level Internet services, partially offset by new subscribers gained from fibre-to-the-home network expansions.

Video

Fiscal 2024 video service subscribers net losses of 27,570 were mainly due to:

- the continued promotion of Internet-led offers and a reduced emphasis on offering video services as a single product;
- ongoing changes in video consumption trends, with an increasing proportion of customers subscribing to Internet-only services; and
- competitive offers in the industry, including online platforms.

Wireline phone

Fiscal 2024 wireline phone service subscribers net losses of 13,003 were mainly due to:

- the continued emphasis on offers that are Internet-led; and
- higher mobile phone substitution.

Distribution of subscribers

On August 31, 2024, 31% of subscribers in the American telecommunications segment subscribed to "double play" or "triple play" bundled services. In recent years, the subscriber mix from double and triple play bundles has decreased, which was in line with the segment's Internet-led strategy of focusing on higher margin Internet service.

Homes passed

Fiscal 2024 homes passed additions were 21,487, driven mostly by fibre-to-the-home network expansions.

5. Related party transactions

On December 13, 2023, Cogeco and Cogeco Communications entered into a series of transactions pursuant to the sale by Rogers Communications Inc. of its entire holdings in both companies. Cogeco sold to Cogeco Communications 2,266,537 subordinate voting shares of its holdings in Cogeco Communications for $116.5 million, following the conversion and cancellation of an equivalent number of Cogeco Communications multiple voting shares. The subordinate voting shares were repurchased for cancellation, and represented approximately 5.1% of all outstanding Cogeco Communications shares. As of August 31, 2024, Cogeco held 28.4% of Cogeco Communications' equity shares, representing 79.9% of the votes attached to Cogeco Communications' voting shares.

Cogeco provides executive and administrative services to Cogeco Communications under a Management Services Agreement (the "Agreement"). The methodology used to establish the management fees is based on the costs incurred by Cogeco plus a reasonable mark-up. Provision is made for future adjustments upon the request of either Cogeco Communications or the Corporation from time to time during the term of the Agreement. For fiscal 2024, management fees paid by Cogeco Communications amounted to $21.0 million compared to $18.6 million last year. Last year's lower fees were primarily attributable to reduced variable compensation, while returning to their normal level this year.

No direct remuneration is payable to Cogeco's executive officers by Cogeco Communications. The following table provides the number of stock options, incentive share units ("ISUs") and performance share units ("PSUs") granted during fiscal 2024 and 2023 to these executive officers, as executive officers of Cogeco Communications, as well as deferred share units ("DSUs") issued to Board directors of Cogeco, the value of which was charged back to Cogeco:

Years ended August 31	**2024**	2023
(In number of units)		
Stock options	**203,326**	79,348
ISUs	**974**	—
PSUs	**31,473**	14,283
DSUs	**2,368**	—

The following table shows the amounts that Cogeco Communications charged Cogeco with regard to Cogeco Communications' stock options, ISUs and PSUs granted to these executive officers, as well as DSUs issued to Board directors of Cogeco:

Years ended August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Stock options	**852**	1,202
ISUs	**80**	—
PSUs	**887**	863
DSUs	**97**	(100)
	1,916	1,965

At August 31, 2024, the Corporation had a $3.1 million receivable from Cogeco Communications.

Further information on related party transactions can be found in Note 24 of the Corporation's consolidated financial statements.

6. Cash flow analysis

Years ended August 31	**2024**	2023	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%
Cash flows from operating activities	**1,185,150**	968,214	22.4
Cash flows used in investing activities	**(921,518)**	(957,876)	(3.8)
Cash flows used in financing activities	**(546,916)**	(32,843)	—
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	**(2,824)**	7,358	—
Net change in cash and cash equivalents	**(286,108)**	(15,147)	—
Cash and cash equivalents, beginning of the year	**363,854**	379,001	(4.0)
Cash and cash equivalents, end of the year	**77,746**	363,854	(78.6)

6.1 Operating activities

Fiscal 2024 cash flows from operating activities increased by 22.4%, mainly due to:

- the timing of payments of trade and other payables and the collection of trade accounts receivable;
- lower income taxes paid; and
- higher adjusted EBITDA; partly offset by
- higher interest paid.

6.2 Investing activities

Fiscal 2024 cash flows used in investing activities decreased by 3.8%, mainly due to:

- the decrease in acquisition of property, plant and equipment over last year;
- cash flows used in connection with the acquisition of oxio last year; and
- last year's $60 million payment made to acquire 2500 MHz and 3500 MHz spectrum licences in Québec from another licensee; partly offset by
- a $152 million final payment made in May 2024 in addition to a $38 million deposit paid in January 2024 to acquire 99 spectrum licences in the 3800 MHz spectrum auction; and
- cash flows used in connection with the acquisition of NRBN, which was completed on February 5, 2024.

Acquisition of property, plant and equipment, net capital expenditures and capital intensity

Years ended August 31	**2024**	2023	Change	Change in constant currency
(In thousands of Canadian dollars, except percentages)	**$**	$	%	%
Acquisition of property, plant and equipment	**664,004**	806,237	(17.6)	
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the year	**(21,257)**	(103,324)	(79.4)	
Net capital expenditures	**642,747**	702,913	(8.6)	(9.0)
Net capital expenditures, excluding network expansion projects [1]	**505,353**	530,078	(4.7)	(5.1)

(1) Net capital expenditures, excluding network expansion projects is a non-IFRS Accounting Standards measure. This indicated term does not have a standardized definition prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on this financial measure, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

Net capital expenditures and capital intensity

Years ended August 31	2024	2023	Change	Change in constant currency
(In thousands of Canadian dollars, except percentages)	$	$	%	%
Canadian telecommunications	**356,274**	354,384	0.5	0.4
Capital intensity	**23.6 %**	23.8 %		
American telecommunications	**267,728**	336,910	(20.5)	(21.4)
Capital intensity	**18.3 %**	22.5 %		
Corporate and eliminations	**13,831**	8,212	68.4	68.3
Cogeco Communications	**637,833**	699,506	(8.8)	(9.3)
Capital intensity	**21.4 %**	23.4 %		
Other	**4,914**	3,407	44.2	44.2
Consolidated	**642,747**	702,913	(8.6)	(9.0)

Net capital expenditures and capital intensity excluding network expansion projects

Years ended August 31	2024	2023	Change	Change in constant currency
(In thousands of Canadian dollars, except percentages)	$	$	%	%
Cogeco Communications	**500,439**	526,671	(5.0)	(5.5)
Capital intensity, excluding network expansion projects [1]	**16.8 %**	17.6 %		
Other	**4,914**	3,407	44.2	44.2
Consolidated	**505,353**	530,078	(4.7)	(5.1)

(1) Capital intensity, excluding network expansion projects is a non-IFRS Accounting Standards ratio. This indicated term does not have a standardized definition prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on this financial measure, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

Fiscal 2024 net capital expenditures decreased by 8.6% (9.0% in constant currency), mostly due to lower spending in the American telecommunications segment, primarily due to the timing of network expansion projects and from drawdowns of previously accumulated customer premise equipment inventory, partly offset by equipment upgrades with IPTV in specific markets.

Excluding network expansion projects, fiscal 2024 net capital expenditures decreased by 4.7% (5.1% in constant currency).

Fiscal 2024 capital intensity of Cogeco Communications was 21.4% compared to 23.4% for the prior year. The capital intensity decrease is mostly due to lower net capital expenditures, as explained above. Excluding network expansion projects, fiscal 2024 capital intensity of Cogeco Communications was 16.8% compared to 17.6% for the prior year.

6.3 Financing activities

Issuance and repayment of debt

Fiscal 2024 changes in cash flows from the issuance and repayment of debt are mainly explained as follows:

Years ended August 31	2024	2023	Explanations
(In thousands of Canadian dollars)	$	$	
Increase (decrease) in bank indebtedness	**(7,830)**	14,596	Related to the timing of working capital needs.
Net increase (decrease) under the revolving facilities	**(18,147)**	247,760	Related to the funds drawn under the revolving facilities.
Issuance of long-term debt, net of discounts and transaction costs	**2,001,646**	298,056	Mainly related to the issuance of two Term B loans, a US$775 million 7-year loan and a US$475 million 5-year loan, in connection with the refinancing of the First Lien Credit Facilities in September 2023, and the issuance of the $275 million Senior Unsecured Notes in February 2024, as well as the issuance of the 3-year $75 million Non-Revolving Term Credit Facility in December 2023. Last year's debt issuance was related to the $300 million Senior Secured Notes - Series 2 during the second quarter of fiscal 2023.
Repayment of notes, debentures and credit facilities	**(2,149,661)**	(335,263)	Mainly related to the reimbursement of Tranche 1 of the Senior Secured Term Loan B Facility in September 2023, and the quarterly repayments of the Senior Secured Term Loan B Facility and the $75 million Non-Revolving Term Credit Facility. Last year also included the repayment of the $300 million Senior Secured Debentures - Series 4 during the third quarter of fiscal 2023.
Repayment of lease liabilities	**(10,282)**	(7,271)	Comparable.
Increase in deferred transaction costs	**(2,716)**	(338)	Related to the amendment of the Senior Secured Revolving Facility in September 2023 and of the term revolving facilities in May 2024.
	(186,990)	217,540	

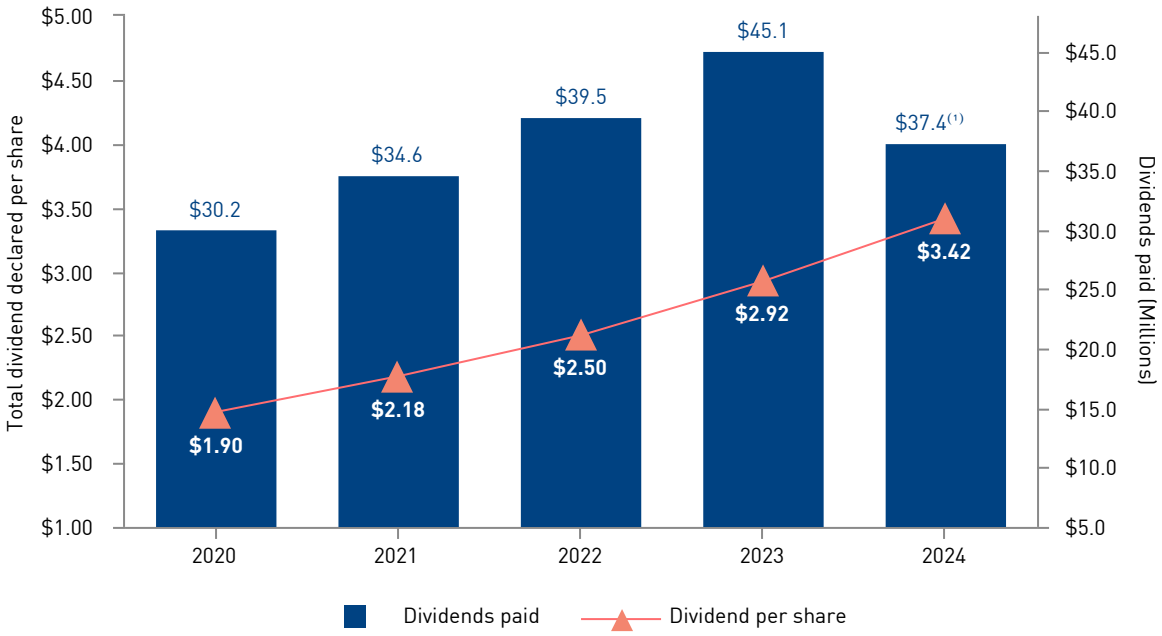
Dividends

During fiscal 2024, quarterly eligible dividends of $0.854 per share, totalling $3.416 per share, were paid to the holders of multiple and subordinate voting shares, for a total of $37.4 million. In fiscal 2023, quarterly eligible dividends of $0.731 per share, totalling $2.924 per share, were paid to the holders of multiple and subordinate voting shares, for a total of $45.1 million. In addition, dividends paid by a subsidiary to non-controlling interest during fiscal 2024 amounted to $101.0 million compared to $89.3 million for the prior year.

The following tables provide a summary of the dividends declared for the Corporation's and Cogeco Communications' multiple and subordinate voting shares during fiscal 2024 and 2023:

Declaration date	**Record date**	**Payment date**	**Dividend per share (in dollars)**	
			Cogeco	**Cogeco Communications**
November 1, 2023	**November 15, 2023**	**November 29, 2023**	**0.854**	**0.854**
January 10, 2024	**January 24, 2024**	**February 7, 2024**	**0.854**	**0.854**
April 11, 2024	**April 25, 2024**	**May 9, 2024**	**0.854**	**0.854**
July 11, 2024	**July 25, 2024**	**August 8, 2024**	**0.854**	**0.854**
			3.416	**3.416**
October 27, 2022	November 10, 2022	November 24, 2022	0.731	0.776
January 12, 2023	January 26, 2023	February 9, 2023	0.731	0.776
April 13, 2023	April 27, 2023	May 11, 2023	0.731	0.776
July 13, 2023	July 27, 2023	August 10, 2023	0.731	0.776
			2.924	3.104

During the last five fiscal years, dividends paid per share increased by 15.8% on a compounded annual basis. Total dividends and dividends per share over the last five fiscal years are as follows:



(1) While the dividend on a per share basis increased, fiscal 2024 dividends paid decreased on an absolute basis compared to last year following a reduction in the number of outstanding shares resulting from the share buyback transaction announced on December 13, 2023.

Purchase of subordinate voting shares for cancellation from CDPQ and disposal of shares in Cogeco Communications to CDPQ

On December 13, 2023, following a share buyback transaction, Cogeco repurchased for cancellation 5,969,390 of its subordinate voting shares from CDPQ for $280.0 million and concurrently sold 1,423,692 subordinate voting shares of its holding in Cogeco Communications to CDPQ for $73.2 million. During fiscal 2024, the Corporation paid $7.3 million of costs related to these transactions.

Normal course issuer bid ("NCIB")

Cogeco

	Commencement date	Expiry	Maximum subordinate voting shares for repurchase	Number of shares repurchased at August 31, 2024
2023 NCIB [1]	January 18, 2023	January 17, 2024	325,000	121,600
2022 NCIB	January 18, 2022	January 17, 2023	325,000	268,086

(1) The Corporation did not renew its NCIB program following the end of the program on January 17, 2024.

No shares were repurchased under the NCIB program during fiscal 2024. The following table provides the NCIB purchases for fiscal 2023:

Quarters ended *(In thousands of Canadian dollars, except number of shares and weighted average purchase price per share)*	Nov. 30 $	Feb. 28 $	May 31 $	Aug. 31 $	2023 Total $
Subordinate voting shares purchased and cancelled	27,700	117,584	21,500	—	166,784
Weighted average purchase price per share	57.87	58.81	57.91	—	58.54
Purchase costs	1,603	6,915	1,245	—	9,763

Cogeco Communications

	Commencement date	Expiry	Maximum subordinate voting shares for repurchase	Number of shares repurchased at August 31, 2024
2023 NCIB [1]	May 4, 2023	May 3, 2024	1,776,125	—
2022 NCIB	May 4, 2022	May 3, 2023	1,960,905	1,825,168
2021 NCIB	May 4, 2021	May 3, 2022	2,068,000	1,175,925

(1) Cogeco Communications did not renew its NCIB program following the end of the program on May 3, 2024.

No shares were repurchased under the NCIB program during fiscal 2024. The following table provides the NCIB purchases for fiscal 2023:

Quarters ended *(In thousands of Canadian dollars, except number of shares and weighted average purchase price per share)*	Nov. 30 $	Feb. 28 $	May 31 $	Aug. 31 $	2023 Total $
Subordinate voting shares purchased and cancelled	512,170	845,198	—	—	1,357,368
Weighted average purchase price per share	72.79	75.43	—	—	74.43
Purchase costs	37,283	63,750	—	—	101,033

The Corporation and Cogeco Communications had also entered into an automatic share purchase plan ("ASPP") with a designated broker to allow for the purchase of subordinate voting shares under the NCIB program at times when it would ordinarily not be permitted to purchase shares due to regulatory restrictions or self-imposed blackout periods. Such purchases were executed by the broker based on parameters established by the Corporation and Cogeco Communications prior to the pre-established ASPP period.

6.4 Free cash flow

Years ended August 31	2024 [1]	2023 [2]	Change	Change in constant currency [3]	Foreign exchange impact [3]
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Adjusted EBITDA	**1,454,817**	1,432,929	1.5	1.0	(6,903)
Share-based payment [4]	**14,634**	8,629	69.6		
Proceeds on disposals of property, plant and equipment [2]	**3,381**	2,653	27.4		
Loss (gain) on disposals and write-offs of property, plant and equipment	**(658)**	86	—		
Defined benefit plans expense, net of contributions	**1,369**	526	—		
Acquisition, integration, restructuring and other costs	**(63,298)**	(36,245)	74.6		
Financial expense	**(286,672)**	(255,010)	12.4		
Loss on debt extinguishment [5]	**16,880**	—	—		
Amortization of deferred transaction costs and discounts on long-term debt [5]	**9,336**	12,672	(26.3)		
Current income taxes	**(20,995)**	(31,973)	(34.3)		
Net capital expenditures	**(642,747)**	(702,913)	(8.6)		
Repayment of lease liabilities	**(10,282)**	(7,271)	41.4		
Free cash flow [2]	**475,765**	424,083	12.2	12.0	(932)
Free cash flow, excluding network expansion projects [2][6]	**613,159**	596,918	2.7	2.4	(1,712)

(1) For fiscal 2024, the average foreign exchange rate used for translation was 1.3606 USD/CDN.

(2) During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation. For further details, please refer to the "Non-IFRS Accounting Standards and other financial measures" section.

(3) Fiscal 2024 in constant currency is translated at the average foreign exchange rate of fiscal 2023, which was 1.3467 USD/CDN.

(4) Includes an acceleration of non-cash share-based compensation, which is recognized within *Acquisition, integration, restructuring and other costs*.

(5) Included within financial expense.

(6) Free cash flow, excluding network expansion projects is a non-IFRS Accounting Standards measure. This indicated term does not have a standardized definition prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on this financial measure, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

Fiscal 2024 free cash flow increased by 12.2% (12.0% in constant currency). The variation in constant currency is mainly due to:

- lower net capital expenditures in the American telecommunications segment, including for network expansion projects;
- higher adjusted EBITDA; and
- lower current income taxes; partly offset by
- higher acquisition, integration, restructuring and other costs, primarily due to restructuring costs recognized during the second half of the year; and
- higher financial expense, net of the pre-tax $16.9 million non-cash loss on debt extinguishment recognized in the first quarter of fiscal 2024.

Excluding network expansion projects, fiscal 2024 free cash flow amounted to $613.2 million ($611.4 million in constant currency), an increase of 2.7% (2.4% in constant currency) compared to the prior year.

7. Financial position

7.1 Working capital

As part of the usual conduct of its business, Cogeco generally maintains a working capital deficiency, when excluding cash and cash equivalents and bank indebtedness, due to a low level of trade and other receivables since a large proportion of the Corporation's customers pay before their services are rendered, while trade and other payables are usually paid after products are delivered or services are rendered.

The variations are as follows:

At August 31 *(In thousands of Canadian dollars)*	**2024** **$**	2023 $	Change $	Explanations
Current assets				
Cash and cash equivalents	**77,746**	363,854	(286,108)	Refer to the "Cash flows analysis" section.
Trade and other receivables	**131,929**	139,412	(7,483)	Mainly related to the timing of collection of trade and other receivables.
Income taxes receivable	**16,073**	28,816	(12,743)	Mainly due to income tax refunds received and amounts applied against income tax installments.
Prepaid expenses and other	**40,857**	43,262	(2,405)	Not significant.
Derivative financial instruments	**3,875**	5,355	(1,480)	Not significant.
	270,480	580,699	(310,219)	
Current liabilities				
Bank indebtedness	**15,399**	23,229	(7,830)	Refer to the "Cash flows analysis" section.
Trade and other payables	**376,444**	334,782	41,662	Mainly related to the timing of payments made to suppliers.
Provisions	**58,882**	33,019	25,863	Mainly related to the restructuring provision recognized during the second half of fiscal 2024, partly offset by the payment of certain programming and restructuring costs previously recognized, and the reversal of previously recognized provisions following the Copyright Board decision issued in January 2024 in regard to the 2014-2018 retransmission tariffs.
Income tax liabilities	**8,679**	413	8,266	Related to lower income tax installments paid compared to the current income tax expenses.
Contract liabilities and other liabilities	**61,736**	62,061	(325)	Not significant.
Government subsidies received in advance	**8,740**	29,262	(20,522)	Mainly related to the fibre-to-the-home network construction progress in Québec.
Derivative financial instruments	**240**	3,487	(3,247)	Not significant.
Current portion of long-term debt	**370,108**	43,325	326,783	Related to the reclassification of the US$215 million Senior Secured Notes and the US$25 million Senior Secured Notes Series A as current, as well as to the quarterly repayments of the Senior Secured Term Loan B Facility and the $75 million Non-Revolving Term Credit Facility.
	900,228	529,578	370,650	
Working capital surplus (deficiency)	**(629,748)**	51,121	(680,869)	

7.2 Other significant changes

At August 31 *(In thousands of Canadian dollars)*	**2024** **$**	2023 $	Change $	Explanations
Non-current assets				
Other assets	**138,688**	105,499	33,189	Mainly related to an increase in sales commissions.
Property, plant and equipment	**3,340,793**	3,264,303	76,490	Mainly related to capital investments made during fiscal 2024 and the acquisition of Niagara Regional Broadband Network, partly offset by the depreciation expense for the year and the non-cash pre-tax impairment charges recognized during the fourth quarter of fiscal 2024, mostly related to assets under construction write-offs, in relation to strategic partnerships to facilitate the development of wireless services in Canada under a capital-light operating model.
Intangible assets	**3,837,794**	3,687,486	150,308	Mainly related to the spectrum licences acquired for a total purchase price of $190 million, the capitalized interest in connection with spectrum licences and the intangible assets acquired as part of the acquisition of Niagara Regional Broadband Network, partly offset by the amortization for the period and the depreciation of the US dollar against the Canadian dollar.
Goodwill	**2,132,661**	2,117,756	14,905	Mainly related to the acquisition of Niagara Regional Broadband Network, partly offset by the depreciation of the US dollar against the Canadian dollar.
Derivative financial instruments	**46,539**	100,792	(54,253)	Mainly related to changes in market interest rates and to the interest swap tranches maturing in November 2024 classified as current.
Non-current liabilities				
Long-term debt	**4,594,057**	5,045,672	(451,615)	Mainly related to the First Lien Credit Facilities, which were refinanced in September 2023, and to the reclassification of the US$215 million Senior Secured Notes and the US$25 million Senior Secured Notes Series A as current, partly offset by the issuance of the $275 million Senior Unsecured Notes and the $75 million Non-Revolving Term Credit Facility, as well as the balance due on the Niagara Regional Broadband Network acquisition.
Deferred tax liabilities	**867,944**	833,434	34,510	Mainly related to the timing of temporary differences.

8. Capital resources and liquidity

8.1 Capital structure

The table below summarizes the Corporation's available liquidity:

At August 31 *(In thousands of Canadian dollars)*	**2024** **$**	2023 $
Cash and cash equivalents	**77,746**	363,854
Cash with restrictions on use [1]	**(8,740)**	(29,262)
Amounts available under revolving credit facilities [2]	**787,426**	629,581
Available liquidity [3]	**856,432**	964,173

(1) Included within cash and cash equivalents (see Note 21 D) of the Corporation's consolidated financial statements).

(2) Total amount available under the $750 million and $100 million term revolving facilities and the US$250 million Senior Secured Revolving Facility (see Note 23 A) of the Corporation's consolidated financial statements).

(3) Available liquidity is a non-IFRS Accounting Standards measure. This indicated term does not have a standardized definition prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on this financial measure, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

The financial covenants related to the indebtedness of Cogeco are primarily based on a ratio of net indebtedness to adjusted EBITDA, computed on the basis of the Cogeco Media subsidiary's adjusted EBITDA results, and the dividends and management fees received from Cogeco Communications, net of corporate expenses.

Cogeco Communications

The table below summarizes certain of Cogeco Communications' key ratios over the last two fiscal years:

Years ended August 31	2024	2023
Weighted average cost of indebtedness [1]	**5.6 %**	5.2 %
Fixed-rate indebtedness [2][3]	**72 %**	63 %
Weighted average term: long-term debt (in years)	**4.8**	3.7
Net indebtedness / adjusted EBITDA ratio [3]	**3.3**	3.3
Adjusted EBITDA / adjusted financial expense ratio [3]	**5.5**	5.6

(1) Excludes amortization of deferred transaction costs and commitment fees but includes the impact of interest rate swaps.

(2) Taking into consideration the interest rate swaps in effect at the end of each fiscal year.

(3) Fixed-rate indebtedness, net indebtedness to adjusted EBITDA ratio, and adjusted EBITDA to adjusted financial expense ratio are Cogeco Communications' capital management measures. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, including references to the specific sections within the MD&A, as applicable, for the reconciliations to the most directly comparable IFRS Accounting Standards measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

8.2 Outstanding share data

A description of Cogeco's share data at September 30, 2024 is presented in the table below. Additional details are provided in Note 19 of the consolidated financial statements.

(In thousands of Canadian dollars, except number of shares)	Number of shares	Amount $
Common shares		
Multiple voting shares	**1,602,217**	**10**
Subordinate voting shares	**8,040,562**	**64,347**

8.3 Financing

On May 24, 2024, the Corporation and Cogeco Communications amended their term revolving facilities of $100 million and $750 million, respectively, by extending their maturity date to May 24, 2029 and transitioning to Canadian Overnight Repo Rate Average ("CORRA").

On February 27, 2024, Cogeco Communications completed, pursuant to a private offering, the issuance of $275 million senior unsecured notes, bearing interest at 6.125% and maturing in February 2029. Cogeco Communications used the net proceeds of the offering to repay existing indebtedness and for other general corporate purposes. The senior unsecured notes are direct and unsubordinated unsecured debt obligations of Cogeco Communications and rank equally and *pari passu* with all other unsecured senior indebtedness of Cogeco Communications.

On December 13, 2023, Cogeco initially financed its $280.0 million share buyback transaction and related transaction costs and expenses from proceeds from a portion of its Cogeco Communications' shares sold to Cogeco Communications for $116.5 million and to CDPQ for $73.2 million, as well as from a drawdown on its credit facility and a new $75 million non-revolving term credit facility. As for Cogeco Communications, it initially financed the $116.5 million share buyback transaction and related transaction costs and expenses through a drawdown on its existing term revolving facility. On December 11, 2023, Cogeco entered into a 3-year $75 million non-revolving term credit facility to partially finance its share buyback transaction, as mentioned above. On the same day, in order to maintain its borrowing capacity, Cogeco Communications entered into a $125 million non-revolving term credit facility, which was then cancelled on March 1, 2024, following the issuance of the $275 million senior unsecured notes.

On September 29, 2023, a US$775 million 7-year Term Loan B - Tranche 3 was issued following the amendment of Cogeco Communications' First Lien Credit Facility related to its U.S. subsidiaries, in addition to a US$475 million 5-year Farm Credit Term Loan B, while the credit limit of the Senior Secured Revolving Facility was increased from US$150 million to US$250 million and its maturity date extended to September 2028. Cogeco Communications then reimbursed the US$1.6 billion Tranche 1 of the Senior Secured Term Loan B Facility using the proceeds from the newly issued Term B loans, together with US$150 million drawn on the Senior Secured Revolving Facility and US$200 million of cash on hand.

8.4 Cogeco Communications' credit ratings

The table below shows Cogeco Communications' and the U.S. subsidiaries' credit ratings:

At August 31, 2024	S&P	DBRS	Moody's
Cogeco Communications			
Senior Secured Notes	**BBB-**	**BBB (low) (stable)**	**NR**
Senior Unsecured Notes	**BB+**	**BB (high) (stable)**	**NR**
Corporate credit issuer rating	**BB+ (negative outlook)**	**BB (high) (stable)**	**NR**
U.S. subsidiaries			
First Lien Credit Facilities	**BB**	**NR**	**B1 (negative outlook)**
Corporate credit issuer rating	**BB (negative outlook)**	**NR**	**B1 (negative outlook)**

NR : Not rated

Ratings for long-term debt instruments across the universe of composite rates range from "AAA" (S&P and DBRS) or "Aaa" (Moody's), representing the highest quality of securities rated, to "D" (S&P and DBRS) and "C" (Moody's) for the lowest quality of securities rated. Ratings are based on several industry and company specific factors which include financial leverage as one of the key elements considered.

Our ability to access debt capital markets and bank credit markets and the cost and amount of funding available partly depends on the quality of our credit ratings. Obligations rated in the "BBB" category are considered investment grade and their cost of funding is typically lower relative to the "BB/B" rating category. In addition, obligations with "BBB" ratings generally have greater access to funding than those with "BB/B" ratings.

8.5 Financial risk management

Management's objectives are to protect the Corporation and its subsidiaries against material economic exposures and variability of results, and against certain financial risks including credit, liquidity, interest rate, foreign exchange and market risks.

Credit risk

Credit risk represents the risk of financial loss for the Corporation if a customer or counterparty to a financial asset fails to meet its contractual obligations. The Corporation is exposed to credit risk arising from derivative financial instruments, cash and cash equivalents and trade accounts receivable, the maximum exposure of which is represented by the carrying amounts reported on the consolidated statements of financial position.

Credit risk from derivative financial instruments arises from the possibility that counterparties to the interest rate swaps may default on their obligations in instances where these agreements have positive fair values for the Corporation. The Corporation reduces this risk by completing transactions with financial institutions that carry a high credit rating. The Corporation assesses the creditworthiness of the counterparties in order to minimize the risk of counterparties default under the agreements. At August 31, 2024, management believes that the credit risk relating to its derivative financial instruments is minimal, since the lowest credit rating of the counterparties to the agreements is "A" by Standard & Poor's rating services ("S&P"). Management monitors its exposure to financial institutions which is primarily in the form of deposits, derivatives and revolver commitments.

Cash equivalents consist mainly of short-term, highly liquid investments. The Corporation has deposited the cash and cash equivalents with reputable financial institutions, for which management believes the risk of loss to be remote.

The Corporation is also exposed to credit risk in relation to its trade accounts receivable. To mitigate such risk, the Corporation continuously monitors the financial condition of its customers and reviews the credit history or worthiness of each new large customer. The Corporation establishes an allowance for lifetime expected credit losses related to doubtful accounts. The doubtful accounts allowance is calculated on a specific-identification basis for larger customer accounts receivable and on a statistically derived basis for the remainder. Factors such as the current economic conditions, forward-looking macroeconomic data and historical information (number of overdue days of the customer's balance outstanding as well as the customer's collection history) are examined. The Corporation believes that its allowance for doubtful accounts is sufficient to cover the related credit risk. The Corporation has credit policies in place and has established various credit controls, including credit checks, deposits on accounts and advance billing, and has also established procedures to suspend the availability of services when customers have fully utilized approved credit limits or have violated existing payment terms. Since the Corporation has a large and diversified clientele dispersed throughout its market areas in Canada and the United States, there is no significant concentration of credit risk.

The following table provides further details on trade and other receivables, net of allowance for doubtful accounts:

At August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Trade accounts receivable	**109,424**	116,490
Allowance for doubtful accounts	**(5,279)**	(8,929)
	104,145	107,561
Other accounts receivable	**27,784**	31,851
	131,929	139,412

Trade accounts receivable past due is defined as the amount outstanding beyond normal credit terms and conditions for the respective customers. The Corporation considers the amount outstanding at the due date as trade accounts receivable past due. A large portion of the Corporation's customers are billed and pay before the services are rendered.

The following table provides further details on trade accounts receivable past due, net of allowance for doubtful accounts:

At August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Less than 30 days past due	**19,336**	21,040
30 to 60 days past due	**5,866**	4,773
60 to 90 days past due	**1,709**	1,805
More than 90 days past due	**849**	1,890
	27,760	29,508

The following table shows changes in the allowance for doubtful accounts:

Years ended August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Balance, beginning of the year	**8,929**	13,758
Provision for impaired receivables	**27,294**	20,482
Net use	**(30,994)**	(25,595)
Foreign currency translation adjustments	**50**	284
Balance, end of the year	**5,279**	8,929

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk through the management of its capital structure and access to different capital markets. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure sufficient liquidity to meet its obligations when due. At August 31, 2024, the Corporation had used $60.8 million of its $100 million Term Revolving Facility and an amount of $335.4 million was used from Cogeco Communications' Term Revolving Facility of $750 million, for remaining availabilities of $39.2 million and $414.6 million, respectively. In addition, Cogeco Communications' U.S. subsidiaries benefit from a Senior Secured Revolving Facility of $337.3 million (US$250 million), of which $3.6 million (US$2.7 million) was used at August 31, 2024, for a remaining availability of $333.7 million (US$247.3 million).

The following table summarizes the contractual maturities of the financial liabilities and lease liabilities, and related capital amounts outstanding at August 31, 2024:

	Contractual cash flows						
	2025	2026	2027	2028	2029	Thereafter	Total
(In thousands of Canadian dollars)	$	$	$	$	$	$	$
Bank indebtedness	**15,399**	**—**	**—**	**—**	**—**	**—**	**15,399**
Trade and other payables [1]	**359,805**	**—**	**—**	**—**	**—**	**—**	**359,805**
Notes and credit facilities [2]	**359,352**	**37,912**	**288,089**	**29,006**	**2,411,502**	**1,788,047**	**4,913,908**
Lease liabilities	**10,511**	**10,400**	**10,144**	**8,481**	**5,726**	**34,937**	**80,199**
Balance due on business combinations	**—**	**—**	**17,094**	**—**	**—**	**—**	**17,094**
Other liabilities [1]	**—**	**748**	**34**	**7**	**7**	**—**	**796**
	745,067	**49,060**	**315,361**	**37,494**	**2,417,235**	**1,822,984**	**5,387,201**

(1) Excluding accrued interest on notes, credit facilities and balance due on business combinations.

(2) An amount of $977.1 million of these loan agreements contain debt covenants. Covenant calculations are performed quarterly at each reporting date, as well as on a pro-forma basis when a business combination or disposal takes place. The covenants relate to the maintenance of certain financial ratios primarily linked to adjusted EBITDA, financial expense and total indebtedness. A future breach of covenants implies that the impacted loan agreements become payable on demand, and therefore are required to be repaid earlier than indicated in the above table. The covenants are monitored on a regular basis by the treasury department to ensure compliance with the loan agreements.

The following table is a summary of interest payable on long-term debt that is due for each of the next five years and thereafter:

	2025	2026	2027	2028	2029	Thereafter	Total
(In thousands of Canadian dollars)	$	$	$	$	$	$	$
Interest payments on notes and credit facilities [1]	**344,722**	**328,654**	**318,980**	**310,993**	**150,775**	**187,379**	**1,641,503**
Interest payments on lease liabilities	**3,373**	**2,919**	**2,416**	**1,955**	**1,607**	**7,883**	**20,153**
Interest payments on balance due on business combinations	**—**	**—**	**3,972**	**—**	**—**	**—**	**3,972**
Interest receipts on derivative financial instruments [1]	**(84,087)**	**(54,268)**	**(33,032)**	**(10,618)**	**(3,539)**	**—**	**(185,544)**
Interest payments on derivative financial instruments [1]	**33,499**	**24,989**	**17,834**	**8,138**	**2,702**	**—**	**87,162**
	297,507	**302,294**	**310,170**	**310,468**	**151,545**	**195,262**	**1,567,246**

(1) Based on the principal amounts and interest rates prevailing on the outstanding debt at August 31, 2024 and their respective maturities.

Interest rate risk

The Corporation and its subsidiary, Cogeco Communications, are exposed to interest rate risk on their floating interest rate instruments. Interest rate fluctuations will have an effect on the repayment of these instruments. At August 31, 2024, all of the Corporation's and Cogeco Communications' long-term debt was at fixed rate, except for the amounts drawn under the Corporation's Term Revolving Facility and Non-Revolving Term Credit Facility, and under Cogeco Communications' Term Revolving Facility and First Lien Credit Facilities, which are subject to floating interest rates.

To reduce the risk on the floating interest rate instruments and mitigate the impact of interest rate variations, Cogeco Communications' U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at August 31, 2024:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate [1]	Maturity	Hedged item
Cash flow [2] [3]	US$550 million	Term SOFR	2.01% - 4.18%	November 2024 - February 2029	Senior Secured Term Loan B - Tranche 3
Cash flow	US$800 million	Term SOFR with a 39 bps floor	1.17% - 1.44%	October 2025 - July 2027	Senior Secured Term Loan B - Tranche 2

(1) Hedges have the effect of converting the floating SOFR base rate into fixed rates, plus an applicable credit spread.

(2) Following the early repayment of Tranche 1 in September 2023, the debt associated with the hedged variable interest cash flows was replaced by Tranche 3 of the Senior Secured Term Loan B Facility.

(3) Interest rate swaps amounting to US$290 million matured in January 2024, while new US$300 million interest rate swaps were entered into, for a total hedge amount of US$550 million.

The sensitivity of the Corporation's annual financial expense to an increase of 1% in the interest rate applicable to the unhedged portion of these facilities would represent an increase of approximately $14.9 million based on the outstanding debt and swap agreements at August 31, 2024.

Foreign exchange risk

A large portion of the Corporation's consolidated revenue and expenses are received or denominated in the functional currency of the business units operating in the markets in which it does business. Accordingly, the Corporation's sensitivity to variations in foreign exchange rates is economically limited. The Corporation's main source of foreign exchange risk resides in the Canadian operations' business transactions denominated in US dollars. The Corporation's objective in managing its foreign exchange risk is to minimize its exposure to foreign currency cash flows and operations, by transacting with third parties in the functional currency of the business units to the maximum extent possible and practical and through the use of derivative financial instruments.

The Corporation's current financial assets and liabilities related to the Canadian operations, subject to foreign exchange risk, are as follows:

At August 31	**2024**	2023
	US	US
(In thousands of Canadian dollars)	**$**	$
Financial assets (liabilities)		
Cash and cash equivalents	**9,285**	7,535
Trade and other payables	**(13,965)**	(8,552)
	(4,680)	(1,017)

The impact of a 10% increase in the exchange rate of the US dollar to the Canadian dollar would affect the measurement of the above financial instruments denominated in US dollars, which would therefore increase financial expense by approximately $0.5 million.

The Corporation is also exposed to foreign exchange risk with respect to the annual interest, amounting to $199.7 million, associated with its notes and credit facilities denominated in US dollars. The impact of a 10% increase in the exchange rate of the US dollar to the Canadian dollar would increase the annual financial expense by approximately $20.0 million based on the outstanding debt and swap agreements at August 31, 2024.

Furthermore, a foreign currency exposure arises from Cogeco Communications' net investment in its U.S. subsidiary, as a result of the translation of the net investment into the Corporation's functional currency. A portion of Cogeco Communications' net investment in its U.S. subsidiary is hedged by Cogeco Communications' US dollar denominated Senior Secured Notes, which were designated as hedges of the net investment, while a portion is economically hedged by the U.S. subsidiary's US dollar denominated First Lien Credit Facilities.

The following table shows the aggregate investment in foreign operations attributable to owners of Cogeco Communications and the notional amount of debt borrowed to hedge this investment at August 31, 2024:

Type of hedge	Notional amount of debt	Aggregate investment	Hedged item
Net investment	US$390 million	US$1,381 million	Net investment in foreign operations in US dollar

The exchange rate used to translate the US dollar currency to the Canadian dollar for the consolidated statement of financial position accounts at August 31, 2024 was $1.3491 ($1.3531 at August 31, 2023) per US dollar. A 10% decrease in the exchange rate of the US dollar to the Canadian dollar would decrease other comprehensive income by approximately $133.7 million.

Market risk

The Corporation and its subsidiary, Cogeco Communications, use derivative instruments to manage the cash flow exposure to the risk of changes in the price of their subordinate voting shares under the DSU plans. As such, the Corporation and Cogeco Communications use equity swap agreements to economically hedge the market price appreciation risk of their subordinate voting shares.

The following table shows the Corporation's equity derivative contracts outstanding at August 31, 2024:

Type of hedge	Notional	Maturity	Average share price	Hedged item
Economic	100,000 units	January 2025	$57.42	Equity price exposure

The following table shows Cogeco Communications' equity derivative contracts outstanding at August 31, 2024:

Type of hedge	Notional	Maturity	Average share price	Hedged item
Economic	122,200 units	January 2025	$59.34	Equity price exposure

At August 31, 2024, the fair value of the equity swaps was $0.5 million and recognized as an asset. As a result of the equity swaps, a 10% increase in the market price of the subordinate voting shares would not have a material financial impact on the Corporation's results.

8.6 Foreign currency

For the years ended August 31, 2024 and 2023, the average rates prevailing used to convert the operating results of the American telecommunications segment were as follows:

Years ended August 31	**2024**	2023
	$	$
US dollar vs Canadian dollar	**1.3606**	1.3467

8.7 Contractual obligations, contingencies and guarantees

A) Contractual obligations

The following table presents the Corporation's contractual obligations at August 31, 2024, which are due in each of the next five years and thereafter:

Years ended August 31	2025	2026	2027	2028	2029	Thereafter	Total
(In thousands of Canadian dollars)	$	$	$	$	$	$	$
Acquisition of property, plant and equipment [1]	**101,977**	**17,283**	**484**	**—**	**—**	**—**	**119,744**
Other long-term contracts [2]	**107,180**	**66,158**	**37,835**	**34,448**	**31,359**	**51,309**	**328,289**
Lease commitments [3]	**11,160**	**24**	**24**	**23**	**19**	**45**	**11,295**
Financial liabilities and lease liabilities, and related capital amounts	**745,067**	**49,060**	**315,361**	**37,494**	**2,417,235**	**1,822,984**	**5,387,201**
Interest payable on long-term debt	**297,507**	**302,294**	**310,170**	**310,468**	**151,545**	**195,262**	**1,567,246**
	1,262,891	**434,819**	**663,874**	**382,433**	**2,600,158**	**2,069,600**	**7,413,775**

(1) Includes contractual obligations in connection with the Corporation's high-speed Internet expansion projects, with purchases of equipment and minimum spend commitments for acquisition of customer premise equipment.

(2) Includes long-term commitments under service and product contracts for operating expenditures, including minimum spend commitments.

(3) Includes leases committed not yet commenced and leases of low value items.

At August 31, 2024, the Corporation had $157.9 million of performance and payment bonds outstanding, issued in accordance with the rules established by Infrastructure Ontario in connection with Ontario's Accelerated High Speed Internet Program (AHSIP).

B) Contingencies

Final rates for aggregated wholesale Internet access services

On May 27, 2021, the Canadian Radio-television and Telecommunications Commission ("CRTC") released Telecom Decision 2021-181, which ruled on applications by cable carriers (including Cogeco Communications) and telecommunications carriers to review and vary Telecom Order 2019-288. In Telecom Order 2019-288, the CRTC had set final rates for Cogeco Connexion's aggregated wholesale high-speed Internet access service that were significantly lower than the interim rates set in October 2016, and had made them retroactive to March 31, 2016. In Telecom Decision 2021-181, the CRTC overturned the 2019 rate reductions and made the interim rates it had previously established in 2016, with certain adjustments, final. On July 28, 2021, an Internet wholesale-based provider sought leave to appeal Telecom Decision 2021-181 to the Federal Court of Appeal, which was granted on September 15, 2021. On July 22, 2024, the Federal Court of Appeal dismissed the appeal. On September 30, 2024, the same Internet wholesale-based provider sought leave to appeal the Federal Court of Appeal's decision to the Supreme Court of Canada.

Due to the significant uncertainty surrounding the outcome of the leave to appeal and its financial implications, the Corporation has not recorded any financial impact as at August 31, 2024.

Royalties payable for retransmission of distant television signals

On July 22, 2021, the Federal Court of Appeal issued a decision in response to two applications for judicial review filed by six BDUs (including Cogeco Communications) and nine collective societies challenging a decision by the Copyright Board setting the quantum of royalties payable for the retransmission of distant Canadian and U.S. television over-the-air signals in Canada, for the 2014-2018 period. The Federal Court of Appeal identified errors made in the Copyright Board's initial rate decision and directed the Copyright Board to correct these errors. On January 12, 2024, the Copyright Board issued its decision on the redetermination of the 2014-2018 royalty rates, which resulted in a reduction of these rates for the years 2015-2018 on a retroactive basis. On February 9, 2024, the copyright collectives made an application seeking judicial review of the Copyright Board's redetermination decision. If the Copyright Board's redetermination decision is not upheld, Cogeco Communications could become subject to higher royalty rates for the 2016-2018 period.

The Copyright Board will be setting the rates for subsequent tariff periods (2019-2023 and 2024-2028) in a proceeding that could start in late calendar 2024. Any decision from the Copyright Board that would align with the copyright collectives' proposed tariff rates for either of such subsequent periods could result in Cogeco Communications being subject to higher royalty rates.

The Corporation had previously recognized a provision in the amount of $11.5 million for the 2014-2018 and 2019-2023 tariff periods. As a result of the Copyright Board's January 2024 redetermination decision, a $4.2 million reversal of this previously recognized provision was recognized during the second quarter of fiscal 2024 within *Acquisition, integration, restructuring and other costs.*

Class action proceedings

On September 20, 2024, an application to authorize the bringing of a class action was filed before the Superior Court of Québec against the Corporation for alleged non-compliant rate increases to Québec-based residential customers since September 20, 2021 pursuant to section 11.2 of the *Consumer Protection Act* (Québec). The application, if authorized, is seeking full reimbursement of the rate increases plus punitive damages. The Corporation intends to contest the application. Due to the significant uncertainty surrounding the outcome of this application and its financial implications, the Corporation has not recorded any financial impact as at August 31, 2024.

Other

The Corporation and its subsidiaries are involved in matters involving litigations, other regulatory decisions or potential claims from customers and suppliers arising out of the ordinary course and conduct of its business. Although such matters cannot be predicted with certainty, management does not consider these exposures to be significant to the consolidated financial statements. At August 31, 2024 and 2023, no liability has been recorded with respect to these litigations, other regulatory decisions and potential claims, except for those included in Note 16 of the consolidated financial statements.

C) Guarantees

In the normal course of business, the Corporation provides indemnification in conjunction with certain transactions. While many of the agreements specify a maximum potential exposure, some do not specify a maximum amount. The overall maximum amount of an indemnification obligation will depend on future events and conditions and therefore cannot be reasonably estimated. As a result, the Corporation cannot determine how they could affect its future liquidity, capital resources or credit risk profile. At August 31, 2024 and 2023, no liability has been recorded with respect to these indemnifications, except for those disclosed in Note 16 of the consolidated financial statements.

Sale of a business

In connection with the sale of a business, the Corporation and its subsidiaries have agreed to indemnify the purchaser against claims related to events that occurred prior to the date of sale.

Long-term debt

Under the terms of Cogeco Communications' US Senior Secured Notes, the subsidiary has agreed to indemnify the lenders against changes in regulations relative to withholding taxes and costs incurred due to changes in laws.

Employees and contractual indemnification agreements

The Corporation's subsidiary, Cogeco Media, indemnifies certain of its on-air hosts against charges, costs and expenses as a result of any lawsuit, resulting from judicial or administrative proceedings in which they are named as a defending party and arising from the performance of their services. The Corporation has purchased employees' and contractual's liability insurance with a deductible per loss.

Sale of services

As part of transactions involving the sale of services, the Corporation and its subsidiaries may be required to make payments to counterparties as a result of breaches of representations and warranties made into the service agreements.

Purchase and development of assets

As part of transactions involving the purchase and development of assets, the Corporation and its subsidiaries may be required to pay counterparties for costs and losses incurred as a result of breaches of representations and warranties contained in the purchase agreements.

9. Quarterly operating results

9.1 Quarterly financial highlights

Three months ended	Fiscal 2024 Nov. 30 [1]	Feb. 29 [1]	May 31 [1]	Aug. 31	Fiscal 2023 Nov. 30 [1]	Feb. 28 [1]	May 31 [1]	Aug. 31 [1]
(In thousands of Canadian dollars, except per share data)	$	$	$	$	$	$	$	$
Operations								
Revenue	**776,172**	**751,908**	**777,249**	**768,656**	789,690	757,191	767,603	766,652
Adjusted EBITDA	**366,033**	**347,782**	**369,786**	**371,216**	373,882	351,663	355,459	351,925
Acquisition, integration, restructuring and other costs	**3,265**	**1,222**	**46,634**	**12,177**	2,677	6,952	11,377	15,239
Impairment of property, plant and equipment, intangible assets and goodwill	**—**	**—**	**—**	**15,229**	—	—	88,000	—
Profit for the period	**98,729**	**93,930**	**75,285**	**81,437**	123,808	102,592	33,314	90,521
Profit (loss) for the period attributable to owners of the Corporation	**34,541**	**23,997**	**18,960**	**19,248**	42,081	33,788	(34,473)	29,234
Adjusted profit attributable to owners of the Corporation	**40,038**	**24,346**	**29,102**	**25,562**	42,762	35,609	37,921	33,006
Cash flow								
Cash flows from operating activities	**236,919**	**286,382**	**335,126**	**326,723**	193,821	206,843	283,180	284,370
Free cash flow [1]	**142,078**	**100,468**	**90,164**	**143,055**	109,640	118,808	108,361	87,274
Acquisition of property, plant and equipment	**153,789**	**181,234**	**172,404**	**156,577**	235,008	173,674	190,121	207,434
Net capital expenditures	**146,667**	**171,756**	**169,754**	**154,570**	197,342	156,832	170,258	178,481
Per share data [2]								
Earnings (loss) per share								
Basic	**2.23**	**2.32**	**1.99**	**2.02**	2.68	2.17	(2.22)	1.89
Diluted	**2.21**	**2.30**	**1.97**	**1.99**	2.67	2.15	(2.22)	1.87
Adjusted diluted [3]	**2.57**	**2.33**	**3.02**	**2.65**	2.71	2.27	2.43	2.12
Dividends per share	**0.854**	**0.854**	**0.854**	**0.854**	0.731	0.731	0.731	0.731

(1) During the fourth quarter of fiscal 2024, the Corporation updated its free cash flow calculation to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation. For further details, please refer to the "Non-IFRS Accounting Standards and other financial measures" section.

(2) Per multiple and subordinate voting share.

(3) For the three-month period ended May 31, 2023, the weighted average number of diluted voting shares used for the calculation of the adjusted diluted earnings per share included 49,305 incentive shares units and 48,415 performance share units. As for the calculation of the diluted loss per share, these share-based compensation units were deemed to be anti-dilutive due to the loss incurred during the period and therefore were excluded from the calculation.

9.2 Seasonal variations

Cogeco's operating results are not generally subject to material seasonal fluctuations. Although, the media business faces certain seasonal variations.

9.3 Fourth-quarter operating and financial results

Consolidated

Operating and financial results

Three months ended August 31			2024	2023		Change
(In thousands of Canadian dollars, except percentages)	Actual [1]	Foreign exchange impact	In constant currency [2]	Actual	Actual	In constant currency
	$	$	$	$	%	%
Revenue	**768,656**	(9,731)	**758,925**	766,652	**0.3**	**(1.0)**
Operating expenses	**397,440**	(5,234)	**392,206**	414,727	**(4.2)**	**(5.4)**
Adjusted EBITDA	**371,216**	(4,497)	**366,719**	351,925	**5.5**	**4.2**

(1) For fiscal 2024 fourth-quarter, the average foreign exchange rate used for translation was 1.3690 USD/CDN.

(2) Fiscal 2024 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2023, which was 1.3329 USD/CDN.

Revenue

Three months ended August 31	2024	2023	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**378,702**	375,754	0.8	0.8	—
American telecommunications	**369,049**	367,643	0.4	(2.3)	(9,731)
Cogeco Communications	**747,751**	743,397	0.6	(0.7)	(9,731)
Other	**20,905**	23,255	(10.1)	(10.1)	—
Consolidated	**768,656**	766,652	0.3	(1.0)	(9,731)

Fiscal 2024 fourth-quarter revenue remained stable as reported and decreased by 1.0% in constant currency. The decrease in constant currency is mainly due to:

- a decline in the American telecommunications segment's subscriber base, especially for entry-level services, and a higher proportion of customers subscribing to Internet-only services. The decline was offset in part by higher revenue per subscriber and a better product mix resulting from improving subscriber metrics; and
- lower revenue in the media activities as competitive dynamics in the radio advertising market remain challenging; partly offset by
- revenue growth in the Canadian telecommunications segment, driven mostly by the cumulative effect of high-speed Internet service additions over the past year, including from network expansion projects, as well as the NRBN acquisition completed on February 5, 2024. The increase was offset in part by an overall decline in video and wireline phone service subscribers as an increasing proportion of customers subscribe to Internet-only services.

Operating expenses

Three months ended August 31	2024	2023	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**175,688**	180,183	(2.5)	(2.7)	(288)
American telecommunications	**185,588**	193,172	(3.9)	(6.5)	(4,916)
Corporate and eliminations	**10,819**	15,026	(28.0)	(28.2)	(30)
Cogeco Communications	**372,095**	388,381	(4.2)	(5.5)	(5,234)
Other	**25,345**	26,346	(3.8)	(3.8)	—
Consolidated	**397,440**	414,727	(4.2)	(5.4)	(5,234)

Fiscal 2024 fourth-quarter operating expenses decreased by 4.2% (5.4% in constant currency). The decrease in constant currency is mainly attributable to:

- lower operating expenses in the American telecommunications segment, mostly due to reduced video service costs resulting from a decline in TV subscriptions, cost reduction initiatives and operating efficiencies;
- lower operating expenses in the Canadian telecommunications segment, mainly resulting from cost reduction initiatives and operating efficiencies; and
- lower corporate costs, due in part to lower wireless preparation costs driven by initiatives undertaken in relation to strategic partnerships to facilitate the development of wireless services in Canada under a capital-light operating model.

Adjusted EBITDA

Three months ended August 31	2024	2023	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**203,014**	195,571	3.8	4.0	288
American telecommunications	**183,461**	174,471	5.2	2.4	(4,815)
Corporate and eliminations	**(16,057)**	(18,742)	14.3	14.5	30
Cogeco Communications	**370,418**	351,300	5.4	4.2	(4,497)
Other	**798**	625	27.7	27.7	—
Consolidated	**371,216**	351,925	5.5	4.2	(4,497)

Fiscal 2024 fourth-quarter adjusted EBITDA increased by 5.5% (4.2% in constant currency). The increase in constant currency is mainly driven by cost reduction initiatives and operating efficiencies initiated across the Corporation, as explained above, following its strategic transformation and other cost optimization initiatives, in addition to revenue growth in the Canadian telecommunications segment.

Acquisition, integration, restructuring and other costs

Fiscal 2024

Fiscal 2024 fourth-quarter acquisition, integration, restructuring and other costs amounted to $12.2 million, mostly related to:

- restructuring and other related costs incurred primarily in connection with further cost optimization initiatives undertaken during the fourth quarter of fiscal 2024, as mentioned above; and
- configuration and customization costs related to cloud computing and other arrangements.

Fiscal 2023

Fiscal 2023 fourth-quarter acquisition, integration, restructuring and other costs amounted to $15.2 million, mainly related to:

- restructuring costs associated with organizational changes during the fourth quarter within the Canadian and the American telecommunications segments;
- configuration and customization costs related to cloud computing and other arrangements; and
- costs related to the integration of past acquisitions, as well as those incurred in connection with the acquisition of oxio, completed on March 3, 2023.

Depreciation and amortization

Fiscal 2024 fourth-quarter depreciation and amortization expense amounted to $183.7 million, an increase of 16.9% compared to the same period of the prior year, mainly due to a higher level of capital assets and the appreciation of the US dollar against the Canadian dollar since last year.

Impairment of property, plant and equipment

During the fourth quarter of fiscal 2024, non-cash pre-tax impairment charges amounting to $15.2 million were recognized, mostly related to assets under construction write-offs, in relation to strategic partnerships to facilitate the development of wireless services in Canada under a capital-light operating model.

Financial expense

Three months ended August 31	**2024**	2023	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%
Interest on long-term debt, excluding interest on lease liabilities	**74,961**	70,949	5.7
Interest on lease liabilities	**950**	714	33.1
Net foreign exchange loss (gain)	**(3,186)**	2,467	—
Amortization of deferred transaction costs related to the revolving facilities	**192**	186	3.2
Interest and other income	**(2,608)**	(3,450)	(24.4)
Capitalized borrowing costs [1]	**(6,922)**	(406)	—
Other	**1,074**	738	45.5
Financial expense	**64,461**	71,198	(9.5)

(1) Capitalized borrowing costs in connection with debt incurred for the purchase of spectrum licences and the construction of certain networks.

Fiscal 2024 fourth-quarter financial expense decreased by 9.5%, mostly due to capitalized interest recognized during the fourth quarter of fiscal 2024 in connection with debt incurred mainly for previously acquired spectrum licences.

Income taxes

Three months ended August 31	**2024**	2023	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%
Current	**682**	5,523	(87.7)
Deferred	**13,580**	12,304	10.4
Income taxes	**14,262**	17,827	(20.0)
Effective income tax rate	**14.9 %**	16.5 %	(9.7)

Fiscal 2024 fourth-quarter income tax expense decreased by 20.0%, mainly due to the decrease in profit before income taxes, which was partly due to non-cash impairment charges of $15.2 million recognized in the fourth quarter of fiscal 2024.

Current income taxes were lower in the fourth quarter of fiscal 2024 compared to the same period of the prior year, mainly resulting from the variation in temporary differences.

Profit for the period

Three months ended August 31	2024	2023	Change
(In thousands of Canadian dollars, except percentages and earnings per share)	$	$	%
Profit for the period	**81,437**	90,521	(10.0)
Profit for the period attributable to owners of the Corporation	**19,248**	29,234	(34.2)
Profit for the period attributable to non-controlling interest [1]	**62,189**	61,287	1.5
Adjusted profit attributable to owners of the Corporation	**25,562**	33,006	(22.6)
Basic earnings per share	**2.02**	1.89	6.9
Diluted earnings per share	**1.99**	1.87	6.4
Adjusted diluted earnings per share	**2.65**	2.12	25.0

(1) At August 31, 2024, the non-controlling interest relates to a participation of approximately 71.6% in the profit for the period attributable to owners of Cogeco Communications in addition to the 21% ownership of CDPQ in in a U.S. subsidiary of Cogeco Communications.

Fiscal 2024 fourth-quarter profit for the period and profit for the period attributable to owners of the Corporation decreased by 10.0% and 34.2%, respectively, mainly as a result of:

- higher depreciation and amortization expense; and
- non-cash pre-tax impairment charges of $15.2 million recognized in the fourth quarter of fiscal 2024, mostly related to assets under construction write-offs, in relation to strategic partnerships to facilitate the development of wireless services in Canada under a capital-light operating model; partly offset by
- higher adjusted EBITDA; and
- lower financial expense.

Fiscal 2024 fourth-quarter adjusted profit attributable to owners of the Corporation, which excludes the impact of acquisition, integration, restructuring and other costs, and non-cash impairment charges recognized in the fourth quarter of fiscal 2024 (both net of tax and non-controlling interest), decreased by 22.6% compared to the same period of the prior year. Adjusted diluted earnings per share was higher reflecting the benefit of share buybacks.

Canadian telecommunications

Operating and financial results

Three months ended August 31			2024	2023		Change
(In thousands of Canadian dollars, except percentages)	Actual [1]	Foreign exchange impact	In constant currency [2]	Actual	Actual	In constant currency
	$	$	$	$	%	%
Revenue	**378,702**	—	**378,702**	375,754	**0.8**	**0.8**
Operating expenses	**175,688**	(288)	**175,400**	180,183	**(2.5)**	**(2.7)**
Adjusted EBITDA	**203,014**	288	**203,302**	195,571	**3.8**	**4.0**
Adjusted EBITDA margin	**53.6 %**			52.0 %		
Net capital expenditures	**71,000**	(245)	**70,755**	73,348	**(3.2)**	**(3.5)**
Capital intensity	**18.7 %**			19.5 %		

(1) For fiscal 2024 fourth-quarter, the average foreign exchange rate used for translation was 1.3690 USD/CDN.

(2) Fiscal 2024 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2023, which was 1.3329 USD/CDN.

Revenue

Fiscal 2024 fourth-quarter revenue increased by 0.8% as reported and in constant currency, mainly as a result of:

- a higher Internet service subscriber base, including from network expansion projects; and
- the NRBN acquisition completed on February 5, 2024; partly offset by
- an overall decline in video and wireline phone service subscribers.

Operating expenses

Fiscal 2024 fourth-quarter operating expenses decreased by 2.5% (2.7% in constant currency), mainly due to:

- cost reduction initiatives and operating efficiencies; and
- lower technology licensing costs and the timing of certain operating expenses; partly offset by
- the NRBN acquisition; and
- higher sales and other operating expenses to drive subscriber growth.

Adjusted EBITDA

Fiscal 2024 fourth-quarter adjusted EBITDA increased by 3.8% (4.0% in constant currency), mainly as a result of lower operating expenses driven by cost reduction initiatives and operating efficiencies, and revenue growth.

Net capital expenditures and capital intensity

Fiscal 2024 fourth-quarter net capital expenditures decreased by 3.2% (3.5% in constant currency) and capital intensity was 18.7% compared to 19.5% for the same period of the prior year, mainly from reduced spending due to the timing of network expansion projects.

Primary service units

		Net additions (losses)	
		Three months ended August 31	
	August 31, 2024	**2024**	2023
Primary service units [1]	**1,869,963**	**(2,327)**	7,479
Internet service subscribers	**892,699**	**9,707**	14,041
Video service subscribers	**604,824**	**(7,877)**	(5,184)
Wireline phone service subscribers	**372,440**	**(4,157)**	(1,378)

(1) Primary service units exclude mobile phone service subscribers.

Internet

Fiscal 2024 fourth-quarter Internet service subscribers net additions of 9,707 resulted from new subscribers added under the Cogeco and oxio brands, as well as new subscribers from fibre-to-the-home network expansions. The higher level of additions in the previous year was partially due to recently completed rural fibre-to-the-home expansion projects in Québec.

Video

Fiscal 2024 fourth-quarter video service subscribers net losses of 7,877 were mainly due to ongoing changes in video consumption trends, with an increasing proportion of customers subscribing to Internet-only services, partly offset by additions in network expansion areas.

Wireline phone

Fiscal 2024 fourth-quarter wireline phone service subscribers net losses of 4,157 were mainly due to a higher mobile phone substitution, partly offset by additions in network expansion areas.

Homes passed

For the fourth quarter of fiscal 2024, homes passed additions were 8,428.

American telecommunications

Operating and financial results

Three months ended August 31	2024			2023	Change	
(In thousands of Canadian dollars, except percentages)	Actual [1]	Foreign exchange impact	In constant currency [2]	Actual	Actual	In constant currency
	$	$	$	$	%	%
Revenue	**369,049**	(9,731)	**359,318**	367,643	**0.4**	**(2.3)**
Operating expenses	**185,588**	(4,916)	**180,672**	193,172	**(3.9)**	**(6.5)**
Adjusted EBITDA	**183,461**	(4,815)	**178,646**	174,471	**5.2**	**2.4**
Adjusted EBITDA margin	**49.7 %**			47.5 %		
Net capital expenditures	**76,238**	(2,011)	**74,227**	100,488	**(24.1)**	**(26.1)**
Capital intensity	**20.7 %**			27.3 %		

(1) For fiscal 2024 fourth-quarter, the average foreign exchange rate used for translation was 1.3690 USD/CDN.

(2) Fiscal 2024 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2023, which was 1.3329 USD/CDN.

Revenue

Fiscal 2024 fourth-quarter revenue remained stable as reported and decreased by 2.3% in constant currency. The decrease in constant currency is mainly due to:

- a decline in the segment's subscriber base, especially for entry-level services, and a higher proportion of customers subscribing to Internet-only services; partly offset by
- higher revenue per subscriber and a better product mix resulting from improving subscriber metrics.

In local currency, revenue amounted to US$269.6 million compared to US$275.8 million for the same period of fiscal 2023.

Operating expenses

Fiscal 2024 fourth-quarter operating expenses decreased by 3.9% (6.5% in constant currency). The decrease in constant currency is primarily due to:

- reduced video service costs resulting from a decline in TV subscriptions; and
- cost reduction initiatives and operating efficiencies.

Adjusted EBITDA

Fiscal 2024 fourth-quarter adjusted EBITDA increased by 5.2% (2.4% in constant currency), mainly resulting from lower operating expenses driven by cost reduction initiatives and operating efficiencies.

In local currency, adjusted EBITDA amounted to US$134.0 million compared to US$130.9 million for the same period of fiscal 2023.

Net capital expenditures and capital intensity

Fiscal 2024 fourth-quarter net capital expenditures decreased by 24.1% (26.1% in constant currency) and capital intensity was 20.7% compared to 27.3% for the same period of the prior year, mainly resulting from lower capital spending due to the timing of network expansion projects and from drawdowns of previously accumulated customer premise equipment inventory, partly offset by equipment upgrades with IPTV in specific markets.

In local currency, net capital expenditures amounted to US$55.7 million compared to US$75.4 million for the same period of fiscal 2023.

Primary service units

	August 31, 2024 [1]	Net additions (losses) Three months ended August 31 2024 [1]	2023
Primary service units [2]	**1,029,995**	**(19,118)**	(22,200)
Internet service subscribers	**643,599**	**(8,731)**	(9,023)
Video service subscribers	**261,311**	**(7,436)**	(8,071)
Wireline phone service subscribers	**125,085**	**(2,951)**	(5,106)

(1) During fiscal 2024 fourth-quarter, 4,450 Internet service subscriber losses were related to the discontinuation of the government-sponsored Affordable Connectivity Program. A provision related to non-paying Internet service subscribers who were previously on the program and were not disconnected as of August 31, 2024, is included in subscriber losses.

(2) Primary service units exclude mobile phone service subscribers.

Internet

Fiscal 2024 fourth-quarter Internet service subscribers net losses amounted to 8,731, of which 2,704 were in Ohio. The improvement in net losses over last year was primarily due to improved customer management in the Ohio market resulting from investments made in the network infrastructure and the proactive replacement of customer IPTV video equipment. However, this improvement was partly offset by losses of 4,450 of mostly lower ARPU subscribers following the discontinuation of the government-sponsored Affordable Connectivity Program, effective on June 1, 2024. These losses include a provision for remaining non-paying subscribers who were ACP program participants.

Internet subscribers net losses also reflect a more competitive environment, notably for entry-level Internet services, partially offset by new subscribers gained from fibre-to-the-home network expansions.

Video

Fiscal 2024 fourth-quarter video service subscribers net losses of 7,436 were mainly due to:

- the continued promotion of Internet-led offers and a reduced emphasis on offering video services as a single product;
- ongoing changes in video consumption trends, with an increasing proportion of customers subscribing to Internet-only services; and
- competitive offers in the industry, including online platforms.

Wireline phone

Fiscal 2024 fourth-quarter wireline phone service subscribers net losses of 2,951 were mainly due to:

- the continued emphasis on offers that are Internet-led; and
- higher mobile phone substitution.

Homes passed

For the fourth quarter of fiscal 2024, homes passed additions were 5,363.

Cash flow analysis

Three months ended August 31	2024	2023	Change
(In thousands of Canadian dollars, except percentages)	$	$	%
Cash flows from operating activities	**326,723**	284,370	14.9
Cash flows used in investing activities	**(160,007)**	(206,100)	(22.4)
Cash flows used in financing activities	**(141,899)**	(79,241)	79.1
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	**(2,206)**	(840)	—
Net change in cash and cash equivalents	**22,611**	(1,811)	—
Cash and cash equivalents, beginning of the period	**55,135**	365,665	(84.9)
Cash and cash equivalents, end of the period	**77,746**	363,854	(78.6)

Operating activities

Fiscal 2024 fourth-quarter cash flows from operating activities increased by 14.9%, mainly from:

- the timing of payments of trade and other payables;
- higher adjusted EBITDA; partly offset by
- higher interest paid.

Investing activities

Fiscal 2024 fourth-quarter cash flows used in investing activities decreased by 22.4%, primarily due to the decrease in acquisition of property, plant and equipment over last year.

Acquisition of property, plant and equipment, net capital expenditures and capital intensity

Three months ended August 31	2024	2023	Change	Change in constant currency
(In thousands of Canadian dollars, except percentages)	$	$	%	%
Acquisition of property, plant and equipment	**156,577**	207,434	(24.5)	
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	**(2,007)**	(28,953)	(93.1)	
Net capital expenditures	**154,570**	178,481	(13.4)	(14.7)
Net capital expenditures, excluding network expansion projects	**97,659**	145,553	(32.9)	(34.1)

Net capital expenditures and capital intensity

Three months ended August 31	2024	2023	Change	Change in constant currency
(In thousands of Canadian dollars, except percentages)	$	$	%	%
Canadian telecommunications	**71,000**	73,348	(3.2)	(3.5)
Capital intensity	**18.7 %**	19.5 %		
American telecommunications	**76,238**	100,488	(24.1)	(26.1)
Capital intensity	**20.7 %**	27.3 %		
Corporate and eliminations	**5,015**	2,781	80.3	80.4
Cogeco Communications	**152,253**	176,617	(13.8)	(15.1)
Capital intensity	**20.4 %**	23.8 %		
Other	**2,317**	1,864	24.3	24.3
Consolidated	**154,570**	178,481	(13.4)	(14.7)

Net capital expenditures and capital intensity excluding network expansion projects

Three months ended August 31	2024	2023	Change	Change in constant currency
(In thousands of Canadian dollars, except percentages)	$	$	%	%
Cogeco Communications	**95,342**	143,689	(33.6)	(34.8)
Capital intensity, excluding network expansion projects [1]	**12.8 %**	19.3 %		
Other	**2,317**	1,864	24.3	24.3
Consolidated	**97,659**	145,553	(32.9)	(34.1)

(1) Capital intensity, excluding network expansion projects is a non-IFRS Accounting Standards ratio. This indicated term does not have a standardized definition prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on this financial measure, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

Fiscal 2024 fourth-quarter net capital expenditures decreased by 13.4% (14.7% in constant currency). The decrease in constant currency is mainly due to:

- lower spending in the American telecommunications segment, primarily due to the timing of network expansion projects and from drawdowns of previously accumulated customer premise equipment inventory, partly offset by equipment upgrades with IPTV in specific markets; and
- lower spending in the Canadian telecommunications segment, mainly due to the timing of network expansion projects.

Excluding network expansion projects, fiscal 2024 fourth-quarter net capital expenditures decreased by 32.9% (34.1% in constant currency).

Fiscal 2024 fourth-quarter capital intensity of Cogeco Communications was 20.4% compared to 23.8% for the same period of the prior year. The capital intensity decrease is mostly due to lower net capital expenditures, as explained above. Excluding network expansion projects, capital intensity of Cogeco Communications was 12.8% compared to 19.3% for the same period of the prior year.

Financing activities

Issuance and repayment of debt

Fiscal 2024 fourth-quarter changes in cash flows from the issuance and repayment of debt are mainly explained as follows:

Three months ended August 31	**2024**	2023	Explanations
(In thousands of Canadian dollars)	**$**	$	
Decrease in bank indebtedness	**(2,676)**	(1,688)	Related to the timing of working capital needs.
Net decrease under revolving facilities	**(94,549)**	(33,431)	Repayment of amounts drawn under the revolving facilities.
Repayment of notes and credit facilities	**(8,189)**	(8,815)	Comparable.
Repayment of lease liabilities	**(2,816)**	(1,907)	Comparable.
Increase in deferred transaction costs	**(179)**	—	Comparable.
	(108,409)	(45,841)	

Dividends

During the fourth quarter of fiscal 2024, a quarterly eligible dividend of $0.854 per share was paid to the holders of multiple and subordinate voting shares, totalling $8.0 million, compared to a quarterly eligible dividend paid of $0.731 per share, or $11.3 million, in the fourth quarter of fiscal 2023. In addition, dividends paid by a subsidiary to non-controlling interest during the fourth quarter of fiscal 2024 amounted to $25.5 million compared to $22.1 million for the same period of the prior year.

Normal course issuer bid

Cogeco

No shares were repurchased under the NCIB program during the fourth quarter of fiscal 2024 and 2023. The Corporation did not renew its NCIB program following the end of the program on January 17, 2024.

Cogeco Communications

No shares were repurchased under the NCIB program during the fourth quarter of fiscal 2024 and 2023. Cogeco Communications did not renew its NCIB program following the end of the program on May 3, 2024.

Free cash flow

Three months ended August 31	2024 [1]	2023 [2]	Change	Change in constant currency [3]	Foreign exchange impact [3]
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Adjusted EBITDA	**371,216**	351,925	5.5	4.2	(4,497)
Share-based payment	**2,752**	2,611	5.4		
Proceeds on disposals of property, plant and equipment [2]	**594**	1,037	(42.7)		
Loss on disposals and write-offs of property, plant and equipment	**430**	514	(16.3)		
Defined benefit plans expense, net of contributions	**512**	323	58.5		
Acquisition, integration, restructuring and other costs	**(12,177)**	(15,239)	(20.1)		
Financial expense	**(64,461)**	(71,198)	(9.5)		
Amortization of deferred transaction costs and discounts on long-term debt [4]	**2,257**	3,212	(29.7)		
Current income taxes	**(682)**	(5,523)	(87.7)		
Net capital expenditures	**(154,570)**	(178,481)	(13.4)		
Repayment of lease liabilities	**(2,816)**	(1,907)	47.7		
Free cash flow [2]	**143,055**	87,274	63.9	63.4	(462)
Free cash flow, excluding network expansion projects [2]	**199,966**	120,202	66.4	65.5	(1,038)

(1) For fiscal 2024 fourth-quarter, the average foreign exchange rate used for translation was 1.3690 USD/CDN.

(2) During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation. For further details, please refer to the "Non-IFRS Accounting Standards and other financial measures" section.

(3) Fiscal 2024 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2023, which was 1.3329 USD/CDN.

(4) Included within financial expense.

Fiscal 2024 fourth-quarter free cash flow increased by 63.9% (63.4% in constant currency). The variation in constant currency is mainly due to:

- lower net capital expenditures, mostly in the American telecommunications segment;
- higher adjusted EBITDA;
- lower financial expense, mostly due to capitalized interest recognized during the fourth quarter of fiscal 2024 in connection with debt incurred mainly for previously acquired spectrum licences;
- lower current income taxes; and
- lower acquisition, integration, restructuring and other costs.

Excluding network expansion projects, fiscal 2024 fourth-quarter free cash flow amounted to $200.0 million ($198.9 million in constant currency), an increase of 66.4% (65.5% in constant currency) compared to the same period of the prior year.

10. Fiscal 2025 financial guidelines

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

The Corporation presents its fiscal 2025 financial guidelines on a constant currency basis and believes this presentation enables an improved understanding of the Corporation's underlying financial performance, undistorted by the effects of changes in foreign currency rates. Measures on a constant currency basis are considered non-IFRS Accounting Standards measures and ratios, and do not have any standardized meaning prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. The financial guidelines exclude the impact from possible business acquisitions and do not take into consideration unusual adjustments that could result from regulatory environment changes or unforeseeable non-recurring items.

Cogeco

Fiscal 2025 will be the first year of a three-year transformation program, where investments are made in order to set the Corporation on a path to sustainable growth. The Corporation's fiscal 2025 financial guidelines are primarily driven by those of Cogeco Communications, which are described below.

The following table outlines the Corporation's fiscal 2025 financial guidelines ranges compared to fiscal 2024 actual results, on a constant currency and consolidated basis:

	October 31, 2024		
	Projections	[1]	Actual
	Fiscal 2025 (constant currency)	[2]	Fiscal 2024
(In millions of Canadian dollars, except percentages)	**$**		$
Financial guidelines			
Revenue	**Stable**		3,074
Adjusted EBITDA	**Stable**		1,455
Net capital expenditures	**$660 to $735**		643
Net capital expenditures in connection with network expansion projects	**$140 to $190**		137
Free cash flow	**Decrease of 0% to 10%**	[3]	476
Free cash flow, excluding network expansion projects	**Decrease of 0% to 10%**	[3]	613

(1) Percentage of changes compared to fiscal 2024.

(2) Fiscal 2025 financial guidelines are based on a USD/CDN constant exchange rate of 1.3606 USD/CDN.

(3) The assumed current income tax effective rate is approximately 14%.

Cogeco Communications

On a constant currency basis, Cogeco Communications expects fiscal 2025 revenue to remain stable resulting from a combination of Internet subscriber growth and a decline in video and wireline phone subscriptions. On a constant currency basis, fiscal 2025 adjusted EBITDA is anticipated to remain stable, mainly due to stable revenue as well as stable operating expenses, which are anticipated to benefit from the recent corporate reorganization and other operational improvements, offset by investments into new capabilities as part of a three-year transformation program.

Net capital expenditures are anticipated to be between $650 and $725 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. Capital intensity is expected to range between 22% and 24%, or 17% and 19% excluding network expansion projects.

Free cash flow and free cash flow, excluding network expansion projects, are expected to decrease between 0% and 10% due to stronger than anticipated free cash flow in fiscal 2024, continued growth-oriented investments, and higher financial expense and current income tax.

The following table outlines Cogeco Communications' fiscal 2025 financial guidelines ranges compared to fiscal 2024 actual results, on a constant currency and consolidated basis:

	October 31, 2024 Projections [1] Fiscal 2025 (constant currency) [2]	Actual Fiscal 2024
(In millions of Canadian dollars, except percentages)	**$**	$
Financial guidelines		
Revenue	**Stable**	2,977
Adjusted EBITDA	**Stable**	1,442
Net capital expenditures	**$650 to $725**	638
Net capital expenditures in connection with network expansion projects	**$140 to $190**	137
Capital intensity	**22% to 24%**	21.4 %
Capital intensity, excluding network expansion projects	**17% to 19%**	16.8 %
Free cash flow	**Decrease of 0% to 10%** [3]	476
Free cash flow, excluding network expansion projects	**Decrease of 0% to 10%** [3]	613

(1) Percentage of changes compared to fiscal 2024.

(2) Fiscal 2025 financial guidelines are based on a USD/CDN constant exchange rate of 1.3606 USD/CDN.

(3) The assumed current income tax effective rate is approximately 14%.

11. Sustainability strategy

At Cogeco, we take pride in our long-standing tradition of environmental action, social engagement and community involvement. In light of the Corporation's transformation, we are conducting a comprehensive review of our sustainability strategy to ensure its alignment with our new operating model and transformation, as announced in May 2024. Our sustainability strategy will remain an integral part of the Corporation's business strategy as we recognize the fundamental role that corporations must play in addressing the most pressing environmental, social and economic challenges of our time, as well as our responsibility towards effective monitoring and management of our sustainability-related risks and opportunities to ensure long-term and resilient value creation.

Cogeco's most recent Sustainability, Climate Action Plan and Task Force on Climate-Related Financial Disclosures reports with respect to fiscal 2023, and the fiscal 2023 ESG data supplement are available on the Corporation's website at corpo.cogeco.com, under "Sustainability - Sustainability Practices".

12. Uncertainties and main risk factors

This section outlines the principal risks and uncertainties that Cogeco and its subsidiaries currently believe to be material. It does not purport to cover all contingencies, or to describe all possible factors that might have an influence on the Corporation or its activities at any point in time. Furthermore, the risks and uncertainties outlined in this section may or may not materialize in the end, may evolve differently than expected or may have different consequences than those that are currently anticipated. If any of the following risks, or any other risks and uncertainties that the Corporation and its subsidiaries have not yet identified or that they currently consider not to be material, actually occur or become material risks, the Corporation and its subsidiaries' businesses, guidance, prospects, financial condition, results of operations and cash flows and consequently the price of the subordinate voting shares could be materially and adversely affected.

Enterprise risk management

The Corporation strives to continually strengthen its risk management practices to safeguard and increase shareholder value. The objective with risk management is not to eliminate risk entirely but to balance risk and return effectively in order to maximize value to the organization. As such, the Corporation has a formal integrated enterprise-wide risk management

("ERM") program structured and governed based on the widely adopted *Committee of Sponsoring Organizations of the Treadway Commission* ("COSO") ERM integrated framework. This framework establishes a strong connection between risk, strategy and enterprise performance.

As part of the Corporation's ERM program, a risk register is maintained and updated through engagement with leaders across the organization to identify, measure and mitigate risks that could impact overall risk assessment and strategic planning. Strategic, operational, financial, regulatory, compliance, environmental, social and governance related risks are analyzed, and the process takes into account both short and longer term existing and emerging risks, as deemed relevant. An annual risk assessment is conducted and includes a review of industry benchmarks and a risk survey of all senior leaders. Based on the survey results, key risks to achieving the organization's corporate objectives are identified and risk mitigation measures are implemented as required. The results of the annual risk assessment are presented to the Senior leadership team and the Audit Committee. Quarterly updates on risks and related mitigation measures are provided. In addition, as part of this annual risk assessment process, the organization's *Risk Tolerance Framework*, guiding strategic decision making, is reviewed and updated, as needed.

12.1 Competitive environment

The environment in which the Corporation operates is highly competitive. The Corporation expects competition to remain strong for the foreseeable future as traditional and non-traditional competitors seek increased market share and competitive trends evolve in response to customer demands, regulatory developments and emerging technologies. Those trends can lead competitors to adopt new and, in some cases, more aggressive strategies to protect and grow market share, revenue and profit.

Competition stems from various sources. Large traditional phone companies and mobile service operators are upgrading their offerings with products such as exclusive, direct-to-consumer video content, investing in fibre-to-the-home ("FTTH") and in fixed-wireless access ("FWA"), expanding their 5G networks and expanding outside their traditional serving territories. Competition also comes from other sources, such as Internet wholesale-based providers in Canada, companies and municipalities overbuilding the Corporation's facilities, communities in the U.S. building open access broadband networks, and entrants offering Internet access services by leveraging satellite technology. Global technology and streaming giants also continue to increase their presence in various content markets which may lead to an increase in churn as customers now have additional choices for media content.

To mitigate the Corporation's competitive risks, focus is placed on providing customers with high quality products, superior customer service and compelling value-for-money. The Corporation has also launched wireless services in the United States in fiscal 2024, and is working towards the launch of wireless services in Canada, in both cases, as an MVNO and to enable a bundle with our wireline services.

The Corporation's principal competitive risks can be broken down as follows.

Intense competition in the Canadian and American telecommunications segments.

Both the Canadian and American markets have been experiencing heightened competition for a few years.

Over the years, Internet wholesale-based providers using the CRTC's mandated wholesale high-speed access service regime have become important competitors in the Canadian territories where the Corporation offers its services, particularly in Ontario. The regulated wholesale regime does not require wholesale-based providers to invest in network construction. While wholesale-based providers are primarily focused on Internet services, some are also providing video and phone services and growing their offering. Recently, incumbent phone and cable companies have, through the acquisition of Internet wholesale-based providers, become important users of mandated wholesale high-speed access services in our serving territories, which they have the ability to bundle with wireless, video and other services.

In the U.S., the Corporation is also facing intensified competition from traditional cable and telco competitors, as well as new fibre builders which are overbuilding the Corporation's facilities within its operating footprint. Many states in which we operate are also seeing an increase in the number of fixed wireless and satellite broadband providers that offer fixed wireless broadband and Internet delivered via satellite, some of which have been awarded federal funding to expand their service territories to unserved areas. Additionally, in the US, broader availability of federal, state, and local funding offers opportunities to local utility companies and other small competitors to build a middle-mile network through our footprint.

Competition in both the Canadian and American telecommunications segments from streaming services.

The video markets in Canada and the U.S. face increasing competition from streaming services offered not only from over-the-top ("OTT") video content providers but also from content owners launching or acquiring a streaming service of their own. A majority of households already subscribes to streaming services as a complement to traditional video services, which has resulted in a surge in subscriptions in recent years. Some OTT video content providers now offer live-feed channels traditionally offered only by broadcasting distribution undertakings. The streaming trend is expected to continue to increase and the Corporation could be materially adversely affected if, as a result, there was a further acceleration in video cord-cutting.

The Corporation enables the delivery of certain streaming services within its video product but does not own any streaming platform.

Increased number of consumers switching from wireline phone to mobile and IP based phone services.

As mobile phone and smartphone adoption grows, an increasing number of wireline phone subscribers are disconnecting fixed lines. An accelerated erosion of the Corporation's wireline phone subscriber base could have a material adverse effect on the Corporation's business, financial condition, prospects and results of operations.

Launch of wireless services.

While the Corporation, through Cogeco Communications, has offered wireless services in the city of Sept-Îles, Québec since April 2023, it does not yet offer such services throughout the rest of its Canadian footprint. On August 19, 2024, the Corporation announced that Cogeco Communications had entered into two key supplier agreements that will enable it to offer wireless services across its Canadian footprint: a five-year MVNO agreement with a national wireless network operator giving Cogeco Communications access to its wireless network, pursuant to the terms of the CRTC's MVNO access regime established in Telecom Regulatory Policy 2021-130; and a separate five-year agreement for the delivery of wireless technology platforms, including business support systems, core network and operation systems.

Launching a mobile operation in Canada as an MVNO can require significant investments, including the acquisition and deployment of spectrum, the expansion and maintenance of a mobile network, the attraction and retaining of customers and the implementation of marketing strategies and other commercial efforts. Further, the CRTC's MVNO access regime established in Telecom Regulatory Policy 2021-130 provides that incumbent wireless carriers are to provide MVNO access services to regional wireless carriers for a period of seven years to May 2030 (the "sunset period"). Should the Corporation fail to adequately expand its own wireless network or enter into a commercial MVNO agreement before the end of the sunset period, it could run the risk of no longer being in a position to serve its mobile phone customers.

The Corporation also launched wireless services in the United States in May 2024 through a commercially negotiated MVNO arrangement. This arrangement could expose the Corporation to some of the same operating risks as in Canada, although the United States MVNO arrangement is purely commercial and is not tied to a regulatory framework.

Competition in the radio business.

The Corporation's radio operations are significantly exposed to advertising budgets from the retail industry, which can fluctuate due to increased competition and changing economic conditions. The Corporation is subject to competition from other radio stations and other sources of media, such as television and digital platforms.

12.2 Business risks

Economic conditions

The Corporation is influenced by general economic conditions, consumer confidence and spending, and the demand for its products and services. Adverse economic conditions, such as heightened inflation, could impact residential disposable incomes. Such conditions could have a negative impact on the demand for the Corporation's products and services, and could lead to increased cord cutting and lower ARPUs. Adverse general economic conditions could result in customers delaying or reducing purchases of the Corporation's products and services or discontinuing using them, and a decline in the creditworthiness of its customers could increase its bad debt expense. In addition, geopolitical conditions could lead to instability in financial markets, sustained high energy prices and supply chain issues, leading to increased costs and supply chain delays.

Strategic planning

The Corporation's ability to successfully implement its business strategies described in the "Corporate objectives and strategy" section of this report in a timely and coordinated manner and to realize their anticipated benefits could be adversely affected by a number of factors beyond the Corporation's control, including operating difficulties, increased ongoing operating expenses, regulatory developments, general economic conditions, increased competition, technological changes and the other factors described in this "Uncertainties and main risk factors" section. Failure to successfully implement and execute the Corporation's strategic plan and business strategies could have a material adverse effect on the Corporation's reputation, business, financial condition, prospects and results of operations and on its ability to meet its obligations, including its ability to service its debt.

Programming and content

The financial performance of the Corporation's businesses depends in large part on its ability to sustain and increase adjusted EBITDA by tightly controlling operating expenses. One of the largest drivers of such operating expenses is the programming licence fees the Corporation pays to television programming service suppliers. The programming licence fees of certain television programming services have increased significantly in Canada and in the United States in recent years, particularly for sports programming and retransmission consent in the United States. Future increases in programming licence fees could have a material adverse effect on the Corporation's business and results of operations.

In Canada, the market for video content services is characterized by high levels of supplier concentration and vertical integration. Some of the large integrated communications service providers with whom the Corporation competes in Canada own broadcast television content assets. This vertical integration could result in content being withheld from the Corporation or being made available at inflated prices or unattractive terms. In order to limit the power of vertically integrated entities on the public's access to diverse and quality programming services, the CRTC adopted in 2015 a Wholesale Code which applies to all broadcasting distribution undertakings ("BDU") and licensed programming undertakings. The Code prohibits a number of commercially unreasonable practices and sets out a dispute resolution mechanism for the renewal of affiliation agreements in situations where both the BDU and the programming undertaking intend to renew the agreement but are unable to agree on terms. While the Corporation has generally been able to obtain satisfactory distribution agreements with programming service suppliers in Canada to date, it may not be able to maintain its current arrangements, or conclude new arrangements that are economically viable; therefore the number of video channels may change from year to year.

Certain affiliation agreements with some of the Corporation's major programming suppliers have expired and the terms and conditions for their renewal have not yet been fully concluded. The Corporation may be subject in upcoming Canadian programming services renewals to regulatory dispute resolution proceedings which could either help it obtain reasonable affiliation terms or compel it to pay increased programming licence fees or otherwise subject it to adverse competitive conditions.

In the United States, the Corporation's ability to access content at reasonable rates, terms and conditions for "must have" content including live sports and retransmission consent is continuously challenged. Continued consolidation, cost increases and division of U.S. sports rights among traditional television and streaming platforms impact the Corporation's ability to procure content at reasonable rates and terms. This ongoing consolidation activity may enable combined companies to leverage popular content and negotiate better terms with the Corporation in the future or require that the Corporation carry their less popular video entertainment offers, thus further increasing costs. In addition to the increase in programming costs, most of the Corporation's programming agreements require it to meet certain penetration thresholds, which limit its ability to offer smaller tiers and packages. Many of these same programmers are simultaneously launching their own direct-to-consumer products to effectively compete with programming distributors.

The Corporation is also subject in the United States to increasing financial and other demands by broadcasters to obtain the required consent for the transmission of local broadcast programming to its customers. Federal law prohibits cable operators from carrying local broadcast stations without consent. Under federal "must-carry" regulations, local broadcast stations may require cable operators to carry such stations without compensation. Alternatively, local broadcast stations may require cable operators to engage in "retransmission consent" negotiations, pursuant to which broadcast stations require significant payments and other concessions, in exchange for the right to carry such stations. The Corporation expects to continue to be subject to significant increases in fees by broadcasters in exchange for their required consent for the retransmission of local broadcast programming to customers. Failure to reach an agreement with a broadcaster could result in the loss of popular programming from the Corporation's video services.

The inability to acquire and provide content to the Corporation's customers that meets their expectations in terms of quality, format, variety of programming choices, packages and platforms at competitive rates which customers can afford to pay, could have a material adverse effect on the Corporation's businesses as well as on its adjusted EBITDA should the Corporation fail to pass on the incremental increase in costs of programming to its customers.

Access to support structures and municipal rights of ways

The Corporation's business requires the execution of contracts with utilities in order to obtain access to utility support structures (such as utility poles) and with municipalities to obtain access to public rights-of-ways. Access to the support structures of telephone companies in Canada is provided on a tariff basis approved by the CRTC. In the case of Canadian provincial and municipal electric utilities, access to those support structures is subject to provincial and municipal requirements, and the terms for access to these structures may need to be obtained through provincial and municipal authorities. Where access to municipal rights-of-ways in the Corporation's Canadian footprint cannot be secured, the Corporation may apply to the CRTC to obtain a right of access under the *Telecommunications Act*. In the United States, the Corporation is required to obtain franchises from municipalities or states to access the public rights-of-way to install a cable system and provide video services. The *Communications Act of 1934* in the U.S. requires telephone companies and other utilities (other than those owned by municipalities or cooperatives) to provide cable systems with non-discriminatory access to any pole or rights-of-ways controlled by the utility. The rates that utilities may charge, together with certain terms and conditions for such access are regulated by the Federal Communications Commission ("FCC"), or, alternatively, by states that certify to the FCC that they regulate pole attachments.

Make-ready work, which is the strengthening of the poles and/or relocation of other facilities on the poles to accommodate additional attachments, often takes several months to years to complete, which can delay the Corporation's network expansion. A failure to support increasing costs in securing available government support structures for our broadband network expansion plans and an inability to secure such agreements may hinder our business strategies and operations, financial condition, reputation and prospects.

Customer relationship management

The Corporation strives to maintain respectful and transparent relationships with its customers by providing a distinctive customer experience and through honest marketing of its products. The loyalty of the Corporation's customers and their retention depend on the Corporation's ability to provide a service experience that meets or exceeds their expectations. The Corporation firmly believes that customer experience represents a key differentiator and has enacted various programs and actions to constantly improve the customer experience and build upon this reputational capital.

With increased demand for digital capabilities and an increasingly competitive market, a failure to keep pace with customer demand could result in an erosion of our subscriber base and difficulty in attracting potential new subscribers. The Corporation continues to invest in digital transformation, artificial intelligence, and advanced analytics to better meet increasing and evolving customer needs. Failure by the Corporation to properly manage customer relationships could adversely affect its business, resulting in a decline of its subscriber base and damage to its brand value.

Customer expectations

To meet rising customer expectations and increasing needs for digital connectivity, the Corporation is putting broadband connectivity at the center of the customer experience by offering an advanced managed Wi-Fi solution to its Internet subscribers in Canada and the United States.

Rising OTT fragmentation is also triggering a consumer call for aggregation of OTT offerings on a common platform. The Corporation's IPTV service features a supporting mobile app allowing customers to watch TV everywhere, enables more source-agnostic integrated content navigation and consumption, and provides self-service options allowing customers to manage their account and subscriptions, view invoices and make payments. The Corporation constantly strives to improve its digital products and service offerings in order to meet customer expectations. Failure to anticipate and respond in a timely manner to evolve customer experience in line with customer demand, changes in consumer behavior, technology trends and new market conditions may result in an outdated product/services portfolio, thus impairing the Corporation's ability to retain current customers and attract new ones.

Supply chain and third parties

The Corporation currently offers services to its subscribers on its Canadian and American footprint through a combination of equipment and services from various suppliers, and depends on long-term agreements with suppliers for the provision of such services to its residential and business subscribers. Some of these suppliers may experience business difficulties, restructure their operations, discontinue products or sell their operations to other suppliers, which could affect the availability and future development of the Corporation's products and services. The inability to obtain critical equipment, software, services or other items, in a timely manner and at an acceptable cost, may limit our ability to offer products and services at competitive pricing that meet customer demands, and deliver our network expansion projects while meeting our

commitments. Risk mitigation approaches vary depending on suppliers and circumstances and can include strategies such as enhanced governance, alternative sourcing, advance purchasing and increased inventory levels.

The Corporation relies on its supply chain to deliver its services. Given the inter-dependencies with other telecommunication and utility providers, disturbances in the global supply chain, increasing lead times and sustained skilled labour shortages could have serious adverse effects on the Corporation's business operations.

Mergers, acquisitions and divestitures

The Corporation has grown through acquisitions and will continue to seek attractive acquisition opportunities in the future. Achieving the expected benefits of acquisitions depends in part on successfully consolidating functions, integrating operations, procedures and personnel in a timely and efficient manner and realizing revenue, synergies and other growth opportunities from combining acquired businesses with the Corporation's. There is no assurance that the integration of acquisitions will be successful and will deliver the anticipated benefits and results. It is also possible, however, that the integration process could result in the disruption of the respective ongoing businesses or inconsistencies in standards, information technology, security and financial reporting systems, controls, procedures and policies that adversely affect the ability of management to achieve the anticipated benefits of the acquisition. The integration process may lead to greater than expected operating expenses, financial leverage, capital costs, subscriber losses, asset write-offs, business disruption of the Corporation's other businesses and management's diversion of time and resources. The Corporation may also be required to make capital expenditures or other investments, which may affect its ability to prioritize other business strategies to the extent the Corporation is unable to secure additional financing on acceptable terms or generate sufficient funds internally to cover these requirements. In addition, an acquired business could have liabilities that the Corporation fails or is unable to uncover and for which it may be responsible. Depending on the circumstances, pursuing acquisitions may also require that the Corporation raise additional capital, through debt or equity, and establish relationships with new financing partners, or use cash that would otherwise have been available to support its existing business operations. Also, the Corporation generally faces competition in acquisition processes from strategic players and private equity funds, which can result in having to pay high acquisition prices or not be the ultimate buyer of the companies being sold.

Any failure by the Corporation to achieve growth targets due to increasing competition and rising multiples in the U.S., limited availability of potential targets in Canada, and to successfully integrate or address the risks associated with acquisitions or to take advantage of future strategic opportunities could materially adversely affect its financial position, financial performance, cash flows, business or reputation. To mitigate its risk, the Corporation follows a proactive and agile mergers and acquisitions process and evolves and enhances its integration procedures, as needed.

As part of its strategy, the Corporation may engage in divestitures of certain non-core assets for which there is a financial risk linked to the valuation, sale process and post-transaction obligations. If market conditions fluctuate or if the divestiture is not executed efficiently, the Corporation may not achieve the anticipated financial return. This could result in a loss of investment, negatively impacting its financial performance and shareholder value. The Corporation may also face reputational risk, particularly if its stakeholders negatively perceive the divestiture. To address this risk, the Corporation is committed to maintaining clear communication with investors, employees and other stakeholders.

Insurance coverage

As part of its business operations, the Corporation maintains a certain level of insurance coverage. There can be no assurance that the Corporation has in place sufficient coverage to satisfy its needs, or that it will be able to secure all necessary or sufficient insurance coverage in the future. Insurance companies may also deny claims the Corporation might make. The Corporation may also be subject to future liabilities in respect of lawsuits or events for which it is only partially insured, or completely uninsured. The Corporation's insurance is purchased from a number of third-party insurers. If any of its third-party insurers fail, refuse to renew or revoke coverage, then the Corporation's overall risk exposure and operational expenses could be increased.

Foreign operations

The Corporation's American telecommunications activities are carried out under the Breezeline brand in thirteen states along the East Coast and the Midwest and represent 47.7% of the consolidated revenue of the Corporation. Failure to carry out foreign operations in line with geographical, political, legal and regulatory specificities and taxation regimes exposes the Corporation to material adverse operational, reputational and financial impacts. Furthermore, these activities expose the Corporation to currency risk as most of them are carried out in US dollars. These factors could have a material adverse effect on the Corporation's operating and financial results.

Talent management and succession planning

The Corporation's success is substantially dependent on its capacity to attract new talent and its ability to retain existing talent and foster continued performance of its employees and executive officers. The fast pace of technological advancements and the digitization within the industry and the workplace have created a highly competitive market for digitally skilled employees as industry players compete for the same resources. In addition, many of the Corporation's employees and executive officers are uniquely qualified in their areas of expertise, making it difficult to replace their services. Retaining key employees and executive officers is especially important to the Corporation's business in order to keep pace with technological change and to avoid losing critical knowledge in the context of its continued expansion. In a tight supply labour market, employees' expectations continue to evolve and make a compelling employee value proposition critical to attracting and retaining strong talent. For this reason, the Corporation is focused on creating an engaging employee experience and culture through continued focus on talent and total rewards programs and an ongoing commitment to ensuring a healthy and safe work environment. Additionally, the Corporation is actively adapting its practices around equity, inclusion and belonging to support the needs of its diverse employee base. A failure to acquire, develop and retain key talent needed to deliver our strategic plan and achieve growth objectives could have an adverse material effect on the Corporation's growth, business and profitability.

Labour relations

Collective bargaining agreements are in place with some of the Corporation's employees that are renewed from time to time in the normal course of business. The Corporation has been successful to date in negotiating satisfactory collective agreements with unions without significant labour disruption. While the Corporation's labour relations have been satisfactory in the past, the Corporation can neither predict the outcome of current or future negotiations relating to labour disputes, union representation or renewal of collective bargaining agreements, nor be able to avoid future work stoppages, strikes or other forms of labour protests pending the outcome of any current or future negotiations. A failure to effectively manage a prolonged work stoppage, strike or other form of labour protest could have a material adverse effect on the Corporation's businesses, operations and reputation. Although the Corporation has not experienced strikes or other forms of labour protests in recent years, the outcome of labour negotiations could adversely affect its businesses and results of operations. In addition, the Corporation has a limited ability to make short-term adjustments to control compensation and benefits costs due to the terms of its collective bargaining agreements.

12.3 Regulatory matters

Regulatory risks- Canadian and American telecommunications

The Corporation's telecommunications operations are subject to extensive and evolving laws, regulations and policies at the federal, provincial, state and local levels. In Canada, we are primarily regulated under the *Broadcasting Act*, the *Telecommunications Act*, and the *Radiocommunication Act* and the respective regulations thereunder while in the United States, we are regulated mainly by the *Communications Act of 1934*. In addition, our operations in both Canada and the U.S. are subject to other legislation relating to copyright and intellectual property, data protection, privacy of personal information, spam, e-commerce, direct marketing and digital advertising which have become more prevalent in recent years. Changes to existing laws and regulations, the adoption of new laws and regulations as well as periodic reviews of copyright royalties payable in relation to the use by the Corporation of protected content could have negative financial, operational or competitive consequences on the Corporation's business, financial condition, prospects and results of operations by increasing its costs, limiting its revenues and/or imposing additional restrictions on its operations.

Several recent and ongoing legislative reviews, regulatory proceedings of the CRTC in Canada and the FCC in the United States or judicial hearings could have a material adverse effect on the Corporation's business and results of operations depending on outcome. The Corporation describes below some of these legislative, judicial and regulatory developments in Canada and the United States.

Canada

Review of the Wholesale High-Speed Access Framework

On March 8, 2023, the CRTC launched a consultation to review its existing framework for wholesale high-speed access ("HSA") services. The CRTC sought comments on several issues, including its preliminary views that (i) the provision of aggregated wholesale HSA services should be mandated; (ii) access to fibre-to-the-premises ("FTTP") facilities should be provided over these services; and (iii) the provision of FTTP facilities over aggregated wholesale high-speed access services should be mandated on a temporary and expedited basis. The CRTC also sought comments on whether retail regulation should be considered to address concerns regarding market concentration and the potential exercise of market power.

Concurrently with the launch of the consultation, the CRTC determined that the current rates for aggregated wholesale HSA services would be made interim, and directed incumbents to file tariff applications with new proposed rates for these services. The CRTC also applied an immediate interim reduction to existing rates that reflects a 10% decrease in the capacity rates incumbents can charge to wholesale-based competitors, until revised final rates are established.

On August 13, 2024, the CRTC issued its final decision (Telecom Regulatory Policy CRTC 2024-180, *Competition in Canada's Internet service markets*), which updates its framework for the provision of regulated wireline wholesale services and will remain in place for a minimum of five years. The decision mandates Canada's largest telephone companies - Bell Canada, Telus and Sasktel - to provide aggregated wholesale access to their FTTP facilities across Canada by February 13, 2025. Any new FTTP deployed by these companies after August 13, 2024 will not be eligible for wholesale access until August 13, 2029. Cable carriers, including Cogeco Communications, continue to be required to provide wholesale access to their hybrid fibre-coaxial facilities, however they are not required to provide wholesale access to their FTTP facilities, as the Commission determined that the limited amount of FTTP facilities deployed to date by cable companies does not currently justify an additional wholesale FTTP requirement. In addition, the decision bans both incumbent telephone and cable companies, including their brands and affiliates, from using aggregated wholesale HSA services within their traditional wireline incumbent serving territories, on the basis that doing so better protects incentives for incumbents to continue to invest. Incumbents, however, can access aggregated wholesale HSA services out-of-territory. The decision did not set any interim or final wholesale rates, although the CRTC issued interim FTTP rates on October 25, 2024, with final rates for both FTTP and other access technologies to follow in 2025. Finally, the decision also maintains the mandate for Cogeco Communications to continue providing disaggregated wholesale access, with the long-term status of the disaggregated access regime subject to a subsequent Commission decision.

The failure of the CRTC to exclude Canada's three dominant national telecommunications carriers from accessing mandated wholesale HSA services in Telecom Regulatory Policy CRTC 2024-180, as well as the eventual implementation of final aggregated wholesale HSA rates that are significantly below the final rates established in Telecom Decision 2021-181, could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Appeals of CRTC's 2021 Internet Wholesale Rate Decision

On May 27, 2021, the CRTC released Telecom Decision 2021-181, which ruled on applications by cable carriers (including Cogeco Communications and telecommunications carriers to review and vary Telecom Order 2019-288. In Telecom Order 2019-288, the CRTC had set final rates for Cogeco Connexion's aggregated wholesale high-speed Internet access service that were significantly lower than the interim rates set in October 2016, and had made them retroactive to March 31, 2016. In Telecom Decision 2021-181, the CRTC overturned the 2019 rate reductions and made the interim rates it had previously established in 2016, with certain adjustments, final. On July 28, 2021, an Internet wholesale-based provider sought leave to appeal Telecom Decision 2021-181 to the Federal Court of Appeal, which was granted on September 15, 2021. On July 22, 2024, the Federal Court of Appeal dismissed the appeal. On September 30, 2024, the same Internet wholesale-based provider sought leave to appeal the Federal Court of Appeal's decision to the Supreme Court of Canada. Should leave be granted, an adverse decision by the Supreme Court of Canada that would result in the implementation of final wholesale rates that are significantly below the 2021 final rates and/or the requirement to refund monies to Internet wholesale-based providers could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Bell Canada Application to Increase Pole Attachment Rate in Ontario and Québec

On October 17, 2023, Bell Canada filed an application requesting that the CRTC approve a significant increase in Bell's pole attachment rate in Ontario and Québec from the current annual pole rental rate of $12.48 to an annual rate of $25.08 – an increase of over 100%. Cogeco Communications, along with other cable carriers, has opposed the granting of Bell's application and has challenged Bell's justifications for seeking such a significant increase. The approval of Bell's application by the CRTC, or of pole attachment rates that are meaningfully higher than current rates, could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Royalties Payable for Retransmission of Distant Television Signals

In Canada, broadcasting distribution undertakings ("BDUs") are allowed to retransmit programming within distant over-the-air television signals as part of a compulsory licensing regime established under the *Copyright Act*. Under this regime, BDUs pay royalties for the broadcast of audio and audiovisual works that are set by the Copyright Board of Canada. On July 22, 2021, the Federal Court of Appeal issued a decision in response to two applications for judicial review filed by six BDUs (including Cogeco Communications) and nine collective societies challenging a decision by the Copyright Board setting the quantum of royalties payable for the retransmission of distant Canadian and U.S. television over-the-air signals in Canada, for the 2014-2018 period. The Federal Court of Appeal identified errors made in the Copyright Board's initial rate decision and directed the Copyright Board to correct these errors. On January 12, 2024, the Copyright Board issued its decision on the redetermination of the 2014-2018 royalty rates, which resulted in a reduction of these rates for the years 2015-2018 on a

retroactive basis. On February 9, 2024, the copyright collectives made an application seeking judicial review of the Copyright Board's redetermination decision. If the Copyright Board's redetermination decision is not upheld, the Corporation could become subject to higher royalty rates for the 2016-2018 period.

The Copyright Board will be setting the rates for subsequent tariff periods (2019-2023 and 2024-2028) in a proceeding that could start in late calendar 2024. Any decision from the Copyright Board that would align with the copyright collectives' proposed tariff rates for either of such subsequent periods could result in the Corporation being subject to higher royalty rates, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Spectrum Transfer Moratorium and Review of Spectrum Transfer Framework

On March 31, 2023, the Minister of Innovation, Science and Industry announced a moratorium on high-impact transfers of spectrum licences in commercial mobile bands. Pursuant to this moratorium, Innovation, Science and Economic Development Canada ("ISED") will not approve any transaction involving the transfer of 10 percent or more of the total spectrum holdings of any company holding more than 100 million MHz-pop of commercial mobile spectrum. The Corporation is subject to this moratorium. The Minister also directed ISED to conduct a comprehensive review of Canada's spectrum transfer framework. The moratorium will expire once a revised spectrum transfer framework comes into effect. The framework review has not yet been initiated and ISED has provided no indication regarding the timing of the implementation of a new framework. There is a risk that this moratorium, depending on its duration, could have a material adverse effect on the Corporation's business, financial condition and results of operations. The adoption by ISED of new, more restrictive spectrum transfer rules that would compromise the Corporation's ability to enter into secondary market transactions, could also have a material adverse effect on the Corporation's business, financial condition and results of operations.

Limitations on the Distribution of Distant Signals

In an application posted by the CRTC on February 21, 2020, Rogers Media Inc. asked the Commission to enforce sections 21 and 49 of the Broadcasting Distribution Regulations ("BDU Regulations"), which state that BDUs must obtain consent of an over-the-air broadcaster in order to distribute its signal in a distant market. Cogeco Communications, as well as other BDUs, opposed the application on the basis that there are doubts regarding the validity of these provisions. Should the CRTC confirm their validity, broadcasters could attempt to limit distribution of distant signals or seek remuneration for their distribution by Cogeco Connexion, which would increase the Corporation's costs and/or limit its offering to consumers. An adverse decision by the CRTC that would result in a confirmation of the validity of sections 21 and 49 of the BDU Regulations could also lead non-Canadian broadcasters to make similar demands, and could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Privacy and Data Protection

In June 2022, the Canadian government introduced Bill C-27, the *Digital Charter Implementation Act, 2022*, which aims to replace Canada's federal private sector privacy legislation, to create a new tribunal and to propose new rules for artificial intelligence systems. If enacted in its current form, Bill C-27 could result in additional compliance costs for the Corporation and expose the Corporation to significant monetary penalties in the event of non-compliance.

Consumer Protection

In June 2024, Bill C-69, the *Budget Implementation Act, 2024, No. 1 (Bill C-69)* received royal assent. Bill C-69 makes a number of amendments to the *Telecommunications Act*, including requirements for providers to offer a self-service option to modify or cancel plans and to provide certain notices before contract expiry. Bill C-69 also prohibits the charging of certain fees related to activation, switching carriers or the modification of service arrangements, and requires the CRTC to set out details on how providers should comply with these amendments. While Bill C-69 has passed, these provisions are to come into force at a later date to be fixed by the Governor in Council. Parliament has also passed Bill C-288, *An Act to amend the Telecommunications Act (transparent and accurate broadband services information)*, which amends the *Telecommunications Act* by requiring Canadian carriers to make easily available certain information in respect of the fixed broadband services they offer, and obligates the CRTC to hold a public hearing to determine how carriers should comply with this obligation. The implementation of these legislative amendments in a way that would impose significant restrictions on our activities or make customer acquisition and retention more difficult and expensive could have an adverse material effect on the Corporation's growth, business and profitability.

United States

Cable Franchises and Competitive Overbuilds

The Corporation operates its cable systems under non-exclusive franchises, permits and similar authorizations granted by state or local governmental authorities. Many of these franchises include comprehensive requirements for facilities and services and the payment of fees to the franchising authorities. It is possible that one or more of the Corporation franchising authorities could grant a franchise to another cable operator under terms and conditions that are more favorable than those required by the Corporation's franchise. In some cases, local municipalities may also legally compete with the Corporation. Certain federal and state legislative proposals and initiatives have sought to give municipalities, utilities and others the ability to construct and deploy broadband facilities that could compete with the Corporation, including through the provision of government subsidies. Additionally, certain telephone companies and competitive broadband providers have obtained or are seeking authority to operate in communities through other rights-of-way agreements, which are less onerous than cable franchise agreements. Accordingly, other service providers may enter the Corporation's markets and build networks, including with governmental subsidies, to offer services in competition with the Corporation.

Regulation of Internet

Currently, Internet service providers must publicly disclose detailed information regarding their service offerings and Internet traffic management practices, but are not otherwise subject to "net neutrality" laws or rate regulation. Since April 2024, broadband service providers must display, at the point of sale, labels that disclose certain information about broadband prices, introductory rates, data allowances, broadband speeds and latency. On April 25, 2024, the FCC voted to reclassify broadband Internet services as telecommunications services under Title II of the *Communications Act of 1934*. A group of Internet service providers challenged the rules in the Sixth Circuit U.S. Court of Appeals, and in August 2024, the court granted a stay of the rules on the basis that it is likely a major question requiring congressional authorization. The court will hear oral arguments on the legality of the rules on October 31, 2024. This follows a series of Supreme Court decisions issued in July 2024, which overturned the *Chevron* deference standard, curtailing the Federal agencies' powers. As a result, the "net neutrality" rules are not yet in effect. This regulation would prohibit blocking, throttling and paid prioritization of Internet content, increase oversight of broadband service providers and create the potential for rate regulation of broadband services. Any such rate regulation of broadband Internet services could have an adverse impact on the Corporation's business and results of operations.

Intellectual Property Rights

The Corporation relies on patent, copyright, trademark and trade secret laws and licences and other agreements with its suppliers and other third parties to use certain technologies and provide the products and services used in its operations. Any of the Corporation's intellectual property rights, or the rights of its suppliers, could be challenged or invalidated. Accordingly, the Corporation may not be able to obtain or maintain licences from these suppliers on reasonable terms, or at all. Additionally, any intellectual property infringement claims could require significant time and expense to defend and require the Corporation to incur significant monetary liability or be prohibited from further use of such technology. Alternatively, the Corporation could be required to enter into royalty or licensing agreements on unfavorable terms or incur significant costs to change its product offerings.

Privacy and Data Protection

The Corporation is subject to numerous privacy and data protection laws at the federal and state level, and these laws are constantly evolving. The Corporation collects certain information about its customers and their use of the Corporation's services. The Corporation's collection of personally identifiable information about its customers is subject to a variety of federal and state privacy requirements, including those imposed specifically on cable operators by Section 631 of the *Communications Act of 1934*. Non-compliance with laws and privacy requirements could expose the Corporation to significant monetary penalties. Further, the enactment of new privacy laws and regulations at the state or federal levels that would increase regulation on our operations could result in additional costs of compliance or litigation.

Consumer Protection

The Corporation is subject to various federal and state consumer protection laws that govern our business operations. Non-compliance with such laws requirements could expose the Corporation to significant monetary penalties. Further, the enactment of new consumer protection laws and regulations at the state or federal levels that would increase regulation on our operations could result in additional costs of compliance or litigation.

12.4 Technology risks

Network, infrastructure and IT systems

The Corporation continuously maintains, upgrades or replaces its network, infrastructure and IT systems in order to optimize its networks and systems performance and reliability, increase the speed of its Internet service and improve and provide new or enhanced services that meet the needs and expectations of its customers. If the Corporation is unable to do so because of capital or other constraints, this may materially adversely affect its ability to compete and negatively impact its business and financial performance.

Network failure

The Corporation manages network failure risks through a business continuity planning program as well as through a Disaster Recovery Policy and related procedures. Operational risk assessments are also conducted on an annual basis to consider, at a minimum, anticipated and unanticipated events (including climate-related incidents) in order to protect the viability of all critical business processes. A failure in the Corporation's infrastructure could prevent the Corporation from delivering some of its services through a portion of its network until it has implemented backup solutions or resolved the failure and result in significant customer dissatisfaction and loss of revenue, depending on the severity of the outage condition. As insurance premium costs are uneconomic relative to the risk of failure, the Corporation self-insures its infrastructure. It is likely that network damage caused by any one incident would be limited by geographic area and the resulting business interruption and financial damages would also be limited.

Dependence on technology systems

The Corporation's daily operations are highly dependent on information technology systems and software, including those provided by certain third-party suppliers, and cloud-based services. The Corporation's business is dependent on its payroll, customer billing, service provisioning, financial, accounting, and other data processing systems. The Corporation relies on these systems to process, on a daily basis, a large number of transactions. An inability to maintain and enhance information technology systems or implement new systems to support additional subscriber growth or new products and services could have a material adverse effect on the Corporation's ability to acquire new subscribers, retain existing subscribers, produce accurate and timely billing, generate revenue growth and manage operating expenses, or comply with regulatory requirements, all of which could materially adversely affect the Corporation's brand and reputation as well as operational results and financial position.

Cyber threats

Cybersecurity threats have grown in frequency and complexity in recent years. Security measures are in place to protect the Corporation and its subsidiaries against such threats. The Corporation continues to enhance its cyber resilience posture, the overall governance over information security and the security awareness of its employees through continuous training and improvement efforts surrounding the security of its IT systems, the controls within its IT systems and its business processes. During fiscal 2024, the Corporation did not experience any cybersecurity breach which could have had material impacts. There can however be no certainty that the increasing intensity and volume of cyber threats will not impact business continuity, data security and privacy, or cause reputational damage, having an adverse effect on the Corporation's brand and reputation as well as entail significant legal and financial exposure.

Data protection

The Corporation uses a wide variety of data in the course of its business, including financial, technological, strategic, personal and commercial information. The Corporation's data ranks among its most valuable assets and is therefore protected according to its sensitivity and criticality, taking into account, among other things, risks as well as legal requirements, governance standards and common best practices, which are extensive and constantly evolving.

The Corporation strives to protect information based on high standards and, in the case of personal information more specifically, does not deliberately disclose that information without the individual's consent, unless otherwise required or authorized by law, or in accordance with the Privacy Policy of each subsidiary. The Corporation does not sell, trade or exchange that information either. In the course of the Corporation's business, it collects, uses and manages various data, including personal information, and it aligns with internal policies, standards, procedures, guidelines, business rules and safeguards that are in place, to ensure that this information is protected and treated appropriately under applicable laws. Each operating unit within the Corporation has implemented customary security measures that are reasonably designed to safeguard information against unauthorized access or disclosure, which includes continuous improvement processes for reviewing and monitoring appropriate authorized access and reporting on such. The Corporation is committed to providing transparency with respect to the Corporation's practices in handling personal information, and has a legal obligation to provide access thereto to individuals to whom this information belongs.

Each year, the Corporation's employees must agree to abide by the rules of the Corporation's Code of Ethics and the Acceptable Use Policy. Every employee must certify in writing that they will comply with them. Privacy training is provided on a regular basis. Existing and proposed legislation and regulations, including changes in the manner in which such legislation and regulations are interpreted by courts in Canada and the United States, may impose limits or requirements on the Corporation's collection, use, storage, access, disclosure and transfer of certain kinds of information.

Security incident risks evolve with increased sophistication of threat actors, thus the Corporation implements reasonable IT security measures and attempts to prioritize its efforts on high risk areas. Any malfunction of the Corporation's systems, security breaches resulting in unauthorized access to loss, use or disclosure of data, including personal information, or failure to comply with data protection and privacy rules and regulations could result in the potential loss of business, damage to the Corporation's reputation and brand value, litigation, regulatory scrutiny and expose the Corporation to the payment of damages and penalties.

Artificial Intelligence

The Corporation recognizes the transformative potential of Artificial Intelligence ("AI") in enhancing operational efficiency, driving innovation, and creating sustainable value for its stakeholders. By leveraging AI, the Corporation is beginning to streamline processes, optimize resource allocation, and gain deeper insights into market trends, all of which contribute to long-term growth and competitiveness. However, the adoption of emerging technologies, such as generative AI, comes with inherent risks that require careful and diligent management and oversight. These include privacy and ethical concerns, algorithmic biases, unintended external access to the Corporation's information and the potential for unintended consequences in decision-making processes. While the Corporation aims to use AI responsibly and attempt to identify and mitigate ethical and legal issues presented by its use, it may be unsuccessful in identifying or resolving issues before they arise. AI-related issues, deficiencies or failures could give rise to legal or regulatory action, including with respect to proposed legislation regulating AI or as a result of new applications of existing data protection, privacy, intellectual property or other laws, and could damage the Corporation's reputation or otherwise harm the business. Additionally, AI technologies are complex and rapidly evolving and our competitors or other third parties may also incorporate AI into their products and operations. If they adopt the use of AI more quickly or more successfully than us, our ability to compete effectively may be impaired which may adversely affect the business and results of operations. The Corporation is committed to following this trend responsibly and has begun engaging with external experts and stakeholders to stay ahead of emerging AI-related challenges.

12.5 Financial risks

Indebtedness, access to capital and liquidity

The Corporation relies on its cash flow generated from operating activities and on capital markets to maintain an adequate liquidity position, to fund its capital expenditures program (including network expansions), innovation initiatives, business acquisitions and shareholder distributions, as well as to refinance its indebtedness.

Capital markets are volatile and the Corporation may not be able to access them at reasonable conditions, or at all, if its credit profile and general economic conditions deteriorate. Such conditions could lead to higher funding costs, and a deteriorating financial position and liquidity.

The Corporation's indebtedness increases its vulnerability to inflation, interest rate fluctuations, and general adverse economic and industry conditions. Resulting cash flow pressure can adversely impact the Corporation's ability to fund capital expenditures and working capital, to respond to changing circumstances, and ultimately putting it at a competitive disadvantage.

The Corporation's debt instruments contain covenants limiting, among other things, the ability of the Corporation to incur additional indebtedness or issue certain preferred equity, enter into transactions with affiliates, dispose of assets, make certain investments, create liens, make distributions, and enter into certain amalgamations, consolidation and merger transactions. A failure by the Corporation to comply with contractual obligations or pay amounts due under debt agreements could result in an acceleration of debt maturities. If the Corporation incurs additional debt or refinances its existing debts, it may be subject to additional and potentially more restrictive covenants.

CDPQ's 21% investment in a U.S. subsidiary is subject to purchase rights by Cogeco Communications and exit rights by CDPQ for portions of its participation over time, which may ultimately impact the Corporation's financial position and liquidity.

Currency and interest rates

The Corporation's financial results are reported in Canadian dollars and a significant portion of its revenue, operating expenses and capital expenditures are realized in US dollars. For financial reporting purposes, any change in the value of the Canadian dollar against the US dollar during a given financial reporting period would result in variations of the Corporation's operating results and financial condition. Although a significant portion of the Corporation indebtedness, which is denominated in US dollars, serves as hedges of net investments in foreign operations, its revenue, adjusted EBITDA and indebtedness could fluctuate materially as a result of foreign exchange rate fluctuations.

Interest rate volatility can also impact interest cost on floating interest rate instruments and have a material adverse effect on the Corporation's financial results. To mitigate this risk, the Corporation enters into contracts to partially hedge our exposure to such interest rate volatility.

Credit ratings

Credit ratings issued by rating agencies can affect the availability and terms of Cogeco Communications' debt, particularly, a downgrade below investment grade of secured debt currently rated as investment grade, could materially increase its cost of capital and reduce access to capital.

Dividend

The declaration, amount and date of any future dividend will continue to be considered and approved by the Board of Directors of the Corporation based upon the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board of Directors, at its sole discretion, deems relevant. There is therefore no assurance that dividends will be declared, and if declared, the amount and frequency may vary.

Changes in tax legislation and tax matters

The Corporation's business operations are subject to various international tax laws and regulations. These tax laws and regulations are subject to frequent changes and evolving interpretations. While management believes the Corporation has adequately provided for all taxes based on the information available, the calculation of taxes requires significant judgment in interpreting laws and regulations. Our tax fillings are subject to audits, which could materially change the amount of current and deferred income tax assets, liabilities, and expenses, and could, in certain circumstances, result in the assessment of interest and penalties.

Changes to Canadian and foreign tax policies in the tax jurisdictions where the Corporation is present may also have a material adverse effect on its current financial structure and the level of its future tax costs and liabilities.

Canadian Tax

On June 20, 2024, both Bill C-59 (*an Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023*) and Bill C-69 (*an Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024*) received royal assent. These bills introduce new rules including a 2% share buyback tax, changes to the general anti-avoidance rule (the "GAAR"), a new 15% global minimum tax (implementing the OECD Pillar Two initiative) and a new interest deduction limitation based on a percentage of the EBITDA (as calculated for tax purposes), also referred to as the EIFEL rules. The latter two sets of rules both apply to the Corporation starting September 1, 2024 and will most likely adversely impact the Corporation, increasing its effective tax rate.

The Department of Finance also indicated that it is still working on the second part of the draft legislation released on February 4 and April 29, 2022 relating to the Organization for Economic Co-operation and Development's ("OECD") Base Erosion and Profit Shifting ("BEPS") project on hybrid transactions. The Corporation will continue to monitor the release and progress of these draft rules for potential impact.

United States Tax

U.S. tax rules limit the deductibility of interest expenses to 30% of the EBIT (as calculated for tax purposes) as of fiscal 2023. With the recent increases in interest rates, the forecasted interest expense for our U.S. operations is expected to exceed the deductibility limitations in fiscal 2024. Tax losses carried forward from previous years should offset any impact on the total and current tax. Interest expenses that are not deducted in a given year can be carried over in future years for an indefinite period. Our U.S. operations forecast to start using the carried forward interests by 2030. The situation as forecasted should not have any adverse consequences but will continue to be monitored in future years as well as considered for future investments requiring financing in the U.S.

Access to governmental programs

The Corporation participates in government programs in Canada and the U.S. to provide high-speed Internet to underserved or unserved regions. We have been awarded funding for broadband projects in Ontario, Québec, Maryland and Virginia. These digital infrastructure investment projects can generally be subject to some penalties for late delivery and to the operational and cost risks of deployment. Failure to continue to secure our fair share of available government funding to support our network expansion plans could have a negative impact on the Corporation's businesses.

12.6 Human-caused and natural threats

In the event of natural disasters, terrorist acts or other catastrophic occurrences, either natural or man-made, the Corporation's ability to protect its network, infrastructure, including customer data, and to maintain ongoing operations could be significantly impaired. Although the Corporation has business continuity and disaster recovery plans and strategies in place, they may not be successful in mitigating the effects of a natural disaster, terrorist act or catastrophic occurrence which could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. Moreover, the Corporation has limited insurance coverage against the losses resulting from natural disasters affecting its networks.

Climate change

The effects of global climate change are increasing the severity and frequency of natural threats on the Corporation's business, such as weather-related events, and may result in increased operational and capital costs. Some of the more significant climate-related risks that the Corporation has identified include: 1) increased operational and capital costs as a result of damage to facilities and/or equipment because of extreme weather events or increased variability in weather patterns; and 2) increased operational and capital costs due to longer term shifts in climate patterns such as chronic heat waves or wildfire. Some of the Corporation's facilities are located in areas more prone to weather-related events such as Breezeline's operations in Florida, though none of our facilities and infrastructure are completely immune to damage due to the increasing occurrence of climate-related weather events across the continent.

Measures taken to mitigate climate-related risks include business continuity and disaster recovery plans and strategies as well as supporting global climate action by adhering to Science Based Targets Initiatives guidelines to reduce our greenhouse gas emissions ("GHG"). As a result, the Corporation has established both near-term (2030) and net zero (2050) targets and plans which are aligned to climate science and progress is monitored on a regular basis (for further details on the Corporation's measures to mitigate climate-related risks, please refer to the Corporation's Climate Action Plan and TCFD report which was issued in March 2024). The magnitude of the effects of climate change could be unpredictable and therefore, the Corporation's plans may not successfully mitigate the consequences of a natural disaster. This could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

12.7 Increasing scrutiny of sustainability

Globally, companies are facing more scrutiny of sustainability goals from various regulators, including securities and antitrust authorities, and other stakeholders. The Corporation has made several sustainability commitments, including near-term and long-term GHG emissions reduction goals. Achieving those goals is subject to risks and uncertainties, many of which are beyond the Corporation's control. The Corporation faces reputational risks if it is unable to meet its targets or if it chooses to abandon certain targets to focus on other priorities.

Furthermore, Canada has adopted legislation that addresses greenwashing and social washing through Bill C-59 and its amendments to the *Competition Act*. The provisions require that companies be able to substantiate sustainability-related claims in accordance with internationally recognized methodologies, and thus expose the Corporation to legal action. Therefore, ensuring that the Corporation is able to accurately reflect its sustainability performance, through robust methodologies, rigorous data collection and appropriate controls, is paramount. The rapidly evolving regulatory landscape for sustainability reporting is also likely to add to these compliance risks as corporations will be required to produce additional sustainability disclosures. Given the constantly evolving landscape surrounding sustainability-related disclosures, the Corporation will monitor further developments closely and carefully manage its commitments and disclosures to reduce reputational, compliance, and legal risks.

12.8 Ethical behavior

Maintaining high ethical practices throughout the Corporation is particularly important in the context of the Corporation's continued expansion. The Corporation's Ethics Steering Committee, composed of representatives from Human Resources, Legal, Finance and Internal Audit functions, provides executive oversight of its overall Ethics program, including the review of its Code of Ethics and related policies. Besides having a comprehensive Code of Ethics and a Content Code of Conduct for its audio activities, the Corporation has an anonymous and confidential Ethics Line which allows employees and other individuals to report any perceived or actual instances of violations to the Corporation's Code of Ethics and employees are also encouraged to use this tool to seek advice about ethical and lawful behavior. In order to increase employees awareness on ethics, a formal online training on the Code of Ethics is mandatory for all new employees and Board members and must be completed by employees every two years subsequently. Furthermore, the Code of Ethics is to be read and acknowledged by all employees at the time of hiring and on an annual basis thereafter. Despite these efforts, the Corporation may experience ethics breaches which could not only adversely affect its reputation, but may also cause the Corporation to incur extraordinary expenses related to penalties and fines.

12.9 Ownership

The Corporation is controlled by Gestion Audem Inc., a company controlled by the members of the family of the late Henri and Marie-Jeanne Audet (the "Audet Family"), through its ownership of Cogeco's multiple and subordinate voting shares. Both Cogeco Communications and Cogeco Inc. are reporting issuers in Canada with subordinate voting shares listed on the Toronto Stock Exchange. Pursuant to the Conflicts Agreement in effect between Cogeco Communications and Cogeco Inc., all cable television undertakings must be owned or controlled by Cogeco Communications. Cogeco Inc. is otherwise free to own and operate any other business or to invest as it deems appropriate.
It is possible that situations could arise where the respective interests of the Audet Family and shareholders or other stakeholders of Cogeco Inc. and of the shareholders or other stakeholders of Cogeco Communications could differ and that the interests of these shareholders or stakeholders be adversely affected by such situations.

12.10 Litigation

The Corporation is involved in various litigation matters arising in the course of its business. The outcome of these claims or litigations is uncertain and failure to implement measures to minimize litigations and their impact may adversely affect the Corporation's reputation, results of operations, liquidity or financial condition. From time to time, the Corporation faces class-action claims and proceedings. Litigation matters involving the Corporation can, individually or in total, have a material adverse effect on its business, results of operations or financial condition. Please see further details regarding our current litigation claims in the "Contractual obligations, contingencies and guarantees" section.

12.11 Public health and safety

Pandemics, epidemics and public health emergencies can quickly emerge and constitute a risk to the Corporation's business. Potential threats posed by such a crisis can include changes in demand for the Corporation's services, supply chain disruption, and employee and customer health and safety concerns negatively affecting the Corporation's financial condition and ability to deliver its services and meet its obligations.

13. Controls and procedures

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. The President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), together with management, are responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and ICFR, as defined in National Instrument 52-109. Cogeco's internal control framework is based on the criteria published in the *Internal Control – Integrated Framework* (2013) published by the *Committee of Sponsoring Organizations of the Treadway Commission*.

The CEO and CFO, supported by management, evaluated the overall design and effectiveness of the Corporation's DC&P and ICFR at August 31, 2024, and concluded that they were effective.

14. Accounting policies

14.1 Critical accounting policies and estimates

Preparation of the consolidated financial statements in accordance with IFRS Accounting Standards requires management to adopt accounting policies and to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities and revenue and expenses during the reporting year. A summary of the Corporation's material accounting policies, estimates, judgments and assumptions is presented in Note 3 of the consolidated financial statements. The following accounting policies were identified as critical to Cogeco's business operations.

Revenue recognition

Revenue is measured based on the consideration received or receivable from a customer, net of returns, promotional activities and discounts. The Corporation recognizes revenue from the sale of products or the rendering of services when it transfers control to the customer.

The Corporation's principal sources of revenue are recognized as follows:

Residential	• Monthly subscription revenue (net of any discounts, rebates, refunds and credits) for Internet, video, wireline and mobile phone services, as well as equipment rentals, is recognized on a monthly basis as the services are provided; • Revenue from data services, long-distance and other pay-per-use services is recognized on a monthly basis as the services are provided; and • Revenue generated from the sale of customer premise equipment or other equipment is recognized when the customer accepts delivery of the equipment.
Commercial	• Monthly subscription revenue (net of any discounts, rebates, refunds and credits) for Internet, video and wireline phone services, as well as equipment rentals, is recognized on a straight-line basis over the contractual period arrangement; and • Revenue generated from the sale of customer premise equipment or other equipment is recognized when the customer accepts delivery of the equipment.
Other	• Revenue mainly from Internet wholesale-based providers and advertising, which is recognized as the services are provided.

Business combinations

The fair value of assets acquired and liabilities assumed in a business combination is estimated based on information available at the date of acquisition and involves considerable judgment in determining the fair values assigned to the identifiable assets acquired and liabilities assumed on acquisition. Among other things, the determination of these fair values involves the use of discounted cash flow analyses, and estimated future revenue and margins growth. Key assumptions include discount rates and revenue growth rates specific to the acquired assets or liabilities assumed.

Capitalization of property, plant and equipment

Upon acquisition or construction of new assets, expenditures that are directly attributable to the acquisition or construction of the asset, including the cost of materials and direct labour are capitalized until the time it is in the condition necessary to be operated in the manner intended by management.

The cost of replacing a part of property, plant and equipment that is ready for its intended use is added to the carrying amount of the property, plant and equipment or recognized as a separate component if applicable, only if it is probable that the economic benefits associated with the cost will flow to the Corporation and the cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other day-to-day maintenance costs are recognized in profit or loss in the period in which they are incurred.

Contingencies

Contingencies, such as from claims, regulatory decisions and legal proceedings, are estimated based on applying significant judgment in determining whether a loss is probable (in which case a provision would be recognized) and in determining the estimated outflow of economic resources. Such contingencies are estimated based on the information available to the Corporation.

Measurement of long-lived assets

The measurement of long-lived assets requires the use of significant judgment to identify the existence of impairment indicators and identify the appropriate asset, group of assets, cash-generating unit (CGU) or groups of CGUs. Furthermore, the Corporation uses significant estimates and judgment such as determining the appropriate discount rate for assessing the recoverable amount and making assumptions about cash flows forecasts, market conditions and terminal growth rates over the long-term life of the assets or CGUs. Any significant modification of market conditions could translate into an inability to recover the carrying amounts of long-financial assets.

Deferred taxes

As tax laws are complex, they may be subject to different interpretations by the Corporation and by the different tax authorities. Current and deferred income taxes represent the Corporation's interpretation of the tax laws and estimates of current and future tax consequences of transactions and events during the year. Deferred tax assets and liabilities require significant estimates and judgment, such as interpreting tax rules and regulations, estimating the nature and timing of future permanent and temporary differences, the expected timing of reversals of those temporary differences and the future tax rates that will apply to those differences and evaluating whether the Corporation can recover a deferred tax asset based on management's assessment of existing tax laws, estimates of future profitability, and tax planning strategies.

14.2 Accounting policy developments

The following new standard and amendments to standards were issued by the International Accounting Standards Board ("IASB") and were not yet applied in preparing the Corporation's consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9, *Financial Instruments,* and IFRS 7, *Financial Instruments: Disclosures*	In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments,* which amended IFRS 9 and IFRS 7, to clarify when a financial asset or a financial liability is recognized and derecognized and to introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of financial assets with environmental, social and governance ("ESG")-linked features, non-recourse loans and contractually linked instruments, and introduce disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation is currently assessing the impact of these amendments on its consolidated financial statements.
IFRS 18, *Presentation and Disclosure in Financial Statements*	In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies: • improved comparability in the statement of profit or loss by introducing three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit; • enhanced transparency of management-defined performance measures by requiring companies to disclose explanations of those company-specific measures that are related to the income statement; and • enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is currently assessing the impact of the new standard on its consolidated financial statements presentation and disclosure.
Supplier Finance Arrangements - Amendments to IAS 7, *Statement of Cash Flows*, and IFRS 7, *Financial Instruments: Disclosures*	In May 2023, the IASB issued *Supplier Finance Arrangements*, which amended IAS 7 and IFRS 7, introducing new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The Corporation does not expect these amendments to have a material impact on its consolidated financial statements.

15. Non-IFRS Accounting Standards and other financial measures

This section describes non-IFRS Accounting Standards and other financial measures used by Cogeco throughout this MD&A. These financial measures are reviewed in assessing the performance of Cogeco and used in the decision-making process with regard to its business units. Cogeco is also providing information below for certain specified financial measures excluding network expansion projects, as it had issued financial guidelines excluding the impact of these projects on certain of its key performance indicators.

Financial measures presented on a constant currency basis for the three-month period and year ended August 31, 2024 are translated at the average foreign exchange rate of the comparable periods of the prior year, which were 1.3329 USD/CDN and 1.3467 USD/CDN, respectively.

Non-IFRS Accounting Standards measures

The following financial measures used by the Corporation do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures disclosed by other companies.

Reconciliations, or references to the specific sections within the MD&A where these reconciliations are provided, as applicable, between these non-IFRS Accounting Standards measures to the most directly comparable IFRS Accounting Standards measures are provided below.

Specified financial measures	Usefulness	Calculation	Most directly comparable IFRS Accounting Standards measures
Adjusted profit attributable to owners of the Corporation	Adjusted profit attributable to owners of the Corporation is a measure used by management to assess the Corporation's performance before the impact of impairment of assets, acquisition, integration, restructuring and other costs, and loss (gain) on debt modification and/or extinguishment, net of tax and non-controlling interest for these items. Adjusted profit attributable to owners of the Corporation excludes certain items that management believes could affect the comparability of the Corporation's financial results and could potentially distort the analysis of trends in business performance. Excluding the impact of these items does not imply they are non-recurring.	Profit for the period attributable to owners of the Corporation add: - impairment of assets, if any; - acquisition, integration, restructuring and other costs; - loss (gain) on debt modification and/or extinguishment, if any; - tax impact for the above items; and - non-controlling interest for the above items.	Profit for the period attributable to owners of the Corporation
Adjusted financial expense	Adjusted financial expense is a measure used by management to calculate certain covenant ratios and to assess the Corporation's ability to service its debt.	Financial expense deduct: - loss (gain) on debt modification and/or extinguishment, if any.	Financial expense
Constant currency basis and foreign exchange impact	The Corporation presents certain financial measures in constant currency to enable an improved understanding of its underlying financial performance, undistorted by the effect of changes in foreign exchange rates, in order to facilitate period-to-period comparisons. Financial measures presented on a constant currency basis include financial guidelines and certain historical financial measures, including revenue, operating expenses, adjusted EBITDA, net capital expenditures and free cash flow.	Financial guidelines presented on a constant currency basis are obtained by translating expected financial results denominated in US dollars at the foreign exchange rates of the prior fiscal year. Historical financial measures 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. Foreign exchange impact represents the quantification of such impact.	Revenue, operating expenses, adjusted EBITDA and net capital expenditures. For free cash flow, refer to the definition below for the most directly comparable IFRS Accounting Standards measure.

Specified financial measures	Usefulness	Calculation	Most directly comparable IFRS Accounting Standards measures
Organic revenue in constant currency and adjusted EBITDA in constant currency	Organic revenue in constant currency and adjusted EBITDA in constant currency are used by management to analyze the Corporation's revenue and adjusted EBITDA growth excluding the effect of changes in foreign exchange rates and the impact of acquisitions, in order to facilitate period-to-period comparisons. Management believes these measures are used by certain investors and analysts to evaluate the Corporation's performance.	Revenue in constant currency (as calculated per above) deduct: - impact of acquisitions. Adjusted EBITDA in constant currency (as calculated per above) deduct: - impact of acquisitions.	Revenue and adjusted EBITDA.
Free cash flow and free cash flow, excluding network expansion projects	Free cash flow and free cash flow, excluding network expansion projects are used by management to measure the Corporation's ability to repay debt, distribute capital to its shareholders and finance its growth. Management believes these measures are used by certain investors and analysts to value the Corporation's business and its underlying assets, and to assess the Corporation's financial strength and performance. Free cash flow excludes certain items that management believes could affect the comparability of the Corporation's financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring. During the first quarter of fiscal 2024, the Corporation updated the free cash flow calculation to exclude loss (gain) on debt modification and/or extinguishment, as applicable, following the reimbursement of Tranche 1 of the Senior Secured Term Loan B Facility and the amendment of the Senior Secured Revolving Facility. During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment, in order to better align the sources and uses of cash in connection to capital expenditures. Comparative figures were restated to conform to the current presentation. The Corporation also measures free cash flow, excluding network expansion projects as it provides a common basis for comparing the impact of the net capital expenditures to the impact of the historical net capital expenditures prior to the acceleration of the network expansion projects. In addition, management believes this helps certain investors and analysts to assess the impact of the network expansion projects on the Corporation's free cash flow. Excluding the impact of net capital expenditure in connection with network expansion projects does not imply it is non-recurring.	Free cash flow: - Adjusted EBITDA add: - amortization of deferred transaction costs and discounts on long-term debt; - loss (gain) on debt modification and/or extinguishment; - share-based payment; - proceeds on disposals of property, plant and equipment; - loss (gain) on disposals and write-offs of property, plant and equipment; and - defined benefit plans expense, net of contributions deduct: - acquisition, integration, restructuring and other costs; - financial expense; - current income taxes; - net capital expenditures; and - repayment of lease liabilities. Free cash flow, excluding network expansion projects: - Free cash flow add: - net capital expenditures in connection with network expansion projects.	Cash flows from operating activities

Specified financial measures	Usefulness	Calculation	Most directly comparable IFRS Accounting Standards measures
Net capital expenditures, excluding network expansion projects	Net capital expenditures, excluding network expansion projects is a measure used by management to assess the Corporation's total capital investments, without taking into consideration capitalized investments in network expansion projects, as it provides a common basis for comparing the net capital expenditures to historical net capital expenditures prior to the acceleration of the network expansion projects. In addition, management believes this helps certain investors and analysts to assess the impact of the network expansion projects on the net capital expenditures. This measure is also used in the calculation of the capital intensity and free cash flow, excluding network expansion projects. Excluding the impact of net capital expenditure in connection with network expansion projects does not imply it is non-recurring.	Net capital expenditures deduct: - net capital expenditures in connection with network expansion projects.	Acquisition of property, plant and equipment
Available liquidity	Management uses available liquidity to assess Cogeco's ability to meet its financial obligations and ensure there is sufficient liquidity to support its capital requirements, including development of the business by acquisition and other growth opportunities. Available liquidity is presented on a consolidated basis, including the liquidity of distinct borrowing structures for the Canadian and American telecommunications segments. Management believes this measure is used by certain investors and analysts to assess Cogeco's financial strength.	Cash and cash equivalents deduct: - cash with restrictions on use; add: - amounts available under revolving credit facilities.	Cash and cash equivalents

Adjusted profit attributable to owners of the Corporation

(In thousands of Canadian dollars)	Nov. 30 $	Feb. 29 $	May 31 $	Aug. 31 $	Fiscal 2024 $	Nov. 30 $	Feb. 28 $	May 31 $	Aug. 31 $	Fiscal 2023 $	Fiscal 2022 $
Profit (loss) for the period attributable to owners of the Corporation	**34,541**	**23,997**	**18,960**	**19,248**	**96,746**	42,081	33,788	(34,473)	29,234	70,630	149,108
Impairment of property, plant and equipment, intangible assets and goodwill	**—**	**—**	**—**	**15,229**	**15,229**	—	—	88,000	—	88,000	—
Acquisition, integration, restructuring and other costs	**3,265**	**1,222**	**46,634**	**12,177**	**63,298**	2,677	6,952	11,377	15,239	36,245	35,029
Loss on debt extinguishment [1]	**16,880**	**—**	**—**	**—**	**16,880**	—	—	—	—	—	—
Tax impact for the above items	**(5,333)**	**(308)**	**(12,337)**	**(7,173)**	**(25,151)**	(710)	(1,842)	(21,386)	(3,832)	(27,770)	(9,062)
Non-controlling interest impact for the above items	**(9,315)**	**(565)**	**(24,155)**	**(13,919)**	**(47,954)**	(1,286)	(3,289)	(5,597)	(7,635)	(17,807)	(18,391)
Adjusted profit attributable to owners of the Corporation	**40,038**	**24,346**	**29,102**	**25,562**	**119,048**	42,762	35,609	37,921	33,006	149,298	156,684

(1) Included within financial expense.

Adjusted financial expense

	Three months ended August 31		Years ended August 31	
	2024	2023	**2024**	2023
(In thousands of Canadian dollars)	**$**	$	**$**	$
Financial expense	**64,461**	71,198	**286,672**	255,010
Loss on debt extinguishment	**—**	—	**(16,880)**	—
Adjusted financial expense	**64,461**	71,198	**269,792**	255,010

Constant currency basis and foreign exchange impact reconciliation

Consolidated

For the reconciliations of consolidated revenue, operating expenses and adjusted EBITDA in constant currency to the most directly comparable IFRS Accounting Standards measures, refer to sub-sections 3.1 "Operating results" and 9.3 "Fourth-quarter operating and financial results".

The reconciliations of free cash flow and net capital expenditures in constant currency are as follows. For the reconciliations of these specified financial measures to the most directly comparable IFRS Accounting Standards measures, refer to the specific reconciliations in the sub-sections below.

Three months ended August 31			**2024**	2023 [1]		**Change**
(In thousands of Canadian dollars, except percentages)	**Actual**	Foreign exchange impact	**In constant currency**	Actual	**Actual**	**In constant currency**
	$	$	**$**	$	**%**	**%**
Free cash flow [1]	**143,055**	(462)	**142,593**	87,274	**63.9**	**63.4**
Net capital expenditures	**154,570**	(2,254)	**152,316**	178,481	**(13.4)**	**(14.7)**

(1) During the fourth quarter of fiscal 2024, the Corporation updated its free cash flow calculation to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation.

Years ended August 31			**2024**	2023 [1]		**Change**
(In thousands of Canadian dollars, except percentages)	**Actual**	Foreign exchange impact	**In constant currency**	Actual	**Actual**	**In constant currency**
	$	$	**$**	$	**%**	**%**
Free cash flow [1]	**475,765**	(932)	**474,833**	424,083	**12.2**	**12.0**
Net capital expenditures	**642,747**	(3,340)	**639,407**	702,913	**(8.6)**	**(9.0)**

(1) During the fourth quarter of fiscal 2024, the Corporation updated its free cash flow calculation to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation.

Segmented

For the reconciliations of segmented revenue, operating expenses, adjusted EBITDA and net capital expenditures in constant currency to the most directly comparable IFRS Accounting Standards measures, refer to section 4 "Segmented operating and financial results" and sub-section 9.3 "Fourth-quarter operating and financial results".

Corporate and eliminations of Cogeco Communications

Three months ended August 31			2024	2023		Change
(In thousands of Canadian dollars, except percentages)	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
	$	$	$	$	%	%
Operating expenses	**10,819**	(30)	**10,789**	15,026	**(28.0)**	**(28.2)**
Management fees – Cogeco Inc.	**5,238**	—	**5,238**	3,716	**41.0**	**41.0**
Adjusted EBITDA	**(16,057)**	30	**(16,027)**	(18,742)	**14.3**	**14.5**
Net capital expenditures	**5,015**	2	**5,017**	2,781	**80.3**	**80.4**

Years ended August 31			2024	2023		Change
(In thousands of Canadian dollars, except percentages)	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
	$	$	$	$	%	%
Operating expenses	**42,894**	(42)	**42,852**	42,336	**1.3**	**1.2**
Management fees – Cogeco Inc.	**20,952**	—	**20,952**	18,600	**12.6**	**12.6**
Adjusted EBITDA	**(63,846)**	42	**(63,804)**	(60,936)	**(4.8)**	**(4.7)**
Net capital expenditures	**13,831**	(12)	**13,819**	8,212	**68.4**	**68.3**

Free cash flow and free cash flow, excluding network expansion projects reconciliations

	Nov. 30 [1]	Feb. 29 [1]	May 31 [1]	Aug. 31	Fiscal 2024
(In thousands of Canadian dollars)	$	$	$	$	$
Cash flows from operating activities	**236,919**	**286,382**	**335,126**	**326,723**	**1,185,150**
Changes in other non-cash operating activities	**58,495**	**1,097**	**(73,787)**	**(44,264)**	**(58,459)**
Income taxes paid (received)	**2,903**	**(7,639)**	**3,502**	**6,124**	**4,890**
Current income taxes	**(8,042)**	**(8,881)**	**(3,390)**	**(682)**	**(20,995)**
Interest paid	**65,038**	**70,842**	**65,253**	**74,150**	**275,283**
Financial expense	**(84,294)**	**(70,808)**	**(67,109)**	**(64,461)**	**(286,672)**
Loss on debt extinguishment [2]	**16,880**	**—**	**—**	**—**	**16,880**
Amortization of deferred transaction costs and discounts on long-term debt [2]	**2,691**	**2,059**	**2,329**	**2,257**	**9,336**
Net capital expenditures [3]	**(146,667)**	**(171,756)**	**(169,754)**	**(154,570)**	**(642,747)**
Proceeds on disposals of property, plant and equipment [1]	**255**	**1,644**	**888**	**594**	**3,381**
Repayment of lease liabilities	**(2,100)**	**(2,472)**	**(2,894)**	**(2,816)**	**(10,282)**
Free cash flow [1]	**142,078**	**100,468**	**90,164**	**143,055**	**475,765**
Net capital expenditures in connection with network expansion projects	**31,660**	**24,390**	**24,433**	**56,911**	**137,394**
Free cash flow, excluding network expansion projects [1]	**173,738**	**124,858**	**114,597**	**199,966**	**613,159**

(1) During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation.

(2) Included within financial expense.

(3) Net capital expenditures exclude non-cash acquisitions of right-of-use assets and the purchases, and related borrowing costs, of spectrum licences, and are presented net of government subsidies, including the utilization of those received in advance.

(In thousands of Canadian dollars)	Nov. 30 [1] $	Feb. 28 [1] $	May 31 [1] $	Aug. 31 [1] $	Fiscal 2023 [1] $	Fiscal 2022 [1] $
Cash flows from operating activities	193,821	206,843	283,180	284,370	968,214	1,258,427
Changes in other non-cash operating activities	69,949	66,172	(20,729)	(12,970)	102,422	(81,883)
Income taxes paid	47,293	23,319	19,166	2,190	91,968	39,168
Current income taxes	(9,290)	(11,332)	(5,828)	(5,523)	(31,973)	(70,711)
Interest paid	61,206	51,064	64,507	66,544	243,321	163,663
Financial expense	(57,527)	(61,985)	(64,300)	(71,198)	(255,010)	(189,914)
Amortization of deferred transaction costs and discounts on long-term debt [2]	3,062	3,045	3,353	3,212	12,672	11,888
Net capital expenditures	(197,342)	(156,832)	(170,258)	(178,481)	(702,913)	(691,866)
Proceeds on disposals of property, plant and equipment [1]	157	477	982	1,037	2,653	4,529
Repayment of lease liabilities	(1,689)	(1,963)	(1,712)	(1,907)	(7,271)	(5,591)
Free cash flow [1]	109,640	118,808	108,361	87,274	424,083	437,710
Net capital expenditures in connection with network expansion projects	65,834	42,242	31,831	32,928	172,835	157,289
Free cash flow, excluding network expansion projects [1]	175,474	161,050	140,192	120,202	596,918	594,999

(1) During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation.

(2) Included within financial expense.

Available liquidity reconciliation

For the reconciliation of available liquidity to the most directly comparable IFRS Accounting Standards measure, refer to sub-section 8.1 "Capital structure".

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

Net capital expenditures

Three months ended August 31			2024	2023	Change	
(In thousands of Canadian dollars, except percentages)	**Actual** $	Foreign exchange impact $	**In constant currency** $	Actual $	**Actual** %	**In constant currency** %
Net capital expenditures	**154,570**	(2,254)	**152,316**	178,481	**(13.4)**	**(14.7)**
Net capital expenditures in connection with network expansion projects	**56,911**	(576)	**56,335**	32,928	**72.8**	**71.1**
Net capital expenditures, excluding network expansion projects	**97,659**	(1,678)	**95,981**	145,553	**(32.9)**	**(34.1)**

Years ended August 31			2024	2023	Change	
(In thousands of Canadian dollars, except percentages)	**Actual** $	Foreign exchange impact $	**In constant currency** $	Actual $	**Actual** %	**In constant currency** %
Net capital expenditures	**642,747**	(3,340)	**639,407**	702,913	**(8.6)**	**(9.0)**
Net capital expenditures in connection with network expansion projects	**137,394**	(780)	**136,614**	172,835	**(20.5)**	**(21.0)**
Net capital expenditures, excluding network expansion projects	**505,353**	(2,560)	**502,793**	530,078	**(4.7)**	**(5.1)**

Free cash flow

Three months ended August 31			2024	2023 [1]		Change
(In thousands of Canadian dollars, except percentages)	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
	$	$	$	$	%	%
Free cash flow [1]	**143,055**	(462)	**142,593**	87,274	**63.9**	**63.4**
Net capital expenditures in connection with network expansion projects	**56,911**	(576)	**56,335**	32,928	**72.8**	**71.1**
Free cash flow, excluding network expansion projects [1]	**199,966**	(1,038)	**198,928**	120,202	**66.4**	**65.5**

(1) During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation.

Years ended August 31			2024	2023 [1]		Change
(In thousands of Canadian dollars, except percentages)	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
	$	$	$	$	%	%
Free cash flow [1]	**475,765**	(932)	**474,833**	424,083	**12.2**	**12.0**
Net capital expenditures in connection with network expansion projects	**137,394**	(780)	**136,614**	172,835	**(20.5)**	**(21.0)**
Free cash flow, excluding network expansion projects [1]	**613,159**	(1,712)	**611,447**	596,918	**2.7**	**2.4**

(1) During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment. Comparative figures were restated to conform to the current presentation.

Non-IFRS Accounting Standards ratios

The following financial measures used by the Corporation do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures disclosed by other companies. This MD&A refers to the capital intensity, excluding network expansion projects of Cogeco Communications as it is used by Cogeco Communications to assess the impact of the network expansion projects on its capital intensity.

Specified financial measures	Usefulness	Calculation
Adjusted diluted earnings per share	Adjusted diluted earnings per share is a measure used by management to assess the Corporation's performance before the impact of impairment of assets, acquisition, integration, restructuring and other costs, and loss (gain) on debt modification and/or extinguishment, net of tax and non-controlling interest for the above items. Adjusted diluted earnings per share excludes certain items that management believes could affect the comparability of the Corporation's financial results and could potentially distort the analysis of trends in business performance. Excluding the impact of these items does not imply they are non-recurring.	Adjusted profit attributable to owners of the Corporation divided by the weighted average number of diluted multiple and subordinate voting shares outstanding. Adjusted profit attributable to owners of the Corporation is a non-IFRS Accounting Standards measure. For more details on this financial measure, please refer to the "Non-IFRS Accounting Standards measures" sub-section.
Change in constant currency	The Corporation presents changes of certain financial measures in constant currency to enable an improved understanding of its underlying financial performance, undistorted by the effects of changes in foreign exchange rates, in order to facilitate period-to-period comparisons.	Change in constant currency, expressed as a percentage of the variation between the periods presented, is obtained by translating financial results from the current periods denominated in US dollars using the foreign exchange rates of the comparable periods of the prior year. Constant currency basis is a non-IFRS Accounting Standards measure. For more details on this financial measure, please refer to the "Non-IFRS Accounting Standards measures" sub-section.

Specified financial measures	Usefulness	Calculation
Organic revenue growth in constant currency and organic adjusted EBITDA growth in constant currency	Organic revenue growth in constant currency and organic adjusted EBITDA growth in constant currency are used by management to analyze the Corporation's revenue and adjusted EBITDA growth excluding the effect of changes in foreign exchange rates and the impact of acquisitions, in order to facilitate period-to-period comparisons. Management believes these measures are used by certain investors and analysts to evaluate the Corporation's performance.	Revenue and adjusted EBITDA changes in constant currency (as calculated above), expressed as a percentage of the variation between the periods presented, adjusted for the impact of acquisitions. Constant currency basis is a non-IFRS Accounting Standards measure. For more details on this financial measure, please refer to the "Non-IFRS Accounting Standards measures" sub-section.
Capital intensity, excluding network expansion projects	Capital intensity, excluding network expansion projects is used by Cogeco Communications' management to assess Cogeco Communications' investment in capital expenditures and to make certain decisions, without taking into consideration capitalized investments in network expansion projects, in order to support a certain level of revenue. Cogeco Communications measures capital intensity, excluding network expansion projects, as it provides a common basis for comparing the impact of the net capital expenditures to the impact of the historical net capital expenditures prior to the acceleration of the network expansion projects. In addition, Cogeco Communications' management believes this helps certain investors and analysts to assess the impact of the network expansion projects on Cogeco Communications' capital intensity ratio. Excluding the impact of net capital expenditures in connection with network expansion projects does not imply it is non-recurring.	Net capital expenditures, excluding network expansion projects divided by revenue. Net capital expenditures, excluding network expansion projects is a non-IFRS Accounting Standards measure. For more details on this financial measure, please refer to the "Non-IFRS Accounting Standards measures" sub-section.
Capital intensity in constant currency and capital intensity, excluding network expansion projects in constant currency	The Corporation presents certain financial measures of Cogeco Communications on a constant currency basis, including capital intensity in constant currency and capital intensity, excluding network expansion projects in constant currency, to facilitate period-to-period comparisons, undistorted by the effects of changes in foreign exchange rate.	Capital intensity in constant currency is calculated as net capital expenditures in constant currency divided by revenue in constant currency. Capital intensity, excluding network expansion projects in constant currency is calculated as net capital expenditures, excluding network expansion projects in constant currency divided by revenue in constant currency. Constant currency basis, including net capital expenditures in constant currency, net capital expenditures, excluding network expansion projects in constant currency and revenue in constant currency are non-IFRS Accounting Standards measures. For more details on these financial measures, please refer to the "Non-IFRS Accounting Standards measures" sub-section.

Total of segments measures

The following financial measures used by Cogeco are total of segments measures as reported in Note 6 of the consolidated financial statements. Reconciliations between these specified financial measures to the most directly comparable IFRS Accounting Standards measures are provided below.

Specified financial measures	Most directly comparable IFRS Accounting Standards measures
Adjusted EBITDA	Profit for the period
Net capital expenditures	Acquisition of property, plant and equipment

Adjusted EBITDA reconciliation

	Three months ended August 31		Years ended August 31	
	2024	2023	**2024**	2023
(In thousands of Canadian dollars)	**$**	$	**$**	$
Profit for the period	**81,437**	90,521	**349,381**	350,235
Income taxes	**14,262**	17,827	**61,808**	78,379
Financial expense	**64,461**	71,198	**286,672**	255,010
Impairment of property, plant and equipment, intangible assets and goodwill	**15,229**	—	**15,229**	88,000
Depreciation and amortization	**183,650**	157,140	**678,429**	625,060
Acquisition, integration, restructuring and other costs	**12,177**	15,239	**63,298**	36,245
Adjusted EBITDA	**371,216**	351,925	**1,454,817**	1,432,929

Net capital expenditures reconciliation

For the reconciliation of net capital expenditures to the most directly comparable IFRS Accounting Standards measure, refer to sub-sections 6.2 "Investing activities" and 9.3 "Fourth-quarter operating and financial results".

Capital management measures

The following financial measures used by Cogeco and/or Cogeco Communications are capital management measures, as disclosed in Note 23 C) of the Corporation's consolidated financial statements.

Specified financial measures	Usefulness	Calculation
Net indebtedness	Net indebtedness is a measure used by management, and management believes it is also used by certain investors and analysts, to assess the Corporation's and Cogeco Communications' financial leverage, as it represents the debt net of the available unrestricted cash and cash equivalents. Net indebtedness is a component of "Net indebtedness to adjusted EBITDA ratio".	Long-term debt before discounts, transaction costs and other add: - bank indebtedness deduct: - cash and cash equivalents, excluding cash with restrictions on use.
Net indebtedness to adjusted EBITDA ratio	Net indebtedness to adjusted EBITDA ratio is a measure used by management to assess the Corporation's and Cogeco Communications' financial leverage and their capital structure decisions, including the issuance of new debt, and to manage the Corporation's and Cogeco Communications' debt maturity risks.	Net indebtedness divided by the twelve-month trailing adjusted EBITDA.
Adjusted EBITDA to adjusted financial expense ratio	Adjusted EBITDA to adjusted financial expense ratio is a measure used by management, and management believes it is also used by certain investors and analysts, to assess the Corporation's and Cogeco Communications' financial strength and the ability to service their debt obligations.	Twelve-month trailing adjusted EBITDA divided by twelve-month trailing adjusted financial expense. Adjusted financial expense is a non-IFRS Accounting Standards measure. For more details on this financial measure, please refer to the "Non-IFRS Accounting Standards measures" sub-section.
Fixed-rate indebtedness	Fixed-rate indebtedness is a measure used by management to monitor and manage the Corporation's and Cogeco Communications' capital structure. Management believes this measure helps investors and analysts to assess the Corporation's and Cogeco Communications' financial leverage.	Principal on fixed-rate long-term debt divided by the principal on long-term debt.

Supplementary financial measures

This MD&A refers to the capital intensity of Cogeco Communications, as well as of the Canadian and American telecommunications segments, and the adjusted EBITDA margin of both segments, key performance indicators used by Cogeco Communications' management and investors to value Cogeco Communications' performance and to assess its investment in capital expenditures in order to support a certain level of revenue.

Specified financial measures	Calculation
Adjusted EBITDA margin	Adjusted EBITDA divided by revenue.
Capital intensity	Net capital expenditures divided by revenue.
Return on equity	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.

Consolidated financial statements

Consolidated Financial Statements

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Management's responsibility

Related to the consolidated financial statements

The consolidated financial statements of Cogeco Inc. (the "Corporation") and the financial information contained in this annual report are the responsibility of management. The consolidated financial statements include amounts determined by management based on estimates, which in their opinion are reasonable and fair. The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and have been approved by the Board of Directors. Operating and financial information used elsewhere in the annual report is consistent with that of the consolidated financial statements.

In fulfilling its responsibilities, management of Cogeco Inc. and its subsidiaries has developed, and continues to improve administrative and accounting systems in order to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and maintains internal accounting controls to ensure that financial records are reliable for preparing the consolidated financial statements. The Board of Directors carries out its responsibility for the consolidated financial statements in this annual report principally through its Audit Committee, which reviews the annual consolidated financial statements of the Corporation and recommends their approval to the Board of Directors. The Committee periodically meets with management and the external auditor to discuss the results of the external and internal examinations and matters having an impact on financial information.

The independent auditor appointed by the shareholders, Deloitte LLP, Chartered Professional Accountants, is responsible for making an independent audit of the consolidated financial statements in accordance with Canadian auditing standards and to issue an opinion on the statements. The independent auditor has free access to the Audit Committee, with or without the presence of management. Their report follows.

(signed) Frédéric Perron
President and Chief Executive Officer

(signed) Patrice Ouimet
Chief Financial Officer

Montréal, October 31, 2024

Independent auditor's report

To the Shareholders of Cogeco Inc.

Opinion

We have audited the consolidated financial statements of Cogeco Inc. (the "Corporation"), which comprise the consolidated statements of financial position as at August 31, 2024 and 2023, the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in shareholders' equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at August 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended August 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue — Refer to Notes 3 and 5 to the consolidated financial statements

Key Audit Matter Description

The Corporation derives the majority of its revenue from providing telecommunications services to residential and commercial subscribers. Revenue comprises a significant volume of low-dollar monthly recurring transactions, sourced from multiple systems and databases that are specific to the Corporation. The initiation, processing and recording of revenue is highly automated through the Corporation's information technology ("IT") systems. The Corporation relies on the output of these systems to process and record its revenue transactions.

Revenue is a key audit matter due to the highly automated IT environment and the significant audit effort required in performing audit procedures related to the Corporation's revenue.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to revenue included the following, among others:

- Evaluated the effectiveness of the Corporation's relevant revenue business controls.
- With the assistance of IT specialists, tested the effectiveness of general IT controls over relevant IT systems, including user access controls and change management controls, when applicable.
- To test revenue:
    - Performed detailed transaction testing by agreeing a sample of the amounts recognized in the IT systems to source documents such as invoices, billing and provisioning systems, approved price lists and cash receipts.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis.
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Amine Benjelloun.

/s/ Deloitte LLP [1]

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[1] CPA auditor, public accountancy permit No. A144765

Montréal, Québec
October 31, 2024

Consolidated statements of profit or loss

Years ended August 31	*Notes*	**2024**	2023
(In thousands of Canadian dollars, except per share data)		**$**	$
Revenue	*5*	**3,073,985**	3,081,136
Operating expenses	*8*	**1,619,168**	1,648,207
Acquisition, integration, restructuring and other costs	*9*	**63,298**	36,245
Depreciation and amortization	*14,15*	**678,429**	625,060
Impairment of property, plant and equipment, intangible assets and goodwill	*14, 15 C)*	**15,229**	88,000
Financial expense	*10*	**286,672**	255,010
Profit before income taxes		**411,189**	428,614
Income taxes	*11*	**61,808**	78,379
Profit for the year		**349,381**	350,235
Profit for the year attributable to:			
Owners of the Corporation		**96,746**	70,630
Non-controlling interest		**252,635**	279,605
		349,381	350,235
Earnings per share			
Basic	*12*	**8.63**	4.53
Diluted	*12*	**8.55**	4.51

Consolidated statements of comprehensive income

Years ended August 31	Note	2024	2023
(In thousands of Canadian dollars)		$	$
Profit for the year		**349,381**	350,235
Other comprehensive income (loss)			
Items to be subsequently reclassified to profit or loss			
Cash flow hedging adjustments			
Net change in fair value of hedging derivative financial instruments		**(65,332)**	9,119
Related income taxes		**17,313**	(2,416)
		(48,019)	6,703
Foreign currency translation adjustments			
Net foreign currency translation differences on a net investment in foreign operations		**(7,748)**	70,257
Net changes on translation of long-term debt designated as a hedge of a net investment in foreign operations		**1,560**	(16,381)
Related income taxes		**(904)**	(49)
		(7,092)	53,827
		(55,111)	60,530
Items not to be subsequently reclassified to profit or loss			
Defined benefit plans actuarial adjustments			
Remeasurement of net defined benefit liability or asset	*22 B)*	**5,726**	5,684
Related income taxes		**(1,518)**	(1,507)
		4,208	4,177
		(50,903)	64,707
Comprehensive income for the year		**298,478**	414,942
Comprehensive income for the year attributable to:			
Owners of the Corporation		**83,712**	88,989
Non-controlling interest		**214,766**	325,953
		298,478	414,942

Consolidated statements of changes in shareholders' equity

Years ended August 31, 2024 and 2023 *(In thousands of Canadian dollars)*	Equity attributable to owners of the Corporation				Equity attributable to non-controlling interest	Total shareholders' equity
	Share capital	Share-based payment reserve	Accumulated other comprehensive income (loss)	Retained earnings		
	$	$	$	$	$	$
	(Note 19)		*(Note 20)*			
Balance at August 31, 2022	106,768	11,031	44,397	757,647	2,349,670	3,269,513
Profit for the year	—	—	—	70,630	279,605	350,235
Other comprehensive income for the year	—	—	15,800	2,559	46,348	64,707
Comprehensive income for the year	—	—	15,800	73,189	325,953	414,942
Share-based payment (Note 19 D))	—	4,602	—	—	4,475	9,077
Issuance of subordinate voting shares by a subsidiary to non-controlling interest	—	(253)	—	—	3,910	3,657
Dividends (Note 19 C))	—	—	—	(45,149)	(89,265)	(134,414)
Effect of changes in ownership of a subsidiary on non-controlling interest	—	—	—	(5,727)	5,727	—
Purchase and cancellation of subordinate voting shares under Normal Course Issuer Bid (Note 19 B))	(1,335)	—	—	(8,428)	—	(9,763)
Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	(2,941)	—	—	—	—	(2,941)
Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	2,390	(2,833)	—	443	—	—
Purchase and cancellation of subordinate voting shares by a subsidiary under Normal Course Issuer Bid	—	—	—	(21,915)	(79,118)	(101,033)
Acquisition by a subsidiary from non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	—	—	—	—	(5,889)	(5,889)
Distribution by a subsidiary to non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	—	(2,167)	—	344	1,823	—
Total distributions to shareholders	(1,886)	(651)	—	(80,432)	(158,337)	(241,306)
Balance at August 31, 2023	**104,882**	**10,380**	**60,197**	**750,404**	**2,517,286**	**3,443,149**
Profit for the year	**—**	**—**	**—**	**96,746**	**252,635**	**349,381**
Other comprehensive income (loss) for the year	**—**	**—**	**(15,666)**	**2,632**	**(37,869)**	**(50,903)**
Comprehensive income (loss) for the year	**—**	**—**	**(15,666)**	**99,378**	**214,766**	**298,478**
Share-based payment (Note 19 D))	**—**	**6,619**	**—**	**—**	**4,575**	**11,194**
Issuance of subordinate voting shares by a subsidiary to non-controlling interest	**—**	**(26)**	**—**	**—**	**462**	**436**
Dividends (Note 19 C))	**—**	**—**	**—**	**(37,356)**	**(100,999)**	**(138,355)**
Purchase of subordinate voting shares for cancellation from CDPQ (Note 19 B))	**(47,771)**	**—**	**—**	**(232,253)**	**—**	**(280,024)**
Purchase and cancellation of subordinate voting shares by a subsidiary (Note 19 B))	**—**	**—**	**—**	**150,049**	**(266,549)**	**(116,500)**
Transaction costs and income taxes related to share buyback transactions	**—**	**—**	**—**	**(17,470)**	**(1,863)**	**(19,333)**
Effect of changes in ownership of a subsidiary on non-controlling interest [1]	**—**	**—**	**—**	**(16,020)**	**205,698**	**189,678**
Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**(2,862)**	**—**	**—**	**—**	**—**	**(2,862)**
Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**2,184**	**(2,300)**	**—**	**116**	**—**	**—**
Acquisition by a subsidiary from non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**—**	**—**	**—**	**—**	**(5,002)**	**(5,002)**
Distribution by a subsidiary to non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**—**	**(2,180)**	**—**	**132**	**2,048**	**—**
Total contributions from (distributions to) shareholders	**(48,449)**	**2,113**	**—**	**(152,802)**	**(161,630)**	**(360,768)**
Balance at August 31, 2024	**56,433**	**12,493**	**44,531**	**696,980**	**2,570,422**	**3,380,859**

(1) Relates to the impact of the disposal of a subsidiary's shares in the December 2023 share buyback transaction (Note 19 B)) and to the issuance of shares by a subsidiary to non-controlling interest.

Consolidated statements of financial position

At August 31 *(In thousands of Canadian dollars)*	*Notes*	**2024** **$**	2023 $
Assets			
Current			
Cash and cash equivalents	*21 D)*	**77,746**	363,854
Trade and other receivables	*23 A)*	**131,929**	139,412
Income taxes receivable		**16,073**	28,816
Prepaid expenses and other		**40,857**	43,262
Derivative financial instruments		**3,875**	5,355
		270,480	580,699
Non-current			
Other assets	*13*	**138,688**	105,499
Property, plant and equipment	*14*	**3,340,793**	3,264,303
Intangible assets	*15 A)*	**3,837,794**	3,687,486
Goodwill	*15 B)*	**2,132,661**	2,117,756
Derivative financial instruments		**46,539**	100,792
Deferred tax assets	*11*	**6,784**	13,243
		9,773,739	9,869,778
Liabilities and Shareholders' equity			
Liabilities			
Current			
Bank indebtedness		**15,399**	23,229
Trade and other payables		**376,444**	334,782
Provisions	*16*	**58,882**	33,019
Income tax liabilities		**8,679**	413
Contract liabilities and other liabilities	*17*	**61,736**	62,061
Government subsidies received in advance		**8,740**	29,262
Derivative financial instruments		**240**	3,487
Current portion of long-term debt	*18*	**370,108**	43,325
		900,228	529,578
Non-current			
Long-term debt	*18*	**4,594,057**	5,045,672
Derivative financial instruments		**8,257**	—
Contract liabilities and other liabilities	*17*	**9,697**	8,687
Accrued employee benefits		**12,697**	9,258
Deferred tax liabilities	*11*	**867,944**	833,434
		6,392,880	6,426,629
Shareholders' equity			
Equity attributable to owners of the Corporation			
Share capital	*19 B)*	**56,433**	104,882
Share-based payment reserve		**12,493**	10,380
Accumulated other comprehensive income	*20*	**44,531**	60,197
Retained earnings		**696,980**	750,404
		810,437	925,863
Equity attributable to non-controlling interest		**2,570,422**	2,517,286
		3,380,859	3,443,149
		9,773,739	9,869,778

Commitments, contingencies and guarantees (Note 25)

On behalf of the Board of Directors,

(signed) Louis Audet
Director

(signed) James C. Cherry
Director

Consolidated statements of cash flows

Years ended August 31	Notes	2024	2023
(In thousands of Canadian dollars)		$	$
Cash flows from operating activities			
Profit for the year		349,381	350,235
Adjustments for:			
Depreciation and amortization	*14, 15*	678,429	625,060
Impairment of property, plant and equipment, intangible assets and goodwill	*14, 15 C)*	15,229	88,000
Financial expense	*10*	286,672	255,010
Income taxes	*11*	61,808	78,379
Share-based payment		14,634	8,629
Loss (gain) on disposals and write-offs of property, plant and equipment and other		(658)	86
Defined benefit plans expense, net of contributions		1,369	526
		1,406,864	1,405,925
Changes in other non-cash operating activities	*21 A)*	58,459	(102,422)
Interest paid		(275,283)	(243,321)
Income taxes paid		(4,890)	(91,968)
		1,185,150	968,214
Cash flows from investing activities			
Acquisition of property, plant and equipment	*14, 21 B)*	(664,004)	(806,237)
Acquisition of spectrum licences	*15 A)*	(203,220)	(60,000)
Business combinations, net of cash and cash equivalents acquired	*7*	(58,190)	(99,025)
Subsidies received in advance and other		515	4,733
Proceeds on disposals of property, plant and equipment		3,381	2,653
		(921,518)	(957,876)
Cash flows from financing activities			
Increase (decrease) in bank indebtedness		(7,830)	14,596
Net increase (decrease) under the revolving facilities		(18,147)	247,760
Issuance of long-term debt, net of discounts and transaction costs		2,001,646	298,056
Repayment of notes, debentures and credit facilities		(2,149,661)	(335,263)
Repayment of lease liabilities		(10,282)	(7,271)
Increase in deferred transaction costs		(2,716)	(338)
Purchase of subordinate voting shares for cancellation from CDPQ	*19 B)*	(280,024)	—
Disposal of shares in a subsidiary to non-controlling interest (CDPQ)	*19 B)*	73,178	—
Transaction costs related to share buyback transactions		(7,297)	—
Purchase and cancellation of subordinate voting shares under Normal Course Issuer Bid	*19 B)*	—	(9,763)
Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	*19 B)*	(2,862)	(2,941)
Dividends paid on multiple and subordinate voting shares	*19 C)*	(37,356)	(45,149)
Issuance of subordinate voting shares by a subsidiary to non-controlling interest		436	3,657
Purchase and cancellation of subordinate voting shares by a subsidiary under Normal Course Issuer Bid		—	(101,033)
Acquisition by a subsidiary from non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans		(5,002)	(5,889)
Dividends paid on subordinate voting shares by a subsidiary to non-controlling interest		(100,999)	(89,265)
		(546,916)	(32,843)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency		(2,824)	7,358
Net change in cash and cash equivalents		(286,108)	(15,147)
Cash and cash equivalents, beginning of the year		363,854	379,001
Cash and cash equivalents, end of the year	*21 D)*	77,746	363,854

Notes to the consolidated financial statements
Years ended August 31, 2024 and 2023

1. Nature of operations

Cogeco Inc. ("Cogeco" or the "Corporation") is a holding corporation which operates in the telecommunications and media sectors.

Its Cogeco Communications Inc. ("Cogeco Communications") subsidiary is a telecommunications corporation which provides Internet, video and wireline phone services to residential and business customers in Canada and in the United States. More recently, Cogeco Communications has expanded its services to also offer wireless services in most of the U.S. states in which it operates.

Its Cogeco Media subsidiary operates 21 radio stations in Canada, primarily in the province of Québec, as well as a news agency.

Cogeco is a Canadian public corporation whose subordinate voting shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol "CGO". The subordinate voting shares of Cogeco Communications are also listed on the TSX under the trading symbol "CCA". The Corporation's registered office is located at 1 Place Ville Marie, Suite 3301, Montréal, Québec, H3B 3N2.

2. Basis of presentation

These audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB").

Certain comparative amounts in the consolidated financial statements were reclassified in order to conform to the fiscal 2024 consolidated financial statements presentation. Financial information is presented in Canadian dollars, which is the functional currency of Cogeco. The consolidated financial statements were approved by the Board of Directors of Cogeco at its meeting held on October 31, 2024.

A) Basis of consolidation

These consolidated financial statements include the accounts of the Corporation and entities under its control.

Principal operating subsidiaries	Location	Percentage of equity interest %	Voting rights %
Cogeco Connexion	Canada	100	100
Breezeline	United States	79	79
Cogeco Media [1]	Canada	100	100

(1) Included within the "Other" column in the "Segment information" note.

Non-controlling interest relates to a participation of approximately 71.6% attributable to owners of Cogeco Communications in addition to the 21% ownership of Caisse de dépôt et placement du Québec in a U.S. subsidiary of Cogeco Communications.

B) Segment reporting

The Corporation's results are reported in two operating segments: Canadian telecommunications and American telecommunications. The Canadian and American telecommunications segments provide a wide range of Internet, video, wireline and mobile phone services, primarily to residential subscribers as well as business services across their coverage areas.

- The Canadian telecommunications activities are carried out by Cogeco Connexion under the Cogeco and oxio brands in Canada.
- The American telecommunications activities are carried out under the Breezeline brand in thirteen U.S. states: Connecticut, Delaware, Florida, Maine, Maryland, Massachusetts, New Hampshire, New York, Ohio, Pennsylvania, South Carolina, Virginia and West Virginia.

C) Foreign currency translation

Foreign currency rates used to translate the Corporation's foreign operation, Breezeline, are as follows:

	Closing rates as of August 31		Average rates for fiscal years	
	2024	2023	**2024**	2023
US dollar vs Canadian dollar	**1.3491**	1.3531	**1.3606**	1.3467

3. Material accounting policies, estimates, judgments and assumptions

The following discusses the material accounting policies, estimates, judgments and assumptions that the Corporation has adopted and applied and how they affect the amounts reported in the consolidated financial statements. Estimates are based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. Changes in facts and circumstances may require the revision of previous estimates, and actual results could differ from these estimates.

A) Revenue recognition

The Corporation's revenue is derived principally from providing telecommunications services. Products and services may be sold separately or bundled in promotional packages. For bundled packages that include multiple elements sold, the Corporation accounts for individual products or services separately if they are distinct performance obligations and applies the corresponding revenue recognition policy to each one. Total package revenue is allocated among the identified performance obligations based on their respective stand-alone selling prices.

Revenue is measured based on the consideration received or receivable from a customer, net of returns, promotional activities and discounts. The Corporation recognizes revenue from the sale of products or the rendering of services when it transfers control to the customer.

Significant estimates and judgment involved:

- identifying the performance obligations within a contract and the timing of satisfaction of those performance obligations;
- determining the transaction price for a contract by estimating the revenue expected for delivering the performance obligations;
- determining the stand-alone selling price of performance obligations and the allocation of the transaction price between performance obligations; and
- determining the costs that are incremental to obtaining and fulfilling a contract.

The Corporation's principal sources of revenue are recognized as follows:

Residential	• Monthly subscription revenue (net of any discounts, rebates, refunds and credits) for Internet, video, wireline and mobile phone services, as well as equipment rentals, is recognized on a monthly basis, as the services are provided; • Revenue from data services, long-distance and other pay-per-use services is recognized on a monthly basis, as the services are provided; and • Revenue generated from the sale of customer premise equipment or other equipment is recognized when the customer accepts delivery of the equipment.
Commercial	• Monthly subscription revenue (net of any discounts, rebates, refunds and credits) for Internet, video and wireline phone services as well as equipment rentals, is recognized on a straight-line basis over the contractual period arrangement; and • Revenue generated from the sale of customer premise equipment or other equipment is recognized when the customer accepts delivery of the equipment.
Other	• Revenue mainly from Internet wholesale-based providers and advertising, which is recognized as the services are provided.

Contract liabilities

The Corporation considers that installation and activation fees are not distinct performance obligations because a customer cannot benefit from them on their own.

Accordingly, for residential service subscribers, they are deferred and amortized as revenue over the period of time the fee remains material to the customer, which is estimated to be approximately six months. The estimate requires consideration of both quantitative and qualitative factors including average installation fee, average revenue per subscriber and subscriber behavior, among others. For commercial service customers, they are deferred and amortized as revenue at the same pace as the revenue from the related services are earned, using the average expected term of commercial agreements.

Unearned revenue, such as payments for services and goods received in advance, is recorded as a contract liability in the consolidated statement of financial position until the service is provided or the product is delivered to the customer.

Contract costs

Contract cost assets are recognized in the consolidated statement of financial position as *Other assets*, and consist of upfront fees paid to multiple-dwelling units as well as incremental costs of obtaining a contract. Upfront fees paid by the Corporation to multiple-dwelling units such as condo associations, in order to gain access to serve and market occupants of the dwelling, are recognized over the term of the contract, as a reduction of revenue. Costs to obtain a contract (such as sales commissions) are recognized in operating expenses over the period of time the customer is expected to remain a customer of the Corporation, not exceeding four years.

B) Business combinations

Purchase price allocation involves significant judgment in identifying the assets acquired and liabilities assumed and estimating their fair values. The fair value of assets acquired and liabilities assumed in a business combination is estimated based on information available at the date of acquisition and involves considerable judgment in determining the fair values assigned to the identifiable assets acquired and liabilities assumed on acquisition.

Among other things, the determination of these fair values involves the use of discounted cash flow analyses, and estimated future revenue and margins growth. Key assumptions include discount rates and revenue growth rates specific to the acquired assets or liabilities assumed. The Corporation performs a thorough review of all internal and external sources of information available based on circumstances that existed at the acquisition date. The Corporation also engages independent valuation experts on certain acquisitions to assist in determining the fair value of certain assets acquired, liabilities assumed and related deferred income tax impacts.

To determine fair values, the Corporation generally use the following techniques:

	Valuation technique and judgments applied
Property, plant and equipment	**Cost approach** - **Replacement cost method**: used for cable television plant and associated ancillary equipment (including fibre and coaxial cable, subscriber service cables, customer premise equipment, rolling stock and other). Under this approach, assets are valued by estimating the costs to acquire or construct comparable assets and adjusted for age and condition of the asset. Significant judgments are required in estimating the replacement cost, physical deterioration and functional or economic obsolescence. **Market approach** - **Sales comparison**: used for the valuation of real property and certain other tangible assets. Under this approach, assets are valued based upon an analysis of prices paid in actual market transactions for comparable assets. This approach involves gathering data on recently sold assets that are similar to the subject, analyzing the value characteristics of these comparable assets, comparing these characteristics to those of the subject and making appropriate adjustments for differences.
Intangible assets	**Income approach** – **Greenfield method**: used for the valuation of franchise rights. Under this method, assets are valued based on the present value of hypothetical cash flows while assuming that the asset is the only asset the Corporation has. The investments required to establish a normalized business are taken into consideration, including capital investments and operating losses. Significant judgments are required in estimating the build out period and related capital investments required. **Income approach** – **Multi-period excess earnings method**: used for valuation of customer relationships. Under this method, assets are valued based on the present value of the incremental after-tax cash flows attributable to the asset after deducting contributory asset charges ("CACs" or individually, "CAC"). Several factors are considered in determining the fair value of customer relationships, including customers' relationships with the acquired company and its employees, the segmentation of customers, historical customer attrition rates and revenue growth. Significant judgments are also required in estimating the impact of CACs.

Transactions costs related to completed or potential business combinations and costs of integrating newly acquired businesses following the date of acquisition are recognized in profit or loss as incurred, within *Acquisition, integration, restructuring and other costs*.

C) Property, plant and equipment - owned assets

Property, plant and equipment, which are mainly comprised of networks and infrastructure, are measured at cost, net of any related government grants received or receivable, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition or construction of the asset, including the cost of materials and direct labour, until the time it is in the condition necessary to be operated in the manner intended by management.

D) Intangible assets

Finite-life intangible assets

Finite-life intangible assets are recorded at cost less accumulated amortization and impairment losses, if any.

- Customer relationships and trade name assets are acquired through business combinations and are recorded at fair value at the date of acquisition.

Indefinite-life intangible assets

Indefinite-life intangible assets are not amortized and are recorded at cost less impairment losses, if any.

- Distribution Licences are comprised of broadcast authorities' licences and exemptions from licensing in Canada that allow access to homes and customers in a specific area.
- Franchise Rights consist of agreements with state and local authorities in the United States allowing access to homes and businesses in a specific area and permitting to place the fixed asset infrastructure along public thoroughfare to connect to commercial and residential locations, in order to provide Internet, video and wireline phone services.
- Spectrum Licences are issued by broadcast authorities and allow the utilization of specified radio frequencies within a defined geographic area.
- Radio Broadcasting Licences are comprised of broadcast authorities' licences required for the operation of radio stations in Canada.

The Corporation considers Distribution Licences, Franchise Rights, Spectrum Licences and Radio Broadcasting Licences to have indefinite useful lives as it expects they are likely to be renewed, it intends to renew them and has the financial and operational ability to do so and there are no current competitive, legal and regulatory factors that limit their useful lives.

Significant estimates and judgment involved in reviewing whether events and circumstances continue to support the indefinite useful life assessment, include:

- determining whether the Distribution Licences, Franchise Rights, Spectrum Licences and Radio Broadcasting Licences are likely to be renewed; and
- evaluating whether the Corporation has the financial and operating ability to renew them.

E) Goodwill

Goodwill is carried at cost, is not amortized and arises from business acquisitions. It is mainly attributable to the expected growth in both telecommunications residential and business services and the expertise of the workforce. A portion of the amounts assigned to goodwill may be deductible for income tax purposes.

F) Depreciation and amortization

Depreciation of property, plant and equipment and amortization of finite-life intangible assets are recognized on a straight-line basis over their expected useful life, from the date the asset is ready for its intended use, except for leasehold improvements, which are amortized over the shorter of the term of the lease and economic life. Land and assets under construction are carried at cost and not depreciated.

	Estimated useful life
Property, plant and equipment	
Buildings and leasehold improvements	10 to 40 years
Networks and infrastructure [1]	3 to 20 years
Customer premise equipment	2 to 5 years
Vehicles and equipment [2]	3 to 10 years
Finite-life intangible assets	
Customer relationships	Up to 8 years
Trade name	20 years

(1) Networks and infrastructure include cable towers, headends, transmitters, fibre and coaxial networks, subscriber service cables and network equipment.

(2) Vehicles and equipment include vehicles, programming equipment, furniture and fixtures, computer and software and other equipment.

G) Impairment of long-lived assets

For the purpose of impairment testing, goodwill is allocated to each of the Corporation's cash-generating units (CGUs or individually, "CGU") that are expected to benefit from the synergies of the related business combination. Intangible assets with indefinite useful lives who do not generate independent cash inflows from those of other assets or group of assets, are allocated and tested for impairment as part of the CGU to which they belong.

Management assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Goodwill and indefinite-life intangible assets are tested for impairment at least annually as of June 30. Previously recognized impairment losses, other than those attributable to goodwill, are reviewed for possible reversal at each reporting date and, if the asset's recoverable amount has increased, all or a portion of the previously recognized impairment loss is reversed.

Any potential impairment is identified by comparing the carrying value of a CGU or a group of CGUs to its recoverable amount, which is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Cash flows are projected from internal financial projections based on past experience, actual operating results and business plans, including any impact from rising interest rates and inflation. A period of five to eight years is used, depending on the CGU, as the payback period of the Corporation's capital investments often exceeds five years. They

reflect management's expectations of revenue growth and net capital expenditures for each CGU based on past experience and expected growth for the CGU. Cash flows beyond that period are extrapolated using an estimated terminal growth rate determined with regard to projected growth rates for the specific markets in which the CGU's participate and are not considered to exceed the long-term average growth rates for those markets. Discount rates applied to the cash flow forecasts are derived from the Corporation's pre-tax weighted average cost of capital, adjusted for the different risk profiles of the individual CGUs.

Significant estimates and judgment involved:

- identifying the existence of impairment indicators;
- identifying the appropriate asset, group of assets, CGU or groups of CGUs;
- determining the appropriate discount rate for assessing the recoverable amount; and
- making assumptions about cash flows forecasts, market conditions and terminal growth rates over the long-term life of the assets or CGUs.

H) Income taxes

Current and deferred income tax expenses are recognized in profit or loss, except to the extent that the expense relates to items that are recognized in other comprehensive income or directly in equity. The Corporation is subject to income tax laws in both Canada and the United States.

- Current tax expense is tax the Corporation expects to pay or receive based on its taxable income or loss during the year. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period, including any adjustments to taxes payable or receivable related to previous years.
- Deferred tax assets and liabilities arise from temporary differences between the carrying amounts of the assets and liabilities recognized in the statements of financial position and their corresponding tax bases. Deferred tax assets and liabilities are calculated using enacted or substantively enacted tax rates that will apply in the period in which the asset is realized or the liability is settled. A deferred tax asset is recognized for unused losses, tax credits, and deductible temporary differences to the extent it is probable that future taxable income will be available to use the asset.

As tax laws are complex, they may be subject to different interpretations by the Corporation and by the different tax authorities. Current and deferred income taxes represent the Corporation's interpretation of the tax laws and estimates of current and future tax consequences of transactions and events during the year.

Significant estimates and judgment involved:

- interpreting tax rules and regulations;
- estimating the nature and timing of future permanent and temporary differences, the expected timing of reversals of those temporary differences and the future tax rates that will apply to those differences; and
- evaluating whether the Corporation can recover a deferred tax asset based on management's assessment of existing tax laws, estimates of future profitability, and tax planning strategies.

I) Financial instruments other than derivatives

The Corporation's financial instruments are classified and measured as follows:

- Cash and cash equivalents and trade and other receivables are classified and measured at amortized cost using the effective interest method, less any impairment loss; and
- Bank indebtedness, trade and other payables, long-term debt excluding lease liabilities and other liabilities, are classified and measured at amortized cost using the effective interest method.

Finance costs and discounts associated with the issuance of debt securities are netted against the related debt instrument and amortized to profit or loss using the effective interest rate method, except for those incurred with respect to the revolving facilities which are recorded as other assets and amortized over the term of the related financing on a straight-line basis.

J) Derivative financial instruments and hedge accounting

The Corporation uses various derivative financial instruments to manage its exposure to fluctuations in foreign currency exchange rates and interest rates. When the Corporation determines that hedge accounting is appropriate and the criteria to do so are met, a hedging relationship is designated, documented from inception and classified according to the type of hedging relationship. The Corporation assesses the effectiveness of its hedging relationships at inception and on an ongoing basis. Any derivative instrument that does not qualify for hedge accounting is measured at fair value at each reporting date and the changes in fair value are included in profit or loss.

The Corporation generally enters into the following types of derivative financial instruments:

- The Corporation uses interest rate swaps as derivative financial instruments to manage interest rate risk related to its floating rate long-term debt. These are designated as cash flow hedges.
- The Corporation uses equity swap agreements, which are not designated as hedging relationships, in order to manage cash flow exposures related to settling DSUs.
- The Corporation designated a portion of the US dollar denominated debt as a hedging item in a net investment hedge in the U.S. subsidiary. The Corporation applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and its functional currency.

Cash flow hedge

The effective portion of changes in the fair value of derivative financial instruments designated as the hedging instrument in a cash flow hedge is recognized in accumulated other comprehensive income and presented in the cash flow hedge reserve in equity. The amount recognized in accumulated other comprehensive income is removed and included in profit or loss in the same period and line item when the hedged item affects profit or loss. Any ineffective portion of changes in the fair value of the derivative financial instrument is recognized immediately in profit or loss.

The Corporation has established a hedge ratio of one-for-one for all its hedging relationships as the underlying risks of its hedging derivatives are identical to the hedged item risks.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, is sold, terminated, exercised, or the designation is revoked, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in accumulated other comprehensive income and presented in cash flow hedge reserve in equity remains there until the hedged item affects profit or loss. If a forecasted hedged item is no longer expected to occur, then the balance in accumulated other comprehensive income is recognized immediately in profit or loss.

Net investment hedges

Foreign currency differences arising on the translation of long-term debt designated as hedges of a net investment in foreign operations are recognized in other comprehensive income to the extent that the hedge is effective, and are presented within equity in the foreign currency translation balance. The Corporation has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments is identical to the hedged item risks. Hedge ineffectiveness will arise when the amount of the net investments in the foreign subsidiary becomes lower than the amount of the related hedging instruments. To the extent that the hedge is ineffective, such differences are recognized in profit or loss.

K) Contingencies

Contingent liabilities are liabilities of uncertain timing or amount and are not recognized until the Corporation has a present obligation as a result of a past event, it is probable that it will experience an outflow of resources embodying economic benefits to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Corporation discloses its contingent liabilities unless the possibility of an outflow of resources in settlement is remote.

Significant judgment is required in determining whether a loss is probable (in which case a provision would be recognized) from claims, regulatory decisions and legal proceedings, and in determining the estimated outflow of economic resources. Such contingencies are estimated based on the information available to the Corporation.

L) Acquisition, integration, restructuring and other costs

Acquisition, integration, restructuring and other costs include, among others, the following costs, if and when incurred:

- Transaction costs related to completed or potential business combinations;
- Costs of integrating newly acquired businesses following the date of acquisition;
- Restructuring and other severance costs when significant;
- Configuration and customization costs related to cloud computing arrangements;
- Gains or losses on disposals of non-core assets, when significant; and
- Costs related to litigation and regulatory decisions, when significant.

The above list may be adjusted, from time to time, when it is deemed appropriate to highlight other items under this caption to assist users in understanding the financial performance of the Corporation.

4. Accounting policy developments

The following new standard and amendments to standards were issued by the IASB and were not yet applied in preparing these consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9, *Financial Instruments,* and IFRS 7, *Financial Instruments: Disclosures*	In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments,* which amended IFRS 9 and IFRS 7, to clarify when a financial asset or a financial liability is recognized and derecognized and to introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of financial assets with environmental, social and governance ("ESG")-linked features, non-recourse loans and contractually linked instruments, and introduce disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation is currently assessing the impact of these amendments on its consolidated financial statements.
IFRS 18, *Presentation and Disclosure in Financial Statements*	In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies: • improved comparability in the statement of profit or loss by introducing three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit; • enhanced transparency of management-defined performance measures by requiring companies to disclose explanations of those company-specific measures that are related to the income statement; and • enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is currently assessing the impact of the new standard on its consolidated financial statements presentation and disclosure.
Supplier Finance Arrangements - Amendments to IAS 7, *Statement of Cash Flows*, and IFRS 7, *Financial Instruments: Disclosures*	In May 2023, the IASB issued *Supplier Finance Arrangements*, which amended IAS 7 and IFRS 7, introducing new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The Corporation does not expect these amendments to have a material impact on its consolidated financial statements.

5. Revenue

	Cogeco Communications									
	Canadian telecommunications		American telecommunications		Sub-total		Other		Consolidated	
Years ended August 31	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
(In thousands of Canadian dollars)	$	$	$	$	$	$	$	$	$	$
Residential [1]	1,257,113	1,247,604	1,273,542	1,295,313	2,530,655	2,542,917	—	—	2,530,655	2,542,917
Commercial	186,754	175,128	178,234	177,687	364,988	352,815	—	—	364,988	352,815
Other [2]	66,639	67,183	14,242	21,213	80,881	88,396	97,461	97,008	178,342	185,404
	1,510,506	1,489,915	1,466,018	1,494,213	2,976,524	2,984,128	97,461	97,008	3,073,985	3,081,136

(1) Includes revenue from Internet, video and wireline phone residential subscribers, as well as bulk residential subscribers.

(2) Includes revenue mainly from Internet wholesale-based providers and advertising.

6. Segment information

Information related to each reportable segment is set out below. Adjusted EBITDA, which is equal to *Revenue* less *Operating expenses*, is used to measure the performance of each segment as management believes it to be the most relevant in evaluating their results and making decisions about resources to be allocated to them. Transactions between operating segments are measured at the amounts agreed to between the parties.

The column in the tables below entitled "Other" is comprised of the results of Cogeco Media and the corporate activities of Cogeco, as well as consolidation elimination entries.

	Cogeco Communications					
Year ended August 31, 2024	**Canadian telecommunications**	**American telecommunications**	**Corporate and eliminations**	**Sub-total**	**Other**	**Consolidated**
(In thousands of Canadian dollars)	$	$	$	$	$	$
Revenue [1]	1,510,506	1,466,018	—	2,976,524	97,461	3,073,985
Operating expenses	710,706	759,658	42,894	1,513,258	105,910	1,619,168
Management fees – Cogeco Inc.	—	—	20,952	20,952	(20,952)	—
Adjusted EBITDA	799,800	706,360	(63,846)	1,442,314	12,503	1,454,817
Acquisition, integration, restructuring and other costs				59,731	3,567	63,298
Depreciation and amortization				673,557	4,872	678,429
Impairment of property, plant and equipment				14,862	367	15,229
Financial expense				277,690	8,982	286,672
Profit (loss) before income taxes				416,474	(5,285)	411,189
Income taxes				62,342	(534)	61,808
Profit (loss) for the year				354,132	(4,751)	349,381
Net capital expenditures [2]	356,274	267,728	13,831	637,833	4,914	642,747
Acquisition of spectrum licences [3]	203,220	—	—	203,220	—	203,220

Year ended August 31, 2023	Cogeco Communications					
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Sub-total	Other	Consolidated
(In thousands of Canadian dollars)	$	$	$	$	$	$
Revenue [1]	1,489,915	1,494,213	—	2,984,128	97,008	3,081,136
Operating expenses	701,717	800,409	42,336	1,544,462	103,745	1,648,207
Management fees – Cogeco Inc.	—	—	18,600	18,600	(18,600)	—
Adjusted EBITDA	788,198	693,804	(60,936)	1,421,066	11,863	1,432,929
Acquisition, integration, restructuring and other costs				36,225	20	36,245
Depreciation and amortization				620,466	4,594	625,060
Impairment of intangible assets and goodwill				—	88,000	88,000
Financial expense				251,642	3,368	255,010
Profit (loss) before income taxes				512,733	(84,119)	428,614
Income taxes				94,761	(16,382)	78,379
Profit (loss) for the year				417,972	(67,737)	350,235
Net capital expenditures [2]	354,384	336,910	8,212	699,506	3,407	702,913
Acquisition of spectrum licences	60,000	—	—	60,000	—	60,000

(1) For fiscal 2024, revenue by geographic market included $1,608.0 million in Canada and $1,466.0 million in the United States, respectively. For the prior year, revenue included $1,586.9 million in Canada and $1,494.2 million in the United States.

(2) Net capital expenditures exclude non-cash acquisitions of right-of-use assets and the purchases, and related borrowing costs, of spectrum licences, and are presented net of government subsidies, including subsidies received in advance recognized as a reduction of the cost of property, plant and equipment. Refer to Note 21 B) for a reconciliation of net capital expenditures to cash payments for acquisition of property, plant and equipment as reported in the consolidated statements of cash flows.

(3) In fiscal 2024, includes the spectrum licences acquired through the wholly-owned subsidiary Elite General Partnership in the 3800 MHz spectrum auction, as well as the capitalized borrowing costs in connection with spectrum licences. On August 31, 2024, the 3800 MHz spectrum licences were transferred to Cogeco Connexion and are therefore presented within the "Canadian telecommunications" segment, instead of within "Corporate and eliminations" as previously reported.

The following tables set out certain segmented and geographic market information at August 31, 2024 and 2023:

Segmented information

At August 31, 2024

	Cogeco Communications					
	Canadian telecommunications	**American telecommunications**	**Corporate and eliminations**	**Sub-total**	**Other**	**Total**
(In thousands of Canadian dollars)	**$**	**$**	**$**	**$**	**$**	**$**
Property, plant and equipment	**1,608,109**	**1,676,063**	**21,222**	**3,305,394**	**35,399**	**3,340,793**
Intangible assets	**1,604,312**	**2,207,902**	**—**	**3,812,214**	**25,580**	**3,837,794**
Goodwill	**247,143**	**1,885,518**	**—**	**2,132,661**	**—**	**2,132,661**

	At August 31, 2023					
	Cogeco Communications					
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Sub-total	Other	Total
(In thousands of Canadian dollars)	$	$	$	$	$	$
Property, plant and equipment	1,493,552	1,710,965	24,998	3,229,515	34,788	3,264,303
Intangible assets	1,400,944	2,260,962	—	3,661,906	25,580	3,687,486
Goodwill	226,648	1,891,108	—	2,117,756	—	2,117,756

Geographic market information

	At August 31, 2024		
	Canada	**United States**	**Total**
(In thousands of Canadian dollars)	**$**	**$**	**$**
Property, plant and equipment	**1,664,730**	**1,676,063**	**3,340,793**
Intangible assets	**1,629,892**	**2,207,902**	**3,837,794**
Goodwill	**247,143**	**1,885,518**	**2,132,661**

	At August 31, 2023		
	Canada	United States	Total
(In thousands of Canadian dollars)	$	$	$
Property, plant and equipment	1,553,338	1,710,965	3,264,303
Intangible assets	1,426,524	2,260,962	3,687,486
Goodwill	226,648	1,891,108	2,117,756

7. Business combinations

Fiscal 2024

Niagara Regional Broadband Network acquisition

On February 5, 2024, Cogeco Connexion acquired Niagara Regional Broadband Network ("NRBN"), an Internet, video and wireline phone service provider serving the Niagara Region, for a purchase price of $75 million, subject to customary post-closing adjustments. The sellers, the City of Niagara Falls and the Town of Niagara-on-the-Lake, both remain minority shareholders in the company. This acquisition will strengthen the Corporation's presence in Ontario and allow Cogeco Communications to support the continued growth of NRBN.

Cogeco Connexion acquired 67% of the voting rights and 100% of the economic rights with regard to NRBN. Based on the terms of the purchase agreement, Cogeco Connexion controls and receives all of the returns associated with NRBN's operations.

The Corporation is currently assessing the fair value of the assets acquired and the liabilities assumed at the date of acquisition, for which the valuation process of certain assets remains to be finalized. The preliminary allocation of the purchase price was based on the estimated fair value of the assets acquired and the liabilities assumed at the date of acquisition. The items that are mainly subject to change pertain to working capital and goodwill. The Corporation will finalize the purchase price allocation over the coming quarters.

The preliminary allocation of the purchase price based on the estimated fair value of assets acquired and the liabilities assumed at the date of acquisition is as follows:

	At August 31, 2024 Preliminary	At May 31, 2024 Preliminary
Purchase price		
Base purchase price	**57,974**	57,974
Working capital adjustments	**285**	—
Cash consideration paid	**58,259**	57,974
Balance due on business combinations	**17,094**	17,094
	75,353	75,068
Net assets acquired		
Cash and cash equivalents	**69**	—
Current assets	**1,098**	589
Property, plant and equipment	**57,804**	58,145
Intangible assets	**9,625**	11,051
Goodwill	**20,495**	18,165
Current liabilities	**(3,648)**	(3,149)
Deferred tax liabilities	**(9,515)**	(9,308)
Other long-term liabilities	**(575)**	(425)
	75,353	75,068

The amount of goodwill, which is not expected to be deductible for tax purposes, is mainly attributable to the expected growth in both residential and business services, and to the strength of the assembled workforce.

Fiscal 2023

Acquisition of the telecommunications operations of oxio

On March 3, 2023, the Corporation's subsidiary, Cogeco Connexion, completed the acquisition of the telecommunications operations of oxio, serving customers in Québec, Ontario and the western provinces, for a purchase price of $100 million, subject to customary post-closing adjustments. With this acquisition, Cogeco Connexion added a second brand to serve the telecommunication needs of Canadians. The transaction was executed through an asset purchase. During the fourth quarter of fiscal 2023, the Corporation finalized the purchase price allocation.

8. Operating expenses

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	**$**	$
Salaries, employee benefits and outsourced services	**563,125**	570,662
Service delivery costs [1]	**754,994**	783,055
Customer related costs [2]	**127,762**	120,999
Other external purchases [3]	**173,287**	173,491
	1,619,168	1,648,207

(1) Includes content and programming costs, payments to other carriers, franchise fees and network costs.

(2) Includes advertising and marketing expenses, selling costs, billing expenses, bad debts and collection expenses.

(3) Includes office building expenses, professional service fees, Canadian Radio-television and Telecommunications Commission ("CRTC") fees and other administrative expenses.

9. Acquisition, integration, restructuring and other costs

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Acquisition and integration costs	1,060	10,715
Restructuring and other severance costs [1]	50,609	9,342
Configuration and customization costs related to cloud computing and other arrangements	15,823	7,728
Costs (reversal) related to litigation and regulatory decisions [2]	(4,194)	8,460
	63,298	36,245

(1) Includes costs related to the new organizational structure announced in May 2024 and other cost optimization initiatives.
(2) Related to royalties payable for retransmission of distant television signals (see Note 25 B)).

Restructuring and other severance costs

New organizational structure combining Cogeco's and Cogeco Communications' U.S. and Canadian telecommunications teams

On May 29, 2024, Cogeco and Cogeco Communications announced a strategic transformation aimed at achieving operational excellence, while generating synergies to power future growth. Effective September 1, 2024, both corporations successfully combined the commercial, operational and technical functions of their Canadian and U.S. telecommunications businesses into a simpler North American organization. The costs recognized in connection to this initiative in fiscal 2024 consisted mainly of severance charges, including accelerated share-based compensation expense, and other related costs.

Strategic partnerships to launch wireless services in Canada as an MVNO

On August 19, 2024, Cogeco and Cogeco Communications announced strategic partnerships with a national wireless network operator and with a supplier of wireless technology platforms to facilitate the development of wireless services in Canada under a capital-light operating model. Following these commercial agreements, charges in connection to cost optimization initiatives to reduce future expenses related to offering wireless services in Canada were recognized in the fourth quarter of fiscal 2024.

10. Financial expense

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Interest on long-term debt, excluding interest on lease liabilities	293,773	257,927
Interest on lease liabilities	3,498	2,751
Loss on debt extinguishment [1]	16,880	—
Net foreign exchange loss (gain)	(3,729)	3,937
Amortization of deferred transaction costs related to the revolving facilities	716	744
Interest and other income	(10,321)	(11,098)
Capitalized borrowing costs [2]	(17,432)	(1,636)
Other	3,287	2,385
	286,672	255,010

(1) In connection with the prepayment of Tranche 1 of the Senior Secured Term Loan B Facility and the amendment of the Senior Secured Revolving Facility in September 2023.
(2) In connection with debt incurred for the purchase of spectrum licences and the construction of certain networks. For the year ended August 31, 2024, the weighted average interest rate used for the capitalization of borrowing costs was 6.51% (5.20% for 2023).

11. Income taxes

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Current	20,995	31,973
Deferred	40,813	46,406
	61,808	78,379

The following table provides the reconciliation between income tax expense at the Canadian statutory federal and provincial income tax rates and the consolidated income tax expense:

Years ended August 31	2024	2023
(In thousands of Canadian dollars, except percentages)	$	$
Profit before income taxes	411,189	428,614
Combined Canadian income tax rate	26.5 %	26.5 %
Income taxes at combined Canadian income tax rate	108,965	113,583
Difference in operations' statutory income tax rates	155	60
Recognition of previously unrecognized capital losses	(235)	—
Impact on income taxes arising from non-deductible expenses and non-taxable profit [1]	3,767	7,590
Tax impacts related to foreign operations	(51,472)	(45,400)
Other	628	2,546
Income taxes at effective income tax rate	61,808	78,379
Effective income tax rate	15.0 %	18.3 %

(1) In fiscal 2023, included $4.9 million of tax impact related to the non-deductible impairment of goodwill.

The following table shows deferred income taxes resulting from temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes, as well as tax losses carryforwards:

At August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Property, plant and equipment	(427,336)	(391,084)
Intangible assets and goodwill	(687,289)	(642,900)
Contract liabilities and other liabilities	9,150	9,037
Interest carryforward	57,188	16,276
Non-capital losses and other tax credits carryforwards, net of unrecognized benefits related to tax losses	178,316	195,905
Other	8,811	(7,425)
Net deferred tax liabilities	(861,160)	(820,191)
Consolidated financial statements presentation:		
Deferred tax assets	6,784	13,243
Deferred tax liabilities	(867,944)	(833,434)
Net deferred tax liabilities	(861,160)	(820,191)

The movements in deferred tax asset and liability balances during fiscal 2024 and 2023 were as follows:

Year ended August 31, 2024	Balance beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity	Acquisition through business combinations	Foreign currency translation adjustments	Balance end of the year
(In thousands of Canadian dollars)	$	$	$		$	$	$
Property, plant and equipment	(391,084)	(27,912)	—	—	(9,423)	1,083	(427,336)
Intangible assets and goodwill	(642,900)	(43,356)	—	—	(2,573)	1,540	(687,289)
Contract liabilities and other liabilities	9,037	(322)	—	—	439	(4)	9,150
Interest carryforward	16,276	41,402	—	—	—	(490)	57,188
Non-capital losses and other tax credits carryforwards, net of unrecognized benefits related to tax losses	195,905	(17,753)	—	—	597	(433)	178,316
Other	(7,425)	7,128	14,891	(7,116)	1,445	(112)	8,811
	(820,191)	(40,813)	14,891	(7,116)	(9,515)	1,584	(861,160)

Year ended August 31, 2023	Balance beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Foreign currency translation adjustments	Balance end of the year
(In thousands of Canadian dollars)	$	$	$	$	$
Property, plant and equipment	(405,856)	24,197	—	(9,425)	(391,084)
Intangible assets and goodwill	(611,871)	(20,196)	—	(10,833)	(642,900)
Contract liabilities and other liabilities	12,329	(3,344)	—	52	9,037
Interest carryforward	—	16,276	—	—	16,276
Non-capital losses and other tax credits carryforwards, net of unrecognized benefits related to tax losses	244,036	(55,566)	—	7,435	195,905
Other	3,909	(7,773)	(3,972)	411	(7,425)
	(757,453)	(46,406)	(3,972)	(12,360)	(820,191)

The Corporation also has taxable temporary differences associated with its investments in subsidiaries. No deferred tax has been recognized with respect to such temporary differences, as the Corporation is able to control the timing of their reversal and such reversal is not probable in the foreseeable future.

At August 31, 2024, the Corporation and its subsidiaries had accumulated U.S. federal income tax losses, the benefits of which have been recognized in these consolidated financial statements, unless indicated otherwise. The benefits represent the amount expected to be realized, based on management's assessment of the Corporation's projected future profitability, deferred tax liabilities reversal and available carryback and carryforward periods, among others.

These losses expire as follows:

	2038	Indefinite	Total
(In thousands of Canadian dollars)	$	$	$
United States	57,782	726,681	784,463

The Corporation and its subsidiaries also had accumulated capital losses in Canada amounting to $1,099 million which can be carried forward indefinitely and used against Canadian capital gains, and $179 million of unrealized foreign exchange temporary differences, the benefits of which have not been recognized in these consolidated financial statements.

Pillar Two model rules

On June 20, 2024, Bill C-69, *An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024*, received royal assent and is enacted for Canadian financial reporting purposes. Bill C-69 includes the Pillar Two rules published by the Organisation for Economic Co-operation and Development ("OECD") and applies to fiscal years beginning on or after December 31, 2023 (September 1, 2024 for the Corporation). The Pillar Two model rules impose a 15% global minimum tax applicable to large multinational enterprises, to be applied in each country. The rules are not applicable for the current fiscal year. The Corporation is currently assessing its potential exposure to income taxes resulting from these rules, but does not expect any material impact on its consolidated financial statements.

12. Earnings per share

The following table provides the components used in the calculation of basic and diluted earnings per share:

Years ended August 31	**2024**	2023
(In thousands of Canadian dollars, except number of shares)	**$**	$
Profit for the year attributable to owners of the Corporation	**96,746**	70,630
Weighted average number of multiple and subordinate voting shares outstanding	**11,210,397**	15,575,644
Effect of dilutive incentive share units	**54,899**	47,354
Effect of dilutive performance share units	**54,770**	46,644
Weighted average number of diluted multiple and subordinate voting shares outstanding	**11,320,066**	15,669,642

13. Other assets

At August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Contract costs [1]	**118,846**	92,183
Transaction costs	**3,356**	1,680
Pension plan assets [2]	**14,788**	10,441
Other	**1,698**	1,195
	138,688	105,499

(1) Includes incremental costs of obtaining a contract and upfront fees paid to multiple-dwelling units.

(2) For further details, see Note 22.

Contract costs

The table below provides a reconciliation of the contract costs balance:

Years ended August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Balance, beginning of the year	**92,183**	64,694
Additions	**61,155**	52,102
Amortization	**(34,307)**	(26,220)
Foreign currency translation adjustments	**(185)**	1,607
Balance, end of the year	**118,846**	92,183

14. Property, plant and equipment

At August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Owned assets	**3,256,338**	3,187,409
Right-of-use assets	**84,455**	76,894
	3,340,793	3,264,303

A) Owned assets

During fiscal 2024 and 2023, owned assets variations were as follows:

Years ended August 31, 2024 and 2023	Land, buildings and leasehold improvements	Networks and infrastructure	Customer premise equipment	Vehicles and equipment	Assets under construction	Total
(In thousands of Canadian dollars)	$	$	$	$	$	$
Cost						
Balance at August 31, 2022	191,674	5,267,281	1,025,700	602,804	268,018	7,355,477
Acquisitions through business combinations	—	—	9,320	296	—	9,616
Additions [1]	—	2,063	12,209	—	688,641	702,913
Assets under construction put into service	16,012	449,029	131,733	42,378	(639,152)	—
Disposals and write-offs	(47)	(34,299)	(218,248)	(157,416)	—	(410,010)
Foreign currency translation adjustments	1,538	71,127	13,272	4,658	3,080	93,675
Balance at August 31, 2023	**209,177**	**5,755,201**	**973,986**	**492,720**	**320,587**	**7,751,671**
Acquisitions through business combinations	**134**	**51,858**	**665**	**494**	**4,011**	**57,162**
Additions [1]	**—**	**—**	**—**	**—**	**642,747**	**642,747**
Assets under construction put into service	**9,081**	**508,549**	**170,411**	**51,929**	**(739,970)**	**—**
Disposals and write-offs	**(967)**	**(113,319)**	**(106,294)**	**(22,019)**	**(401)**	**(243,000)**
Foreign currency translation adjustments	**(191)**	**(10,902)**	**(5,247)**	**(591)**	**(134)**	**(17,065)**
Balance at August 31, 2024	**217,234**	**6,191,387**	**1,033,521**	**522,533**	**226,840**	**8,191,515**
Accumulated depreciation and impairment losses						
Balance at August 31, 2022	92,568	3,163,080	688,942	425,547	—	4,370,137
Depreciation expense	8,091	346,717	143,706	59,951	—	558,465
Disposals and write-offs	(32)	(31,935)	(218,059)	(157,301)	—	(407,327)
Foreign currency translation adjustments	609	33,763	6,192	2,423	—	42,987
Balance at August 31, 2023	**101,236**	**3,511,625**	**620,781**	**330,620**	**—**	**4,564,262**
Depreciation expense	**8,025**	**367,324**	**177,833**	**56,384**	**—**	**609,566**
Disposals and write-offs	**(498)**	**(112,062)**	**(105,803)**	**(21,914)**	**—**	**(240,277)**
Impairment	**692**	**—**	**—**	**—**	**13,211**	**13,903**
Foreign currency translation adjustments	**(92)**	**(6,837)**	**(4,855)**	**(493)**	**—**	**(12,277)**
Balance at August 31, 2024	**109,363**	**3,760,050**	**687,956**	**364,597**	**13,211**	**4,935,177**
Carrying amounts						
At August 31, 2023	107,941	2,243,576	353,205	162,100	320,587	3,187,409
At August 31, 2024	**107,871**	**2,431,337**	**345,565**	**157,936**	**213,629**	**3,256,338**

(1) In fiscal 2024, the Corporation received $52.5 million of government assistance, which was accounted for as a deduction of the cost of property, plant and equipment ($127.9 million in 2023), including the amount recognized in connection to the high-speed Internet network expansion projects.

During the fourth quarter of fiscal 2024, non-cash pre-tax impairment charges were recognized, mostly related to assets under construction write-offs, in relation to strategic partnerships to facilitate the development of wireless services in Canada under a capital-light operating model.

B) Right-of-use assets

During fiscal 2024 and 2023, right-of-use assets variations were as follows:

Years ended August 31, 2024 and 2023 *(In thousands of Canadian dollars)*	Land and buildings $	Other [1] $	Total $
Balance at August 31, 2022	51,984	23,853	75,837
Additions	1,520	7,685	9,205
Modifications, disposals and write-offs	190	419	609
Depreciation expense	(6,180)	(3,605)	(9,785)
Foreign currency translation adjustments	438	590	1,028
Balance at August 31, 2023	**47,952**	**28,942**	**76,894**
Acquisitions through business combinations	**354**	**288**	**642**
Additions	**10,877**	**12,971**	**23,848**
Modifications, disposals and write-offs	**(2,560)**	**(41)**	**(2,601)**
Depreciation expense	**(6,717)**	**(5,898)**	**(12,615)**
Impairment	**(1,326)**	**—**	**(1,326)**
Foreign currency translation adjustments	**(347)**	**(40)**	**(387)**
Balance at August 31, 2024	**48,233**	**36,222**	**84,455**

(1) Includes right-of-use assets pertaining to networks and infrastructure, and vehicles and equipment.

15. Intangible assets and goodwill

A) Intangible assets

During fiscal 2024 and 2023, intangible assets variations were as follows:

	Finite useful life		Indefinite useful life			
Years ended August 31, 2024 and 2023	Customer relationships	Trade name [1]	Distribution licences and franchise rights	Spectrum licences	Radio broadcasting licences	Total
(In thousands of Canadian dollars)	$	$	$	$	$	$
Cost						
Balance at August 31, 2022	440,609	—	2,982,424	337,397	85,569	3,845,999
Acquisitions through business combinations	8,400	7,600	—	—	—	16,000
Additions	—	—	—	60,000	—	60,000
Foreign currency translation adjustments	12,340	—	64,562	—	—	76,902
Balance at August 31, 2023	**461,349**	**7,600**	**3,046,986**	**397,397**	**85,569**	**3,998,901**
Acquisitions through business combinations	**9,257**	**368**	**—**	**—**	**—**	**9,625**
Additions [2]	**—**	**—**	**—**	**203,220**	**—**	**203,220**
Fully amortized	**(25,987)**	**—**	**—**	**—**	**—**	**(25,987)**
Foreign currency translation adjustments	**(956)**	**—**	**(6,149)**	**—**	**—**	**(7,105)**
Balance at August 31, 2024	**443,663**	**7,968**	**3,040,837**	**600,617**	**85,569**	**4,178,654**
Accumulated amortization and impairment losses						
Balance at August 31, 2022	174,880	—	—	14,329	—	189,209
Amortization expense	56,636	174	—	—	—	56,810
Impairment	—	—	—	—	59,989	59,989
Foreign currency translation adjustments	5,407	—	—	—	—	5,407
Balance at August 31, 2023	**236,923**	**174**	**—**	**14,329**	**59,989**	**311,415**
Amortization expense	**55,807**	**441**	**—**	**—**	**—**	**56,248**
Fully amortized	**(25,987)**	**—**	**—**	**—**	**—**	**(25,987)**
Foreign currency translation adjustments	**(816)**	**—**	**—**	**—**	**—**	**(816)**
Balance at August 31, 2024	**265,927**	**615**	**—**	**14,329**	**59,989**	**340,860**
Carrying amounts						
At August 31, 2023	224,426	7,426	3,046,986	383,068	25,580	3,687,486
At August 31, 2024	**177,736**	**7,353**	**3,040,837**	**586,288**	**25,580**	**3,837,794**

(1) Includes the NRBN and oxio brands, following the acquisitions of NRBN in February 2024 and oxio's telecommunications operations in March 2023 (see Note 7).

(2) Includes the spectrum licences acquired in the 3800 MHz spectrum auction, as well as the capitalized borrowing costs in connection with spectrum licences.

Spectrum licences

Following the 3800 MHz spectrum auction held by Innovation, Science and Economic Development Canada ("ISED") and completed on November 24, 2023, Cogeco Communications, through its wholly-owned subsidiary Elite General Partnership, acquired 99 spectrum licences in urban and rural markets, including the greater Toronto, Montréal, Québec City and Ottawa areas, for a total purchase price of $190.3 million. On August 31, 2024, the 3800 MHz spectrum licences were transferred to Cogeco Connexion.

B) Goodwill

During fiscal 2024 and 2023, goodwill variations were as follows:

Years ended August 31, 2024 and 2023 *(In thousands of Canadian dollars)*	$
Cost	
Balance at August 31, 2022	2,010,510
Acquisitions through business combinations	76,559
Foreign currency translation adjustments	58,699
Balance at August 31, 2023	**2,145,768**
Acquisitions through business combinations	**20,495**
Foreign currency translation adjustments	**(5,590)**
Balance at August 31, 2024	**2,160,673**
Accumulated impairment losses	
Balance at August 31, 2022	—
Impairment	28,012
Balance at August 31, 2023 and August 31, 2024	**28,012**
Carrying amounts	
At August 31, 2023	2,117,756
At August 31, 2024	**2,132,661**

C) Impairment testing of goodwill and intangible assets

For the purpose of impairment testing, goodwill and intangible assets with indefinite useful lives are allocated to each of the Corporation's CGUs as follows:

At August 31	2024				2023			
Operating segments / CGUs	**Goodwill**	**Distribution licences and franchise rights**	**Spectrum licences**	**Radio broadcasting licences**	Goodwill	Distribution licences and franchise rights	Spectrum licences	Radio broadcasting licences
(In thousands of Canadian dollars)	**$**	**$**	**$**	**$**	$	$	$	$
Canadian telecommunications	**247,143**	**967,000**	**586,288**	**—**	226,648	967,000	383,068	—
American telecommunications	**1,885,518**	**2,073,837**	**—**	**—**	1,891,108	2,079,986	—	—
Media [1] - Radio broadcasting	**—**	**—**	**—**	**25,580**	—	—	—	25,580
Total	**2,132,661**	**3,040,837**	**586,288**	**25,580**	2,117,756	3,046,986	383,068	25,580

(1) Included within the "Other" column in the "Segment information" note.

At June 30, 2024, the Corporation tested the goodwill and long-lived assets of its Radio broadcasting CGU for impairment. The recoverable amount was calculated based on the value in use and determined to be higher than its carrying amount. No impairment loss on goodwill and intangible assets has been recognized for the year ended August 31, 2024. The previous year impairment test was performed at May 31, 2023, as the Corporation's radio operations continued to face revenue pressure due to an industry-wide reduction in radio advertising demand. Assumptions on projected earnings and cash flow growth for the CGU were revised, also factoring in a higher discount rate. As a result, the Corporation had recognized non-cash pre-tax impairment charges of $88 million during the third quarter of fiscal 2023, within its Cogeco Media subsidiary, of which $28 million was allocated to goodwill and $60 million was allocated to indefinite-life intangible assets for broadcasting licences, as it had concluded that the recoverable amount based on value in use was less than the carrying amount of the CGU.

At June 30, 2024 and 2023, the Corporation's subsidiary, Cogeco Communications, performed impairment tests for its CGUs within the Canadian and American telecommunications segments. The recoverable amount of each CGU was calculated based on the value in use and was determined to be higher than its carrying amount. No impairment loss on goodwill and intangible assets has been recognized by Cogeco Communications for the years ended August 31, 2024 and 2023.

The following represents the key assumptions that were used to determine the recoverable amounts in the most recent impairment tests performed for each of the Corporation's operating segments:

	2024		2023	
	Pre-tax discount rate	**Terminal growth rate**	Pre-tax discount rate	Terminal growth rate
Operating segments	**%**	**%**	%	%
Canadian telecommunications	**9.2**	**2.0**	9.8	2.0
American telecommunications	**11.3**	**2.5**	13.6	2.5
Media	**11.9**	**0.5**	12.7	0.5

The following table presents, for each operating segment, the change in the pre-tax discount rate and in the terminal growth rate used in the tests performed, that would have been required in order for the recoverable amount to equal the carrying value of the CGU at the date of the most recent impairment tests:

	Increase in pre-tax discount rate	**Decrease in terminal growth rate**
Operating segments	**%**	**%**
Canadian telecommunications	(1)	(1)
American telecommunications	**1.3**	**1.3**
Media	**5.1**	**9.3**

(1) The recoverable amount of the Canadian telecommunications CGU exceeds the corresponding carrying value. No reasonable changes in the discount rate or in the terminal growth rate, used in the impairment test performed, would have caused the recoverable amount to equal the carrying value of the Canadian telecommunications CGU.

16. Provisions

During fiscal 2024, provisions variations were as follows:

Year ended August 31, 2024	Withholding and stamp taxes (1)	Programming and content costs (2)	Royalties for retransmission of distant TV signals (3)	Restructuring and other severance costs (4)	Other (5)	**Total**
(In thousands of Canadian dollars)	**$**	**$**	**$**	**$**	**$**	**$**
Balance, beginning of the year	**6,990**	**9,447**	**11,507**	**3,896**	**1,179**	**33,019**
Provisions made during the year	**—**	**7,111**	**3,081**	**36,884**	**393**	**47,469**
Provisions used during the year	**—**	**(7,014)**	**—**	**(6,959)**	**(16)**	**(13,989)**
Provisions reversed during the year	**—**	**(1,742)**	**(5,055)**	**(596)**	**(247)**	**(7,640)**
Foreign currency translation adjustments	**114**	**(16)**	**—**	**(75)**	**—**	**23**
Balance, end of the year	**7,104**	**7,786**	**9,533**	**33,150**	**1,309**	**58,882**

(1) Relate to contingent liabilities for withholding and stamp taxes relating to fiscal years prior to the acquisition of a subsidiary by the Corporation.

(2) Include provisions for retroactive rate increases as well as additional royalties or content costs as a result of periodical audits from service providers.

(3) Relate to the royalties payable for the retransmission of distant Canadian and U.S. television over-the-air signals in Canada (see Note 25 B)).

(4) Relate mainly to severance costs in connection with the Corporation's new organizational structure which combined the Canadian and U.S. telecommunications teams as of September 1, 2024 and to cost optimization initiatives in relation to strategic partnerships entered into in August 2024 (see Note 9).

(5) Include provisions for contractual obligations and other legal obligations.

The Corporation does not record decommissioning obligations in connection with its fibre and coaxial networks. The Corporation expects to renew all of its agreements with utility companies to access their support structures in the future, thus the resulting present value of the obligation is not significant.

17. Contract liabilities and other liabilities

At August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Advance billings	52,655	54,758
Deferred customer connection fees	16,820	14,528
Customer deposits and prepayments	401	312
Contract liabilities	69,876	69,598
Other liabilities	1,557	1,150
	71,433	70,748
Current	61,736	62,061
Non-current	9,697	8,687

During fiscal 2024 and 2023, contract liabilities variations were as follows:

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Balance, beginning of the year	69,598	72,278
Revenue deferred in the previous period and recognized in the current period	(61,547)	(65,313)
Net additions arising from operations	61,111	59,795
Additions arising from business combinations	843	1,303
Foreign currency translation adjustments	(129)	1,535
Balance, end of the year	69,876	69,598

18. Long-term debt

At August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Notes and credit facilities	4,866,353	5,019,513
Lease liabilities	80,718	69,484
Balance due on business combinations	17,094	—
	4,964,165	5,088,997
Less current portion	370,108	43,325
	4,594,057	5,045,672

A) Notes and credit facilities

At August 31	Maturity	Effective interest rate [1]	2024	2023
(In thousands of Canadian dollars, except percentages)		%	$	$
Corporation				
Term Revolving Facility				
Revolving loan	May 2029	6.02	**59,000**	—
Revolving loan - US$32.5 million at August 31, 2023	May 2029	—	**—**	43,975
Non-Revolving Term Credit Facility	December 2026	6.07	**71,833**	—
Subsidiaries				
Term Revolving Facility				
Revolving loan – US$237.5 million (US$262 million at August 31, 2023)	May 2029	5.73 [2]	**320,411**	354,512
Senior Secured Notes				
Series A - US$25 million	September 2024	4.14	**33,727**	33,810
Series B - US$150 million	September 2026	4.29	**202,181**	202,695
Senior Secured Notes - US$215 million	June 2025	4.30	**289,925**	290,629
Senior Secured Notes - Series 1	September 2031	2.99	**497,588**	497,286
Senior Secured Notes - Series 2	February 2033	5.30	**298,293**	298,137
Senior Unsecured Notes	February 2029	6.13	**271,677**	—
Senior Unsecured Non-Revolving Facility	November 2042	—	**—**	—
First Lien Credit Facilities				
Senior Secured Term Loan B Facility				
Tranche 1 - US$1,575.8 million at August 31, 2023	—	—	**—**	2,114,649
Tranche 2 - US$877.5 million (US$886.5 million at August 31, 2023)	September 2028	4.24 [3]	**1,170,893**	1,183,820
Tranche 3 - US$771.1 million	September 2030	7.00 [4]	**1,023,005**	—
Farm Credit - US$472.6 million	September 2028	8.50 [5]	**627,820**	—
Senior Secured Revolving Facility	September 2028	—	**—**	—
			4,866,353	5,019,513
Less current portion			**359,220**	35,181
			4,507,133	4,984,332

(1) Effective interest rate as of August 31, 2024, which excludes the impact of deferred transaction costs and commitment fees but includes the impact of the outstanding interest rate swaps and cross-currency swaps, as applicable.

(2) An amount of US$237.5 million drawn under Cogeco Communications' Term Revolving Facility was hedged until September 27, 2024, using a cross-currency swap agreement which set the amount redeemable at maturity at $319.8 million.

(3) As of August 31, 2024, a U.S. subsidiary had outstanding interest rate swap agreements to fix the interest rate on an amount of US$800 million of the Senior Secured Term Loan B Facility - Tranche 2. These agreements have the effect of converting the floating SOFR base rate, or the 39 bps SOFR floor if higher, into fixed rates ranging from 1.17% to 1.44%, plus an applicable credit spread, for maturities between October 31, 2025 and July 31, 2027. The effective interest rate includes the impact of the outstanding interest rate swaps.

(4) As of August 31, 2024, a U.S. subsidiary had outstanding interest rate swap agreements to fix the interest rate on an amount of US$550 million of the Senior Secured Term Loan B Facility - Tranche 3. These agreements have the effect of converting the floating SOFR base rate into fixed rates ranging from 2.01% to 4.18%, plus an applicable credit spread, for maturities between November 30, 2024 and February 28, 2029. The effective interest rate includes the impact of the outstanding interest rate swaps.

(5) The effective interest rate does not include the impact of a rate rebate earned under a patronage program, which is included in *Interest and other income* within *Financial expense*.

Corporation

Term Revolving Facility

The Corporation benefits from a Term Revolving Facility of $100 million, including a swingline with a limit of $10 million. On May 24, 2024, the Corporation amended its Term Revolving Facility by extending its maturity date to May 24, 2029 and transitioning to Canadian Overnight Repo Rate Average ("CORRA").

Cogeco's revolving facility is secured by a first priority security interest on substantially all present and future real and personal property and undertaking of every nature and kind of the Corporation and certain of its subsidiaries, excluding the capital stock and assets of the Corporation's subsidiary, Cogeco Communications, and guaranteed by its subsidiaries, excluding Cogeco Communications and its subsidiaries.

Non-Revolving Term Credit Facility

On December 11, 2023, Cogeco entered into a 3-year $75 million Non-Revolving Term Credit Facility to partially finance its $280.0 million share buyback transaction (see Note 19 B)).

Subsidiaries

Term Revolving Facility

Cogeco Communications benefits from a Term Revolving Facility of $750 million, including a swingline with a limit of $30 million. On May 24, 2024, Cogeco Communications amended its Term Revolving Facility by extending its maturity date to May 24, 2029 and transitioning to Canadian Overnight Repo Rate Average ("CORRA").

Cogeco Communications' revolving facility is indirectly secured by a first priority security interest on substantially all present and future real and personal property and undertaking of every nature and kind of Cogeco Communications and its subsidiaries, except for the unrestricted subsidiaries.

Both the Corporation's and Cogeco Communications' revolving facilities have a sustainability-linked loan ("SLL") structure. The SLL structure incorporates ESG-linked incentive pricing terms which reduce or increase the cost of funding, depending on the annual performance against specific targets related to Cogeco's GHG annual emissions reduction and digital inclusion initiatives by deploying high-speed Internet networks in underserved and unserved areas of Canada. The revolving facilities are available in Canadian and US dollars, and interest rates are based on prime rate loans, CORRA loans, US dollar base rate loans and SOFR loans in US dollars, plus the applicable credit spread, and commitment fees are payable on the unused portion. The facilities can be repaid at any time without penalty and provide for certain permitted encumbrances, including purchased money obligations, existing funded obligations and charges granted by any subsidiary prior to the date when it becomes a subsidiary, subject to a maximum amount. The provisions under the revolving facilities provide for restrictions on the operations and activities of both corporations and their subsidiaries, except for the unrestricted / excluded subsidiaries. Generally, the most significant restrictions relate to asset dispositions, permitted liens, permitted investments, distributions to shareholders including dividends on multiple and subordinate voting shares and share repurchases, as well as the incurrence and maintenance of certain financial ratios primarily linked to adjusted EBITDA.

Senior Unsecured Notes

In February 2024, Cogeco Communications completed, pursuant to a private placement, the issuance of $275 million Senior Unsecured Notes maturing on February 27, 2029. Cogeco Communications used the net proceeds of the offering to repay existing indebtedness and for other general corporate purposes. The Senior Unsecured Notes are direct and unsubordinated unsecured debt obligations of Cogeco Communications and rank equally and *pari passu* with all other unsecured senior indebtedness of Cogeco Communications.

Senior Secured Notes

Upon maturity on May 26, 2023, Cogeco Communications reimbursed its Senior Secured Debentures Series 4.

In February 2023, Cogeco Communications completed, pursuant to a private placement, the issuance of $300 million Senior Secured Notes - Series 2 maturing on February 16, 2033. The senior secured notes are direct and unsubordinated secured debt obligations of Cogeco Communications and rank equally and *pari passu*, with all other secured senior indebtedness of Cogeco Communications.

The interest on the Senior Secured Notes is payable semi-annually. These notes are redeemable at any time at Cogeco Communications' option, in whole or in part, at 100% of the principal amount plus a make-whole premium. The notes are indirectly secured by a first priority fixed and floating charge and a security interest on substantially all present and future real and personal property and undertaking of every nature and kind of the Corporation and its subsidiaries except for the unrestricted subsidiaries. The provisions under these notes provide for restrictions on the operations and activities of the Corporation and its subsidiaries except for the unrestricted subsidiaries. Generally, the most significant restrictions relate to permitted indebtedness, permitted liens and asset dispositions.

Senior Unsecured Non-Revolving Facility

In December 2022, Cogeco Communications entered into a 20-year senior unsecured non-revolving facility, having an aggregate principal amount of up to $38.1 million, with the Canada Infrastructure Bank. The credit facility can only be drawn to finance the network expansion projects undertaken in connection with Ontario's Accelerated High Speed Internet Program. At August 31, 2024, the facility was undrawn.

First Lien Credit Facilities

On September 29, 2023, Cogeco Communications amended the First Lien Credit Facilities related to its U.S. operations, as follows:

- the issuance of the US$775 million 7-year Term Loan B - Tranche 3;
- the issuance of the US$475 million 5-year Farm Credit Term Loan B; and
- an increase in the credit limit of the Senior Secured Revolving Facility from US$150 million to US$250 million and the extension of the maturity date to September 2028.

The proceeds from the newly issued Term B loans, together with US$150 million drawn on the Senior Secured Revolving Facility and US$200 million of cash on hand, were used to reimburse the existing US$1.6 billion Tranche 1 of the Senior Secured Term Loan B Facility. The prepayment of Tranche 1 of the Senior Secured Term Loan B Facility and the amendment of the Senior Secured Revolving Facility were accounted for as a debt extinguishment. As a result, a loss on debt extinguishment of $16.9 million was recognized during the first quarter of fiscal 2024, within financial expense.

On May 25, 2023, the First Lien Credit Facilities were amended in order to replace the benchmark interest rate from US LIBOR to SOFR. The interest derivatives associated with Tranche 1 and 2 of the Senior Secured Term Loan B Facility were also transitioned to substantially similar interest derivatives referencing SOFR. The Corporation applied the practical expedients of the interest rate benchmark reform allowing the continuation of the hedge relationships.

On September 1, 2021, in connection with the financing of the Ohio broadband systems acquisition, a U.S. subsidiary of Cogeco Communications completed the issuance of the $1.1 billion (US$900 million) Tranche 2 of the Senior Secured Term Loan B Facility, maturing on September 1, 2028.

On January 4, 2018, in connection with the financing of the MetroCast acquisition, the $2.1 billion (US$1.7 billion) Tranche 1 of the Senior Secured Term Loan B maturing in January 2025, and the $188 million (US$150 million) Senior Secured Revolving Facility maturing in January 2023 were entered into by two of Cogeco Communications' U.S. subsidiaries. On December 6, 2019, the maturity date of the US$150 million Senior Secured Revolving Facility was extended by an additional 18 months until July 4, 2024.

The interest rate of the First Lien Credit Facilities is based on SOFR, with a 39 bps floor for Tranche 2 and a 0 bps floor for the remainder of the facilities, plus an applicable credit spread.

The Senior Secured Term Loan B Facility is subject to a quarterly amortization of 0.25%. In addition to the quarterly amortization, the tranches shall be prepaid according to a prepayment percentage of excess cash flows generated during the prior fiscal year as defined below, if applicable.

(i) 50% if Breezeline's ratio of net senior secured indebtedness / adjusted EBITDA ("leverage ratio") is greater than or equal to 5.1;
(ii) 25% if Breezeline's leverage ratio is greater than or equal to 4.6 but less than 5.1; and
(iii) 0% if Breezeline's leverage ratio is less than 4.6.

Breezeline's leverage ratio was below 4.6 as of August 31, 2024, therefore no excess cash flows prepayments are applicable in fiscal 2024. The First Lien Credit Facilities are non-recourse to Cogeco Communications and most of its Canadian subsidiaries, and are indirectly secured by a first priority fixed and floating charge on substantially all present and future

real and personal property and undertaking of every nature and kind of Breezeline and its subsidiaries. The provisions under these facilities provide for restrictions on the operations and activities of Breezeline and its subsidiaries. Generally, the most significant restrictions relate to permitted indebtedness, permitted liens, investments and distributions.

B) Lease liabilities

In the normal course of operations, the Corporation enters into leases for buildings, land, network infrastructure and equipment. Lease contracts are typically individually negotiated for a wide range of fixed periods, but may also include renewal or termination options.

At August 31, 2024, the weighted average interest rate on lease liabilities was approximately 4.43% and the weighted average lease term was approximately 5.1 years (4.17% and 5.7 years, respectively, in 2023).

At August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Lease liabilities	**80,718**	69,484
Less current portion	**10,888**	8,144
	69,830	61,340

Total expenses of $11.7 million have been recognized during fiscal 2024 relating primarily to variable lease payments not included in the measurement of lease liabilities ($12.8 million in 2023).

C) Other information

The following table summarizes the principal on long-term debt:

At August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Principal on fixed-rate long-term debt	**3,519,727**	3,209,866
Principal on floating rate long-term debt	**1,491,474**	1,918,610
Principal on long-term debt	**5,011,201**	5,128,476

19. Share capital

A) Authorized

Unlimited number of:

Preferred shares of first and second rank, issuable in series and non-voting, except when specified in the Articles of Incorporation of the Corporation or in the Law.

Multiple voting shares, 20 votes per share.

Subordinate voting shares, 1 vote per share.

B) Issued and paid

At August 31	2024	2023
(In thousands of Canadian dollars, except number of shares)	$	$
1,602,217 multiple voting shares	10	10
8,040,562 subordinate voting shares (14,009,952 at August 31, 2023)	64,347	112,118
	64,357	112,128
59,930 subordinate voting shares held in trust under the Incentive Share Unit Plan (51,257 at August 31, 2023)	(3,936)	(3,582)
61,263 subordinate voting shares held in trust under the Performance Share Unit Plan (53,092 at August 31, 2023)	(3,988)	(3,664)
	56,433	104,882

During fiscal 2024 and 2023, subordinate voting share transactions were as follows:

Years ended August 31	2024		2023	
	Number of shares	Amount	Number of shares	Amount
(In thousands of Canadian dollars, except number of shares)		$		$
Balance, beginning of the year	14,009,952	112,118	14,176,736	113,453
Purchase of subordinate voting shares for cancellation from CDPQ	(5,969,390)	(47,771)	—	—
Purchase and cancellation of subordinate voting shares under Normal Course Issuer Bid	—	—	(166,784)	(1,335)
Balance, end of the year	8,040,562	64,347	14,009,952	112,118

Share buyback transaction - repurchases of Rogers holdings in Cogeco and Cogeco Communications

On December 13, 2023, Cogeco and Cogeco Communications entered into a series of transactions pursuant to the sale by Rogers Communications Inc. of its entire holdings in both companies to Caisse de dépôt et placement du Québec ("CDPQ"). Cogeco repurchased for cancellation 5,969,390 of its subordinate voting shares from CDPQ for $280.0 million, resulting in a non taxable eligible deemed dividend for tax purposes. Concurrently, Cogeco sold 2,266,537 subordinate voting shares of its holding in Cogeco Communications to Cogeco Communications for $116.5 million and 1,423,692 subordinate voting shares to CDPQ for $73.2 million, following the conversion and cancellation of an equivalent number of Cogeco Communications multiple voting shares. The 2,266,537 subordinate voting shares repurchased by Cogeco Communications were repurchased for cancellation, resulting in a non taxable eligible deemed dividend for tax purposes. Cogeco maintained its controlling interest over Cogeco Communications, and as a result of this transaction CDPQ became an anchor investor in Cogeco Communications, with a holding of 6,809,339 subordinate voting shares, representing approximately 16.1% of all outstanding Cogeco Communications shares at the time.

Subordinate voting shares repurchase programs

	Commencement date	Expiry	Maximum subordinate voting shares for repurchase	Number of shares repurchased at August 31, 2024
2023 Normal course issuer bid ("NCIB") [1]	January 18, 2023	January 17, 2024	325,000	121,600
2022 NCIB	January 18, 2022	January 17, 2023	325,000	268,086

(1) The Corporation did not renew its NCIB program following the end of the program on January 17, 2024.

The following table provides the NCIB purchases for the years ended August 31, 2024 and 2023:

Years ended August 31	**2024**	2023
(In thousands of Canadian dollars, except number of shares and weighted average purchase price per share)	**$**	$
Subordinate voting shares purchased and cancelled	**—**	166,784
Weighted average purchase price per share	**—**	58.54
Purchase costs	**—**	9,763

The Corporation had also entered into an automatic share purchase plan ("ASPP") with a designated broker to allow for the purchase of subordinate voting shares under the NCIB at times when it would ordinarily not be permitted to purchase shares due to regulatory restrictions or self-imposed blackout periods. Such purchases were executed by the broker based on parameters established by the Corporation prior to the pre-established ASPP period.

Subordinate voting shares held in trust

During fiscal 2024 and 2023, the transactions pertaining to the subordinate voting shares held in trust under the Incentive Share Unit Plan ("ISU Plan") and the Performance Share Unit Plan ("PSU Plan") were as follows:

	ISU Plan		**PSU Plan**	
(In thousands of Canadian dollars, except number of shares)	Number of shares	Amount $	Number of shares	Amount $
Balance at August 31, 2022	41,550	3,377	41,315	3,318
Subordinate voting shares acquired	24,986	1,425	26,578	1,516
Subordinate voting shares distributed to employees	(15,279)	(1,220)	(14,801)	(1,170)
Balance at August 31, 2023	**51,257**	**3,582**	**53,092**	**3,664**
Subordinate voting shares acquired	**24,009**	**1,412**	**24,663**	**1,450**
Subordinate voting shares distributed to employees	**(15,336)**	**(1,058)**	**(16,492)**	**(1,126)**
Balance at August 31, 2024	**59,930**	**3,936**	**61,263**	**3,988**

C) Dividends

The following tables provide a summary of the dividends declared for the Corporation's and Cogeco Communications' multiple and subordinate voting shares during the years ended August 31, 2024 and 2023:

Declaration date	**Record date**	**Payment date**	**Dividend per share (in dollars)**	
			Cogeco	**Cogeco Communications**
November 1, 2023	**November 15, 2023**	**November 29, 2023**	**0.854**	**0.854**
January 10, 2024	**January 24, 2024**	**February 7, 2024**	**0.854**	**0.854**
April 11, 2024	**April 25, 2024**	**May 9, 2024**	**0.854**	**0.854**
July 11, 2024	**July 25, 2024**	**August 8, 2024**	**0.854**	**0.854**
			3.416	**3.416**
October 27, 2022	November 10, 2022	November 24, 2022	0.731	0.776
January 12, 2023	January 26, 2023	February 9, 2023	0.731	0.776
April 13, 2023	April 27, 2023	May 11, 2023	0.731	0.776
July 13, 2023	July 27, 2023	August 10, 2023	0.731	0.776
			2.924	3.104

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Attributable to owners of the Corporation		
Dividends on multiple voting shares	5,473	4,685
Dividends on subordinate voting shares	31,883	40,464
	37,356	45,149
Attributable to non-controlling interest		
Dividends on subordinate voting shares	100,999	89,265

At its October 31, 2024 meeting, the Board of Directors of Cogeco declared a quarterly dividend of $0.922 per share for multiple and subordinate voting shares, payable on November 28, 2024 to shareholders of record on November 14, 2024. The Corporation hereby notifies that all dividends are eligible dividends unless indicated otherwise.

D) Share-based payment plans

The Corporation and its subsidiary, Cogeco Communications, offer Employee Stock Purchase Plans for the benefit of their employees and those of their subsidiaries and Stock Option Plans for their executive officers and designated employees. No more than 10% of the outstanding subordinate voting shares are available for issuance under these plans. Furthermore, the Corporation and its subsidiary, Cogeco Communications, offer Incentive Share Unit Plans ("ISU Plans") and Performance Share Unit Plans ("PSU Plans") for their executive officers and designated employees, and Deferred Share Unit Plans ("DSU Plans") for members of the Board of Directors ("Board"). Starting in fiscal 2024, Cogeco Communications also offers a Share Appreciation Rights Plan ("SAR Plan") for its American executive officers and designated employees.

Employee Stock Purchase Plans

The Corporation and its subsidiary, Cogeco Communications, offer Employee Stock Purchase Plans, which are accessible to all employees up to a maximum of 7% of their base annual salary and the Corporation and its subsidiary contribute an amount equal to 25% of the employee contributions. The subscriptions are made monthly and employee subordinate voting shares are purchased on the stock market.

Stock Option Plans

The Corporation and its subsidiary, Cogeco Communications, offer Stock Option Plans for the benefit of their Canadian executive officers and designated employees. A total of 1,545,700 subordinate voting shares are reserved for the purpose of Cogeco's Stock Option Plan. During fiscal years 2024 and 2023, no stock options were granted to employees by Cogeco and no stock options were outstanding at August 31, 2024 and 2023. The Corporation no longer issues stock options under its own plan, as the stock options issued by Cogeco Communications are offered to both corporations' executive officers and designated employees (see Note 24).

A total of 4,432,500 subordinate voting shares of Cogeco Communications are reserved for the purpose of its Stock Option Plan.

The minimum exercise price at which options are granted is equal to the market value of such shares at the time the option is granted. Options vest equally over a period of five years beginning one year after the day such options are granted and are exercisable over ten years.

Under the Stock Option Plan of Cogeco Communications, changes in the outstanding number of stock options were as follows:

Years ended August 31	2024		2023	
	Options [1]	Weighted average exercise price	Options	Weighted average exercise price
(In Canadian dollars, except number of options)		$		$
Outstanding, beginning of the year	**913,338**	**85.91**	874,165	86.52
Granted	**263,579**	**61.06**	151,028	69.48
Exercised [2]	**(7,680)**	**56.82**	(69,279)	52.78
Cancelled	**(152,021)**	**82.77**	(42,576)	94.19
Outstanding, end of the year	**1,017,216**	**80.16**	913,338	85.91
Exercisable, end of the year	**598,963**	**84.54**	495,556	83.17

(1) In January 2024, the number of subordinate voting shares reserved for the purpose of the Stock Option Plan was increased by 1,000,000, from 3,432,500 to 4,432,500. Of the 4,432,500 subordinate voting shares reserved for issuance, 1,123,275 remain available at August 31, 2024.

(2) The weighted average share price for options exercised during the year was $56.82 ($52.78 in 2023).

At August 31, 2024, the range of exercise prices, the weighted average exercise price and the weighted average remaining contractual life of options were as follows:

At August 31, 2024	**Options outstanding**			**Options exercisable**	
Range of exercise prices	**Number outstanding**	**Weighted average remaining contractual life**	**Weighted average exercise price**	**Number exercisable**	**Weighted average exercise price**
$		**(years)**	**$**		**$**
56.14 to 62.00	**261,902**	**7.98**	**60.94**	**42,262**	**60.79**
62.01 to 69.00	**187,960**	**2.97**	**64.76**	**184,121**	**64.75**
69.01 to 85.20	**215,624**	**5.39**	**77.52**	**136,615**	**82.17**
85.21 to 100.00	**103,340**	**5.42**	**94.20**	**68,450**	**94.20**
100.01 to 114.30	**248,390**	**5.43**	**108.52**	**167,515**	**110.26**
	1,017,216	**5.62**	**80.16**	**598,963**	**84.54**

The weighted average fair value of stock options granted for the year ended August 31, 2024 was $8.82 ($11.69 in 2023) per option. The weighted average fair value of each option granted was estimated at the grant date for purposes of determining share-based payment expense, using the Black-Scholes option pricing model based on the following weighted-average assumptions:

Years ended August 31	2024	2023
	%	%
Expected dividend yield	**5.63**	4.33
Expected volatility [1]	**26.17**	25.67
Risk-free interest rate	**3.53**	3.39
Expected life (in years)	**5.9**	5.1

(1) The expected volatility is based on the historical volatility of Cogeco Communications' subordinate voting shares for a period equivalent to the expected life of the options.

SAR Plan

Starting in January 2024, Cogeco Communications offers a new long-term incentive plan, the Share Appreciation Rights Plan, for the benefit of its American executive officers and designated employees. Since the inception of the SAR Plan, the American executive officers and designated employees are no longer eligible for the Stock Option Plan. The share appreciation rights ("SARs") are cash-settled and vest equally over a period of five years beginning one year after the day such rights are granted and are exercisable over ten years. The value of the SARs is linked to the performance of Cogeco Communications' subordinate voting shares. Upon vesting, SARs entitle a participant to receive a cash payment based on the increase in the market value of Cogeco Communications' subordinate voting shares from the grant date to the exercise date.

Changes in the outstanding number of SARs were as follows:

Year ended August 31, 2024	SARs	Weighted average exercise price
(In Canadian dollars, except number of SARs)		**$**
Outstanding at August 31, 2023	**—**	**—**
Granted	**73,676**	**61.62**
Cancelled	**(41,069)**	**61.62**
Outstanding at August 31, 2024	**32,607**	**61.62**
Exercisable at August 31, 2024	**—**	**—**

The weighted average fair value of SARs granted for the year ended August 31, 2024 was $9.22 per right. The weighted average fair value of each SAR was estimated at the grant date for purposes of determining the share-based payment expense, using the Black-Scholes option pricing model based on the following weighted-average assumptions:

Year ended August 31	**2024**
	%
Expected dividend yield	**5.59**
Expected volatility [1]	**26.73**
Risk-free interest rate	**3.50**
Expected life (in years)	**5.3**

(1) The expected volatility is based on the historical volatility of Cogeco Communications' subordinate voting shares for a period equivalent to the expected life of the SARs.

ISU plans

The Corporation and its subsidiary, Cogeco Communications, offer executive officers and designated employees Incentive Share Unit ("ISU") Plans. According to the plans, executive officers and designated employees periodically receive a given number of ISUs which entitle the participants to receive subordinate voting shares of the Corporation or its subsidiary after three years less one day from the date of grant. The number of ISUs is based on the dollar value of the award and the average daily closing stock price of the Corporation and its subsidiary for the previous twelve month period ending August 31. ISUs are redeemable in case of death, permanent disability, normal retirement or termination of employment not for cause. Two trusts were created for the purpose of purchasing these shares on the stock market in order to protect against stock price fluctuation and the Corporation and its subsidiary instructed the trustees to purchase subordinate voting shares of the Corporation and its subsidiary on the stock market. These shares are purchased and are held in trusts for the participants until they are fully vested. The trusts, considered as special purpose entities, are consolidated in the Corporation's consolidated financial statements with the value of the acquired subordinate voting shares held in trust under the ISU Plans presented in reduction of share capital or non-controlling interest.

PSU plans

The Corporation and its subsidiary, Cogeco Communications, also offer Performance Share Unit ("PSU") Plans for the benefit of their executive officers and designated employees. The objectives of the PSU Plans are to retain executive officers and designated employees, to align their interests with those of the shareholders and to sustain positive corporate

performance, as measured by an economic value creation formula, a performance measure used by management. The number of PSUs is based on the dollar value of the award and the average daily closing stock price of the Corporation and its subsidiary for the previous twelve month period ending August 31. The PSUs vest over a three-year less one day period, based on the level of increase in the economic value of the Corporation or the relevant subsidiary for the preceding three-year period ending August 31, meaning that no vesting will occur if there is no increase in the economic value. The participants are entitled to receive dividend equivalents in the form of additional PSUs but only with respect to PSUs expected to vest. PSUs are redeemable in case of death, permanent disability or termination of employment not for cause, in which cases, the holder of PSUs is entitled to payment of the PSUs in proportion to the time of employment from the date of the grant to the date of termination versus the three-year less one day vesting period. In case of retirement, the holders of PSUs are entitled to partial or full payment of their PSUs depending on a combination of age at the time of retirement and length of service with the Corporation. Two trusts were created for the purpose of purchasing these shares on the stock market in order to protect against stock price fluctuation and the Corporation and its subsidiary instructed the trustee to purchase subordinate voting shares of the Corporation and its subsidiary on the stock market. These shares are purchased and are held in trust for the participants until they are fully vested. The trusts, considered as special purpose entities, are consolidated in the Corporation's consolidated financial statements with the value of the acquired subordinate voting shares held in trust under the PSU Plans presented in reduction of share capital or non-controlling interest.

DSU plans

The Corporation and its subsidiary, Cogeco Communications, also offer Deferred Share Unit ("DSU") Plans for members of the Board to assist in the attraction and retention of qualified individuals to serve on their respective Boards. Each existing or new member of the Board may elect to be paid a percentage of the annual retainer in the form of DSUs with the balance, if any, being paid in cash. The number of DSUs that a member is entitled to receive is based on the average daily closing price of the subordinate shares on the TSX for the twenty consecutive trading days immediately preceding by one day the date of issue. Dividend equivalents are awarded with respect to DSUs in a member's account on the same basis as if the member was a shareholder of record of subordinate shares on the relevant record date, and the dividend equivalents are credited to the individual's account as additional DSUs. DSUs are redeemable and payable in cash or in shares, upon an individual ceasing to be a member of the Board or in the event of the death of the member.

Under the ISU, PSU and DSU plans of the Corporation, changes in the outstanding number of ISUs, PSUs and DSUs were as follows:

	ISUs	PSUs	DSUs
Balance at August 31, 2022	44,175	42,304	62,822
Granted/Issued	21,155	20,620	13,655
Performance-based additional units granted	—	585	—
Distributed/Redeemed	(15,279)	(14,801)	—
Cancelled	(3,134)	(3,055)	—
Dividend equivalents	—	2,495	3,909
Balance at August 31, 2023	**46,917**	**48,148**	**80,386**
Granted/Issued [1] [2] [3]	**36,978**	**35,336**	**14,391**
Performance-based additional units granted	**—**	**103**	**—**
Distributed/Redeemed	**(15,336)**	**(16,492)**	**—**
Cancelled	**(6,866)**	**(8,001)**	**—**
Dividend equivalents	**—**	**3,628**	**6,008**
Balance at August 31, 2024	**61,693**	**62,722**	**100,785**

(1) The weighted average fair value of the ISUs granted was $59.45 in 2024 ($58.02 in 2023).

(2) The weighted average fair value of the PSUs granted was $59.40 in 2024 ($58.02 in 2023).

(3) The weighted average fair value of the DSUs issued was $60.44 in 2024 ($62.67 in 2023).

Under the ISU, PSU and DSU plans of Cogeco Communications, changes in the outstanding number of ISUs, PSUs and DSUs were as follows:

	ISUs	PSUs	DSUs
Balance at August 31, 2022	75,375	94,589	72,166
Granted/Issued	28,652	40,100	14,482
Performance-based additional units granted	—	2,496	—
Distributed/Redeemed	(26,253)	(31,796)	—
Cancelled	(8,937)	(8,306)	—
Dividend equivalents	—	4,620	3,894
Balance at August 31, 2023	**68,837**	**101,703**	**90,542**
Granted/Issued [1] [2] [3]	**45,178**	**70,704**	**26,066**
Performance-based additional units granted	**—**	**1,225**	**—**
Distributed/Redeemed	**(32,017)**	**(45,282)**	**—**
Cancelled	**(18,047)**	**(27,213)**	**—**
Dividend equivalents	**—**	**6,751**	**6,574**
Balance at August 31, 2024	**63,951**	**107,888**	**123,182**

(1) The weighted average fair value of the ISUs granted was $61.58 in 2024 ($69.37 in 2023).
(2) The weighted average fair value of the PSUs granted was $61.30 in 2024 ($69.45 in 2023).
(3) The weighted average fair value of the DSUs issued was $61.62 in 2024 ($76.50 in 2023).

The following table shows the compensation expense recorded with regard to the Corporation's and Cogeco Communications' share-based payment plans, including the expense directly related to the acceleration of certain share-based payment awards, which was recognized within *Acquisition, integration, restructuring and other costs*:

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	**$**	$
Stock options	**1,109**	2,037
SARs	**47**	—
ISUs	**3,957**	3,273
PSUs	**6,128**	3,767
DSUs	**3,393**	(448)
	14,634	8,629

20. Accumulated other comprehensive income (loss)

During fiscal 2024 and 2023, accumulated other comprehensive income variations were as follows:

Years ended August 31, 2024 and 2023	Cash flow hedge reserve	Foreign currency translation	Total
(In thousands of Canadian dollars)	$	$	$
Balance at August 31, 2022	24,744	19,653	44,397
Other comprehensive income for the year	2,287	13,513	15,800
Balance at August 31, 2023	**27,031**	**33,166**	**60,197**
Other comprehensive loss for the year	**(14,060)**	**(1,606)**	**(15,666)**
Balance at August 31, 2024	**12,971**	**31,560**	**44,531**

21. Additional cash flows information

A) Changes in other non-cash operating activities

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Trade and other receivables	10,189	(10,851)
Prepaid expenses and other	2,918	(819)
Other assets	(27,150)	(26,201)
Trade and other payables	46,602	(61,884)
Provisions	25,900	3,199
Contract liabilities and other liabilities	—	(5,866)
	58,459	(102,422)

B) Acquisition of property, plant and equipment

The following table shows the reconciliation between the cash payments for acquisition of property, plant and equipment, as reported within the investing section in the consolidated statements of cash flows, and the net capital expenditures, as presented in Note 6.

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Acquisition of property, plant and equipment	664,004	806,237
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the year	(21,257)	(103,324)
Net capital expenditures	642,747	702,913

C) Changes in liabilities arising from financing activities

Years ended August 31, 2024 and 2023	Bank indebtedness	Long-term debt			Total
		Notes and credit facilities	Lease liabilities	Balance due on business combinations	
(In thousands of Canadian dollars)	$	$	$	$	$
Balance at August 31, 2022	8,633	4,671,797	66,813	—	4,747,243
Increase in bank indebtedness	14,596	—	—	—	14,596
Net increase under the revolving facilities	—	247,760	—	—	247,760
Issuance of long-term debt, net of discounts and transaction costs	—	298,056	—	—	298,056
Repayment of notes, debentures and credit facilities	—	(335,263)	—	—	(335,263)
Repayment of lease liabilities	—	—	(7,271)	—	(7,271)
Total cash flows from (used in) financing activities excluding equity	14,596	210,553	(7,271)	—	217,878
Interest paid on lease liabilities	—	—	(3,120)	—	(3,120)
Total cash flow changes	14,596	210,553	(10,391)	—	214,758
Effect of changes in foreign exchange rates	—	122,149	464	—	122,613
Amortization of discounts, transaction costs and other	—	15,014	—	—	15,014
Net increase in lease liabilities	—	—	12,598	—	12,598
Total non-cash changes	—	137,163	13,062	—	150,225
Balance at August 31, 2023	**23,229**	**5,019,513**	**69,484**	**—**	**5,112,226**
Decrease in bank indebtedness	**(7,830)**	**—**	**—**	**—**	**(7,830)**
Net decrease under the revolving facilities	**—**	**(18,147)**	**—**	**—**	**(18,147)**
Issuance of long-term debt, net of discounts and transaction costs	**—**	**2,001,646**	**—**	**—**	**2,001,646**
Repayment of notes and credit facilities	**—**	**(2,149,661)**	**—**	**—**	**(2,149,661)**
Repayment of lease liabilities	**—**	**—**	**(10,282)**	**—**	**(10,282)**
Total cash flows used in financing activities excluding equity	**(7,830)**	**(166,162)**	**(10,282)**	**—**	**(184,274)**
Interest paid on lease liabilities	**—**	**—**	**(3,452)**	**—**	**(3,452)**
Total cash flow changes	**(7,830)**	**(166,162)**	**(13,734)**	**—**	**(187,726)**
Loss on debt extinguishment [1]	**—**	**16,552**	**—**	**—**	**16,552**
Effect of changes in foreign exchange rates	**—**	**(12,170)**	**(65)**	**—**	**(12,235)**
Amortization of discounts, transaction costs and other	**—**	**8,620**	**—**	**—**	**8,620**
Net increase in lease liabilities	**—**	**—**	**24,327**	**—**	**24,327**
Assumed through business combinations	**—**	**—**	**706**	**—**	**706**
Increase in balance due on business combinations	**—**	**—**	**—**	**17,094**	**17,094**
Total non-cash changes	**—**	**13,002**	**24,968**	**17,094**	**55,064**
Balance at August 31, 2024	**15,399**	**4,866,353**	**80,718**	**17,094**	**4,979,564**

(1) Out of the $16.9 million loss on debt extinguishment recorded in connection with the refinancing of the First Lien Credit Facilities, a portion amounting to $0.3 million is presented in *Other Assets*, as it pertains to the Senior Secured Revolving Facility.

D) Cash and cash equivalents

At August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Cash	69,006	263,699
Cash with restrictions on use	8,740	29,262
Cash equivalents [1]	—	70,893
	77,746	363,854

(1) Comprised of bank term deposits.

22. Employee benefits

A) Defined contribution plans and collective registered retirement saving plans

The Corporation and its subsidiaries offer to certain employees defined contribution plans or collective registered retirement savings plans. Under these plans, the Corporation and its subsidiaries' obligations are limited to the payment of the monthly employer's contribution. The total expense recognized with respect to these plans amounted to $12.9 million ($12.2 million in 2023) for the year ended August 31, 2024 and is included in the Corporation's consolidated statement of profit and loss under *Salaries, employee benefits and outsourced services*.

B) Defined benefit plans

The Corporation and its subsidiaries sponsor defined benefit plans for the benefit of certain employees, which are closed to new members, and separate defined benefit plans for the benefit of their executive officers, which provide pensions based on the number of years of service and the average salary during the employment of each participant. In addition, the Corporation and its subsidiaries offer to their designated executive officers supplementary pension plans. The defined benefit plans are registered with the Office of the Superintendent of Financial Institutions and are subject to the Federal Pension Benefits Standards Act. The plans are also registered with the Canada Revenue Agency and are subject to the Income Tax Act (Canada). The Corporation's Pension Advisory Committee oversees the administration of these plans, which includes the following principal areas: monitoring of the funds' performance and ensuring the plans are appropriately funded, decision-making in relation to the investment strategy, the plans' design and fund manager selection, and reviewing and approving the audited financial statements of the pension plans. The Corporation's funding policy is to maintain its contribution at a level sufficient to cover benefits and to meet requirements of the applicable regulations and plan provisions that govern the funding of the plans. The defined benefit plans are funded by the Corporation's and the participants' contributions. The defined benefits plans funding is calculated based on actuarial estimates and is subject to limitations under applicable income tax and other regulations.

Each year at August 31, the Corporation and its subsidiaries measure plan assets at fair value, as well as the defined benefit obligation for all plans. The most recent actuarial valuation of the pension plans for the benefit of the employees was at August 31, 2023 and the next required valuation is at August 31, 2024, which is expected to be completed in February 2025. For the executive officers' plans, the most recent actuarial valuation was at August 31, 2023 and the next required valuation is at August 31, 2026, to be completed in February 2027.

The following table provides a reconciliation of the change in the defined benefit obligation and the plan assets at fair value, and a statement of the funded status at August 31:

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Defined benefit obligation [1]		
Defined benefit obligation, beginning of the year	**100,403**	100,490
Current service cost	**2,519**	2,448
Interest cost	**5,228**	4,991
Contributions by plan participants	**247**	302
Benefits paid	**(5,580)**	(5,091)
Actuarial loss (gain) on obligation arising from:		
Experience adjustments	**(335)**	(2,737)
Changes in demographic assumptions	**(388)**	—
Changes in financial assumptions	**4,028**	—
Defined benefit obligation, end of the year	**106,122**	100,403
Plan assets at fair value		
Plan assets at fair value, beginning of the year	**115,227**	109,739
Interest income	**5,906**	5,461
Return on plan assets, except amounts included in interest income	**8,651**	3,155
Administrative expense	**(282)**	(301)
Contributions by plan participants	**247**	302
Employer contributions	**972**	1,962
Benefits paid	**(5,580)**	(5,091)
Plan assets at fair value, end of the year	**125,141**	115,227
Funded status		
Plan assets at fair value	**125,141**	115,227
Defined benefit obligation	**106,122**	100,403
Plan surplus	**19,019**	14,824
Effect of asset ceiling	**(4,231)**	(4,383)
Net defined benefit asset	**14,788**	10,441

(1) The weighted average duration of the defined benefit obligation is 11 years at August 31, 2024 and 2023.

The net defined benefit asset is included in the Corporation's consolidated statements of financial position under *Other Assets*.

Defined benefit costs recognized in profit or loss

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Recognized in operating expenses (salaries, employee benefits and outsourced services)		
Current service cost	2,519	2,448
Administrative expense	282	301
Recognized in financial expense (other)		
Net interest income	(450)	(273)
	2,351	2,476

Defined benefit costs recognized in other comprehensive income

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Actuarial loss (gain) arising from:		
Experience adjustments	(335)	(2,737)
Changes in demographic assumptions	(388)	—
Changes in financial assumptions	4,028	—
Return on plan assets, except amounts included in interest income	(8,651)	(3,155)
Change in asset ceiling, excluding interest	(380)	208
	(5,726)	(5,684)

Changes in the asset ceiling

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Balance, beginning of the year	4,383	3,978
Interest on asset ceiling	228	197
Change in asset ceiling, excluding interest	(380)	208
Balance, end of the year	4,231	4,383

The Corporation's asset ceiling represents the present value of future economic benefits available in the form of reductions in future contributions.

The expected employer contributions to the Corporation's defined benefit plans should be approximately $0.5 million in 2025.

Plan assets consist of:

At August 31	2024	2023
	%	%
Equity securities [1]	**57.3**	56.6
Debt securities [1]	**22.3**	22.3
Deposits in trust [2]	**18.8**	19.3
Real estate	**1.0**	1.2
Other	**0.6**	0.6
Total	**100**	100

(1) All equity and debt securities have a quoted price in active markets and do not include securities issued by the Corporation or Cogeco Communications.

(2) Deposits in trust prescribed by the Canada Revenue Agency for funded supplemental employee retirement plans are non-interest bearing.

The significant weighted average assumptions used in measuring the Corporation's defined benefit obligation and defined benefit costs are as follows:

At August 31	2024	2023
	%	%
Defined benefit obligation		
Discount rate	**4.85**	5.20
Rate of compensation increase [1]	**3.00**	2.60
Mortality table	**CPM-2014**	CPM-2014
Defined benefit costs		
Discount rate	**4.95**	5.15
Rate of compensation increase	**3.00**	2.60
Mortality table	**CPM-2014**	CPM-2014

(1) Increase of 3.00% from January 1, 2025 (2.60% in 2024).

C) Exposure to actuarial risks

The Corporation is exposed to the following actuarial risks:

Investment risk

The investment strategy of the plans is to diversify the nature of the returns on assets. Given the long-term nature of the defined benefit obligation, a portion of the assets are invested in equity securities in order to maximize return. Since equity securities are inherently volatile and risky, the Corporation sets investment goals, both in terms of asset mix percentage and target return, which is monitored monthly and adjusted as needed.

Interest rate risk

A decrease in the interest rate on investment-grade fixed-rate corporate bonds will reduce the discount rate used and increase the present value of the defined benefit obligation. However, the increase in the obligation would be partly offset by an increase in the value of plan investments in debt securities.

Salary risk

Active members' expected benefits are linked to their pre-retirement compensation. The present value of the defined benefit obligation is calculated using management's best estimate of the expected rate of compensation increase for plan members. Increasing that assumption would increase the defined benefit obligation.

D) Sensitivity analysis

The sensitivity analysis of the defined benefit obligation was calculated based on reasonably possible changes to each key actuarial assumption without considering simultaneous changes to several key actuarial assumptions. A change in one actuarial assumption could trigger a change in another actuarial assumption, which could amplify or mitigate the impact of the change in these assumptions on the present value of the defined benefit obligation. The actual results of items subject to estimates may differ.

At August 31, 2024	Change in assumption	Increase in the defined benefit obligation
(In thousands of Canadian dollars, except percentages)	%	$
Discount rate decrease	0.25	2,940
Expected rate of compensation increase	0.25	91

23. Financial instruments

A) Financial risk management

Management's objectives are to protect the Corporation and its subsidiaries against material economic exposures and variability of results, and against certain financial risks including credit, liquidity, interest rate, foreign exchange and market risks.

Credit risk

Credit risk represents the risk of financial loss for the Corporation if a customer or counterparty to a financial asset fails to meet its contractual obligations. The Corporation is exposed to credit risk arising from derivative financial instruments, cash and cash equivalents and trade accounts receivable, the maximum exposure of which is represented by the carrying amounts reported on the consolidated statements of financial position.

Credit risk from derivative financial instruments arises from the possibility that counterparties to the interest rate swaps may default on their obligations in instances where these agreements have positive fair values for the Corporation. The Corporation reduces this risk by completing transactions with financial institutions that carry a high credit rating. The Corporation assesses the creditworthiness of the counterparties in order to minimize the risk of counterparties default under the agreements. At August 31, 2024, management believes that the credit risk relating to its derivative financial instruments is minimal, since the lowest credit rating of the counterparties to the agreements is "A" by Standard & Poor's rating services ("S&P"). Management monitors its exposure to financial institutions which is primarily in the form of deposits, derivatives and revolver commitments.

Cash equivalents consist mainly of short-term, highly liquid investments. The Corporation has deposited the cash and cash equivalents with reputable financial institutions, for which management believes the risk of loss to be remote.

The Corporation is also exposed to credit risk in relation to its trade accounts receivable. To mitigate such risk, the Corporation continuously monitors the financial condition of its customers and reviews the credit history or worthiness of each new large customer. The Corporation establishes an allowance for lifetime expected credit losses related to doubtful accounts. The doubtful accounts allowance is calculated on a specific-identification basis for larger customer accounts receivable and on a statistically derived basis for the remainder. Factors such as the current economic conditions, forward-looking macroeconomic data and historical information (number of overdue days of the customer's balance outstanding as well as the customer's collection history) are examined. The Corporation believes that its allowance for doubtful accounts is sufficient to cover the related credit risk. The Corporation has credit policies in place and has established various credit controls, including credit checks, deposits on accounts and advance billing, and has also established procedures to suspend the availability of services when customers have fully utilized approved credit limits or have violated existing payment terms. Since the Corporation has a large and diversified clientele dispersed throughout its market areas in Canada and the United States, there is no significant concentration of credit risk.

The following table provides further details on trade and other receivables, net of allowance for doubtful accounts:

At August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Trade accounts receivable	109,424	116,490
Allowance for doubtful accounts	(5,279)	(8,929)
	104,145	107,561
Other accounts receivable	27,784	31,851
	131,929	139,412

Trade accounts receivable past due is defined as the amount outstanding beyond normal credit terms and conditions for the respective customers. The Corporation considers the amount outstanding at the due date as trade accounts receivable past due. A large portion of the Corporation's customers are billed and pay before the services are rendered.

The following table provides further details on trade accounts receivable past due, net of allowance for doubtful accounts:

At August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Less than 30 days past due	19,336	21,040
30 to 60 days past due	5,866	4,773
60 to 90 days past due	1,709	1,805
More than 90 days past due	849	1,890
	27,760	29,508

The following table shows changes in the allowance for doubtful accounts:

Years ended August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Balance, beginning of the year	8,929	13,758
Provision for impaired receivables	27,294	20,482
Net use	(30,994)	(25,595)
Foreign currency translation adjustments	50	284
Balance, end of the year	5,279	8,929

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk through the management of its capital structure and access to different capital markets. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure sufficient liquidity to meet its obligations when due. At August 31, 2024, an amount of $60.8 million was used from the Corporation's Term Revolving Facility of $100 million and $335.4 million was used from Cogeco Communications' Term Revolving Facility of $750 million, for remaining availabilities of $39.2 million and $414.6 million, respectively. In addition, the U.S. subsidiaries of Cogeco Communications benefit from a Senior Secured Revolving Facility of $337.3 million (US$250 million), of which $3.6 million (US$2.7 million) was used at August 31, 2024, for a remaining availability of $333.7 million (US$247.3 million).

The following table summarizes the contractual maturities of the financial liabilities and lease liabilities, and related capital amounts outstanding at August 31, 2024:

	Contractual cash flows						
	2025	2026	2027	2028	2029	Thereafter	Total
(In thousands of Canadian dollars)	$	$	$	$	$	$	$
Bank indebtedness	15,399	—	—	—	—	—	15,399
Trade and other payables [1]	359,805	—	—	—	—	—	359,805
Notes and credit facilities [2]	359,352	37,912	288,089	29,006	2,411,502	1,788,047	4,913,908
Lease liabilities	10,511	10,400	10,144	8,481	5,726	34,937	80,199
Balance due on business combinations	—	—	17,094	—	—	—	17,094
Other liabilities [1]	—	748	34	7	7	—	796
	745,067	49,060	315,361	37,494	2,417,235	1,822,984	5,387,201

(1) Excluding accrued interest on notes, credit facilities and balance due on business combinations.

(2) An amount of $977.1 million of these loan agreements contain debt covenants. Covenant calculations are performed quarterly at each reporting date, as well as on a pro-forma basis when a business combination or disposal takes place. The covenants relate to the maintenance of certain financial ratios primarily linked to adjusted EBITDA, financial expense and total indebtedness (see Note 23 C) for details). A future breach of covenants implies that the impacted loan agreements become payable on demand, and therefore are required to be repaid earlier than indicated in the above table. The covenants are monitored on a regular basis by the treasury department to ensure compliance with the loan agreements.

The following table is a summary of interest payable on long-term debt that is due for each of the next five years and thereafter:

	2025	2026	2027	2028	2029	Thereafter	Total
(In thousands of Canadian dollars)	$	$	$	$	$	$	$
Interest payments on notes and credit facilities [1]	344,722	328,654	318,980	310,993	150,775	187,379	1,641,503
Interest payments on lease liabilities	3,373	2,919	2,416	1,955	1,607	7,883	20,153
Interest payments on balance due on business combinations	—	—	3,972	—	—	—	3,972
Interest receipts on derivative financial instruments [1]	(84,087)	(54,268)	(33,032)	(10,618)	(3,539)	—	(185,544)
Interest payments on derivative financial instruments [1]	33,499	24,989	17,834	8,138	2,702	—	87,162
	297,507	302,294	310,170	310,468	151,545	195,262	1,567,246

(1) Based on the principal amounts and interest rates prevailing on the outstanding debt at August 31, 2024 and their respective maturities.

Interest rate risk

The Corporation and its subsidiary, Cogeco Communications, are exposed to interest rate risk on their floating interest rate instruments. Interest rate fluctuations will have an effect on the repayment of these instruments. At August 31, 2024, all of the Corporation's and Cogeco Communications' long-term debt was at fixed rate, except for the amounts drawn under the Corporation's Term Revolving Facility and Non-Revolving Term Credit Facility, and under Cogeco Communications' Term Revolving Facility and First Lien Credit Facilities, which are subject to floating interest rates.

To reduce the risk on the floating interest rate instruments and mitigate the impact of interest rate variations, Cogeco Communications' U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at August 31, 2024:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate [1]	Maturity	Hedged item
Cash flow [2] [3]	US$550 million	Term SOFR	2.01% - 4.18%	November 2024 - February 2029	Senior Secured Term Loan B - Tranche 3
Cash flow	US$800 million	Term SOFR with a 39 bps floor	1.17% - 1.44%	October 2025 - July 2027	Senior Secured Term Loan B - Tranche 2

(1) Hedges have the effect of converting the floating SOFR base rate into fixed rates, plus an applicable credit spread.

(2) Following the early repayment of Tranche 1 in September 2023, the debt associated with the hedged variable interest cash flows was replaced by Tranche 3 of the Senior Secured Term Loan B Facility.

(3) Interest rate swaps amounting to US$290 million matured in January 2024, while new US$300 million interest rate swaps were entered into, for a total hedge amount of US$550 million.

The sensitivity of the Corporation's annual financial expense to an increase of 1% in the interest rate applicable to the unhedged portion of these facilities would represent an increase of approximately $14.9 million based on the outstanding debt and swap agreements at August 31, 2024.

Foreign exchange risk

A large portion of the Corporation's consolidated revenue and expenses are received or denominated in the functional currency of the business units operating in the markets in which it does business. Accordingly, the Corporation's sensitivity to variations in foreign exchange rates is economically limited. The Corporation's main source of foreign exchange risk resides in the Canadian operations' business transactions denominated in US dollars. The Corporation's objective in managing its foreign exchange risk is to minimize its exposure to foreign currency cash flows and operations, by transacting with third parties in the functional currency of the business units to the maximum extent possible and practical and through the use of derivative financial instruments.

The Corporation's current financial assets and liabilities related to the Canadian operations, subject to foreign exchange risk, are as follows:

At August 31	**2024**	2023
	US	US
(In thousands of Canadian dollars)	**$**	$
Financial assets (liabilities)		
Cash and cash equivalents	**9,285**	7,535
Trade and other payables	**(13,965)**	(8,552)
	(4,680)	(1,017)

The impact of a 10% increase in the exchange rate of the US dollar to the Canadian dollar would affect the measurement of the above financial instruments denominated in US dollars, which would therefore increase financial expense by approximately $0.5 million.

The Corporation is also exposed to foreign exchange risk with respect to the annual interest, amounting to $199.7 million, associated with its notes and credit facilities denominated in US dollars. The impact of a 10% increase in the exchange rate of the US dollar to the Canadian dollar would increase the annual financial expense by approximately $20.0 million based on the outstanding debt and swap agreements at August 31, 2024.

Furthermore, a foreign currency exposure arises from Cogeco Communications' net investment in its U.S. subsidiary, as a result of the translation of the net investment into the Corporation's functional currency. A portion of Cogeco Communications' net investment in its U.S. subsidiary is hedged by Cogeco Communications' US dollar denominated Senior Secured Notes, which were designated as hedges of the net investment, while a portion is economically hedged by the U.S. subsidiary's US dollar denominated First Lien Credit Facilities.

The following table shows the aggregate investment in foreign operations attributable to owners of Cogeco Communications and the notional amount of debt borrowed to hedge this investment at August 31, 2024:

Type of hedge	Notional amount of debt	Aggregate investment	Hedged item
Net investment	US$390 million	US$1,381 million	Net investment in foreign operations in US dollar

The exchange rate used to translate the US dollar currency to the Canadian dollar for the consolidated statement of financial position accounts at August 31, 2024 was $1.3491 ($1.3531 at August 31, 2023) per US dollar. A 10% decrease in the exchange rate of the US dollar to the Canadian dollar would decrease other comprehensive income by approximately $133.7 million.

Market risk

The Corporation and its subsidiary, Cogeco Communications, use derivative instruments to manage the cash flow exposure to the risk of changes in the price of their subordinate voting shares under the DSU plans. As such, the Corporation and Cogeco Communications use equity swap agreements to economically hedge the market price appreciation risk of their subordinate voting shares.

The following table shows the Corporation's equity derivative contracts outstanding at August 31, 2024:

Type of hedge	Notional	Maturity	Average share price	Hedged item
Economic	100,000 units	January 2025	$57.42	Equity price exposure

The following table shows Cogeco Communications' equity derivative contracts outstanding at August 31, 2024:

Type of hedge	Notional	Maturity	Average share price	Hedged item
Economic	122,200 units	January 2025	$59.34	Equity price exposure

At August 31, 2024, the fair value of the equity swaps was $0.5 million and recognized as an asset. As a result of the equity swaps, a 10% increase in the market price of the subordinate voting shares would not have a material financial impact on the Corporation's results.

B) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are estimated at a specific point in time, by discounting expected cash flows at rates for assets and liabilities of the same remaining maturities and conditions. These estimates are subjective in nature and involve uncertainties and significant judgment, and therefore, cannot be determined with precision. In addition, income taxes and other expenses that would be incurred on disposition of these financial instruments are not reflected in the fair values. As a result, the fair values are not necessarily the net amounts that would be realized if these instruments were settled. The Corporation has determined the fair value of its financial instruments as follows:

- The carrying amount of cash and cash equivalents, trade and other receivables, bank indebtedness and trade and other payables approximates fair value because of the short-term nature of these instruments;
- Interest rates under the terms of the Term Revolving Facilities, Non-Revolving Term Credit Facility and First Lien Credit Facilities are based on prime rate loans, CORRA loans, US dollar base rate loans and SOFR loans in US dollars, plus the applicable credit spread. The fair value of these instruments is based on current trading values for similar financial instruments;
- The fair value of the Senior Secured and Unsecured Notes is based on current trading values for similar financial instruments.

The carrying value of all the Corporation's financial instruments approximates fair value, except as otherwise noted in the following table:

At August 31	**2024**		2023	
	Carrying value	**Fair value**	Carrying value	Fair value
(In thousands of Canadian dollars)	**$**	**$**	$	$
Notes and credit facilities	**4,866,353**	**4,792,120**	5,019,513	4,911,998

All financial instruments recognized at fair value on the consolidated statements of financial position must be measured based on the three fair value hierarchy levels, which are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Corporation considers that its derivative financial instruments are classified as Level 2 under the fair value hierarchy. The fair value of derivative financial instruments is estimated using valuation models that reflect projected future cash flows over contractual terms of the derivative financial instruments and observable market data, such as interest and currency exchange rate curves.

C) Capital management

The Corporation's objectives in managing capital are to ensure sufficient liquidity to support the capital requirements of its various businesses, including development of the business by acquisition, internal growth opportunities and innovation. The Corporation manages its capital structure and makes adjustments in light of general economic conditions, the regulatory environment, the risk characteristics of the underlying assets and the Corporation's working capital requirements. Management of the capital structure involves the issuance of new debt, the repayment of existing debt, the issuance or repurchase of equity and distributions to shareholders.

The capital structure of the Corporation is composed of shareholders' equity, cash and cash equivalents, bank indebtedness and long-term debt.

The provisions of financing agreements of the Corporation and its subsidiary, Cogeco Communications, provide for restrictions on their activities. Generally, the most significant restrictions relate to permitted investments and dividends on multiple and subordinate voting shares, as well as the maintenance of certain financial ratios primarily linked to adjusted EBITDA, adjusted financial expense and total indebtedness. At August 31, 2024 and 2023, the Corporation and its subsidiary were in compliance with all of their debt covenants and were not subject to any other externally imposed capital requirements.

Corporation

The financial covenants related to the indebtedness of Cogeco Inc. are primarily based on a ratio of net indebtedness to adjusted EBITDA, computed on the basis of Cogeco Media subsidiary's adjusted EBITDA results and the dividends and management fees received from Cogeco Communications, net of corporate expenses.

Net indebtedness is a measure used by management to assess the Corporation's financial leverage, as it represents the debt net of the available unrestricted cash and cash equivalents. The reconciliation of net indebtedness to long-term-debt is as follows:

	2024	2023
	$	$
Long-term debt, including the current portion	**4,964,165**	5,088,997
Discounts, transaction costs and other	**47,036**	39,479
Long-term debt before discounts, transaction costs and other	**5,011,201**	5,128,476
Bank indebtedness	**15,399**	23,229
Cash and cash equivalents, excluding cash with restrictions on use [1]	**(69,006)**	(334,592)
Net indebtedness	**4,957,594**	4,817,113

(1) See Note 21 D).

Cogeco Communications

The following table summarizes certain of the key ratios used to monitor and manage Cogeco Communications' capital structure:

Years ended August 31	**2024**	2023
Net indebtedness	**4,803,629**	4,749,214
Fixed-rate indebtedness [1]	**72 %**	63 %
Weighted average term: long-term debt (in years)	**4.8**	3.7
Net indebtedness / adjusted EBITDA [2]	**3.3**	3.3
Adjusted EBITDA / adjusted financial expense [2]	**5.5**	5.6

(1) Calculated as the principal on fixed-rate long-term debt divided by the principal on long-term debt (see Note 18).

(2) Calculation based on adjusted EBITDA and adjusted financial expense for the years ended August 31, 2024 and 2023.

D) Categories of financial instruments

At August 31	2024	2023
(In thousands of Canadian dollars)	$	$
Financial assets		
Financial assets measured and classified at amortized cost	**209,675**	503,266
Derivative financial instruments in designated hedge relationships	**49,072**	106,147
	258,747	609,413
Financial liabilities		
Financial liabilities measured and classified at amortized cost	**5,276,867**	5,378,073
Derivative financial instruments in designated hedge relationships	**8,257**	—
	5,285,124	5,378,073

24. Related party transactions

A) Management fees and other related party transactions

On December 13, 2023, as referred to in Note 19 B), Cogeco and Cogeco Communications entered into a series of transactions pursuant to the sale by Rogers Communications Inc. of its entire holdings in both companies. Cogeco sold to Cogeco Communications 2,266,537 subordinate voting shares of its holdings in Cogeco Communications for $116.5 million, following the conversion and cancellation of an equivalent number of Cogeco Communications multiple voting shares. The subordinate voting shares were repurchased for cancellation, and represented approximately 5.1% of all outstanding Cogeco Communications shares. As of August 31, 2024, Cogeco held 28.4% of Cogeco Communications' equity shares, representing 79.9% of the votes attached to Cogeco Communications' voting shares.

Cogeco provides executive and administrative services to Cogeco Communications under a Management Services Agreement (the "Agreement"). The methodology used to establish the management fees is based on the costs incurred by Cogeco plus a reasonable mark-up. Provision is made for future adjustments upon the request of either Cogeco Communications or the Corporation from time to time during the term of the Agreement. For fiscal 2024, management fees paid by Cogeco Communications amounted to $21.0 million ($18.6 million in 2023).

No direct remuneration is payable to Cogeco's executive officers by Cogeco Communications. The following table provides the number of stock options, ISUs and PSUs granted during fiscal 2024 and 2023 to these executive officers, as executive officers of Cogeco Communications, as well as DSUs issued to Board directors of Cogeco, the value of which was charged back to Cogeco:

Years ended August 31	2024	2023
(In number of units)		
Stock options	**203,326**	79,348
ISUs	**974**	—
PSUs	**31,473**	14,283
DSUs	**2,368**	—

The following table shows the amounts that Cogeco Communications charged Cogeco with regard to Cogeco Communications' stock options, ISUs and PSUs granted to these executive officers, as well as DSUs issued to Board directors of Cogeco:

Years ended August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Stock options	**852**	1,202
ISUs	**80**	—
PSUs	**887**	863
DSUs	**97**	(100)
	1,916	1,965

At August 31, 2024, the Corporation had a $3.1 million receivable from Cogeco Communications.

B) Compensation of key management personnel

Key management personnel is comprised of the members of the Board and of the Management Committee of the Corporation. The following table summarizes the amounts recognized as an expense related to the Corporation's key management personnel:

Years ended August 31	**2024**	2023
(In thousands of Canadian dollars)	**$**	$
Salaries and other short-term employee benefits	**9,540**	6,803
Share-based payments and post-employment benefits	**6,413**	5,834
	15,953	12,637

In addition, the Corporation recognized $16.2 million of compensation expense within *Acquisition, integration, restructuring and other costs* in connection with the terms of the separation agreement of certain key management personnel.

25. Commitments, contingencies and guarantees

A) Commitments

The following table presents the Corporation's commitments that are not recognized as liabilities at August 31, 2024, and are due in each of the next five years and thereafter:

	2025	2026	2027	2028	2029	Thereafter
(In thousands of Canadian dollars)	$	$	$	$	$	$
Acquisition of property, plant and equipment [1]	**101,977**	**17,283**	**484**	**—**	**—**	**—**
Other long-term contracts [2]	**107,180**	**66,158**	**37,835**	**34,448**	**31,359**	**51,309**
Lease commitments [3]	**11,160**	**24**	**24**	**23**	**19**	**45**
	220,317	**83,465**	**38,343**	**34,471**	**31,378**	**51,354**

(1) Includes contractual obligations in connection with the Corporation's high-speed Internet expansion projects, with purchases of equipment and minimum spend commitments for acquisition of customer premise equipment.

(2) Includes long-term commitments under service and product contracts for operating expenditures, including minimum spend commitments.

(3) Includes leases committed not yet commenced and leases of low value items.

At August 31, 2024, the Corporation had $157.9 million of performance and payment bonds outstanding, issued in accordance with the rules established by Infrastructure Ontario in connection with Ontario's Accelerated High Speed Internet Program (AHSIP).

B) Contingencies

Final rates for aggregated wholesale Internet access services

On May 27, 2021, the CRTC released Telecom Decision 2021-181, which ruled on applications by cable carriers (including Cogeco Communications) and telecommunications carriers to review and vary Telecom Order 2019-288. In Telecom Order 2019-288, the CRTC had set final rates for Cogeco Connexion's aggregated wholesale high-speed Internet access service that were significantly lower than the interim rates set in October 2016, and had made them retroactive to March 31, 2016. In Telecom Decision 2021-181, the CRTC overturned the 2019 rate reductions and made the interim rates it had previously established in 2016, with certain adjustments, final. On July 28, 2021, an Internet wholesale-based provider sought leave to appeal Telecom Decision 2021-181 to the Federal Court of Appeal, which was granted on September 15, 2021. On July 22, 2024, the Federal Court of Appeal dismissed the appeal. On September 30, 2024, the same Internet wholesale-based provider sought leave to appeal the Federal Court of Appeal's decision to the Supreme Court of Canada.

Due to the significant uncertainty surrounding the outcome of the leave to appeal and its financial implications, the Corporation has not recorded any financial impact as at August 31, 2024.

Royalties payable for retransmission of distant television signals

On July 22, 2021, the Federal Court of Appeal issued a decision in response to two applications for judicial review filed by six BDUs (including Cogeco Communications) and nine collective societies challenging a decision by the Copyright Board setting the quantum of royalties payable for the retransmission of distant Canadian and U.S. television over-the-air signals in Canada, for the 2014-2018 period. The Federal Court of Appeal identified errors made in the Copyright Board's initial rate decision and directed the Copyright Board to correct these errors. On January 12, 2024, the Copyright Board issued its decision on the redetermination of the 2014-2018 royalty rates, which resulted in a reduction of these rates for the years 2015-2018 on a retroactive basis. On February 9, 2024, the copyright collectives made an application seeking judicial review of the Copyright Board's redetermination decision. If the Copyright Board's redetermination decision is not upheld, Cogeco Communications could become subject to higher royalty rates for the 2016-2018 period.

The Copyright Board will be setting the rates for subsequent tariff periods (2019-2023 and 2024-2028) in a proceeding that could start in late calendar 2024. Any decision from the Copyright Board that would align with the copyright collectives' proposed tariff rates for either of such subsequent periods could result in Cogeco Communications being subject to higher royalty rates.

The Corporation had previously recognized a provision in the amount of $11.5 million for the 2014-2018 and 2019-2023 tariff periods. As a result of the Copyright Board's January 2024 redetermination decision, a $4.2 million reversal of this previously recognized provision was recognized during the second quarter of fiscal 2024 within *Acquisition, integration, restructuring and other costs.*

Class action proceedings

On September 20, 2024, an application to authorize the bringing of a class action was filed before the Superior Court of Québec against the Corporation for alleged non-compliant rate increases to Québec-based residential customers since September 20, 2021 pursuant to section 11.2 of the *Consumer Protection Act* (Québec). The application, if authorized, is seeking full reimbursement of the rate increases plus punitive damages. The Corporation intends to contest the application. Due to the significant uncertainty surrounding the outcome of this application and its financial implications, the Corporation has not recorded any financial impact as at August 31, 2024.

Other

The Corporation and its subsidiaries are involved in matters involving litigations, other regulatory decisions or potential claims from customers and suppliers arising out of the ordinary course and conduct of its business. Although such matters cannot be predicted with certainty, management does not consider these exposures to be significant to these consolidated financial statements. At August 31, 2024 and 2023, no liability has been recorded with respect to these litigations, other regulatory decisions and potential claims, except for those included in Note 16.

C) Guarantees

In the normal course of business, the Corporation provides indemnification in conjunction with certain transactions. While many of the agreements specify a maximum potential exposure, some do not specify a maximum amount. The overall maximum amount of an indemnification obligation will depend on future events and conditions and therefore cannot be

reasonably estimated. As a result, the Corporation cannot determine how they could affect its future liquidity, capital resources or credit risk profile. At August 31, 2024 and 2023, no liability has been recorded with respect to these indemnifications, except for those disclosed in Note 16.

Sale of a business

In connection with the sale of a business, the Corporation and its subsidiaries have agreed to indemnify the purchaser against claims related to events that occurred prior to the date of sale.

Long-term debt

Under the terms of Cogeco Communications' US Senior Secured Notes, the subsidiary has agreed to indemnify the lenders against changes in regulations relative to withholding taxes and costs incurred due to changes in laws.

Employees and contractual indemnification agreements

The Corporation's subsidiary, Cogeco Media, indemnifies certain of its on-air hosts against charges, costs and expenses as a result of any lawsuit, resulting from judicial or administrative proceedings in which they are named as a defending party and arising from the performance of their services. The Corporation has purchased employees' and contractual's liability insurance with a deductible per loss.

Sale of services

As part of transactions involving the sale of services, the Corporation and its subsidiaries may be required to make payments to counterparties as a result of breaches of representations and warranties made into the service agreements.

Purchase and development of assets

As part of transactions involving the purchase and development of assets, the Corporation and its subsidiaries may be required to pay counterparties for costs and losses incurred as a result of breaches of representations and warranties contained in the purchase agreements.

26. Non-monetary transactions

During fiscal 2024, the Corporation's subsidiary, Cogeco Media, entered into non-monetary transactions. An amount of $2.2 million ($2.6 million in 2023) of revenue and $2.3 million ($2.7 million in 2023) of operating expenses was recorded.

Glossary of selected industry terms

5G Networks: The fifth generation of wireless communication technology and most advanced standard in mobile networks, succeeding 4G. 5G is expected to provide significantly faster data speeds, lower latency, and enhance capacity to support a greater number of devices simultaneously.

2500 MHz, 3500 MHz and 3800MHz bands: Wireless spectrum frequency bands and their associated bandwidths used by telecommunications providers. These are considered to be mid-band spectrum.

ARPU (Average Revenue Per User): The total revenue divided by the average number of users or subscribers during a given time period.

Bandwidth capacity: The maximum capacity of data over a specified time that can be transmitted over an Internet connection.

Broadband: A communications service that provides faster and more reliable data transmission of video, audio and online content, at higher speeds.

Broadcasting Distribution Undertakings (BDUs): An undertaking to distribute video and/or audio broadcasting to subscribers predominantly over closed transmission paths.

Bundling: Various combinations of Internet, video and phone (wireline and/or wireless) services offered to subscribers.

DOCSIS (Data Over Cable Service Interface Specification): CableLabs' non-proprietary industry standard that delivers Internet and business services over HFC (hybrid fibre-coaxial) networks.

Churn: The percentage of subscribers who discontinue their subscription to a service during a given time period.

Cloud-based: The ability to deliver computing services/resources while the software, data and services are hosted in data centers.

CPE (Customer Premise Equipment): Equipment located at the subscribers' commercial or residential premises.

CRTC (Canadian Radio-television and Telecommunications Commission): A Canadian federal independent administrative tribunal that regulates and supervises broadcasting and telecommunications. It reports to Parliament through the Minister of Canadian Heritage.

Double play: The act of subscribing to (or bundling) two different services on one customer account simultaneously.

Federal Communications Commission (FCC): An independent U.S. government agency overseen by Congress that is the federal agency responsible for implementing and enforcing America's communications law and regulations.

Footprint: The geographic area designated by the cable service provider as being the area in which it offers wireline cable services.

FTTH (Fibre-to-the-Home): A high-speed broadband Internet service delivery technology that provides symmetrical Internet connectivity using optical fibre cables directly connected to residential homes.

FWA (Fixed Wireless Access): A technology which provides high-speed Internet access and other communication services without the need for wired connections as wireless devices or systems are used instead.

Gbps: Defined as a billion bits per second and is a term that is a measure of bandwidth on a digital data transmission medium such as optical fibre or coaxial cable.

Homes passed: The number of serviceable homes and businesses which can be connected to the Corporation's broadband distribution network in the geographic area where the Corporation's wireline services are offered.

Hybrid Fibre-Coaxial (HFC) Telecommunications Distribution Networks: A technology in which fibre optic and coaxial cables are both used in a network to carry broadband content from a distribution facility to a subscriber premise.

Internet service subscribers: Internet service subscribers include only subscribers who have their Internet service installed, operated and billed directly by the Corporation.

IP (Internet Protocol): A packet-based computer network protocol for sending and receiving data across networks.

IPTV (Internet Protocol Television): Television subscription services that are delivered over the Internet.

ISED Canada (Innovation, Science and Economic Development Canada): The ministry of the Canadian federal government that is responsible for spectrum management in Canada, including developing national policies for spectrum utilization and ensuring effective management of the radio frequency spectrum resource.

Make-ready work: To prevent the risk of outages or other issues, poles may require strengthening and lines on utility poles must be spaced a certain distance apart from each other depending on how many lines are on a pole.

Mbps: Defined as millions of bits per second and is a term that is a measure of bandwidth on a digital data transmission medium such as optical fibre or coaxial cable.

MVNO (Mobile Virtual Network Operator): A wireless communications service provider that sells mobile services under its own brand name using the network of a licensed mobile operator.

Passive Optical Networking (PON): Uses fibre-optic technology to deliver data from a single source to multiple endpoints. "Passive" refers to the use of optical fibre wires connected to an unpowered splitter, which in turn transmits data from a service provider network to multiple customers.

Primary service units: Represents the total number of Internet, video and wireline phone services subscribed to by customers. Primary service units exclude mobile phone service subscribers.

Quadruple play: The act of subscribing to (or bundling) four different services on one customer account simultaneously.

Spectrum: Radio frequency bands and channels used by telecommunications providers when transmitting voice, data and video.

Triple play: The act of subscribing to (or bundling) three different services on one customer account simultaneously.

Underserved and unserved rural areas: Areas identified by governments, as part of the broadband coverage information they collect, where some or no households have Internet connection with access to broadband speeds of generally at least 50 Mbps download and 10 Mbps upload.

Video on Demand (VOD) services: A technology that allows customers/subscribers to choose and watch a selection of movies or other recorded programs at any time from their computers, televisions or other digitally-connected devices.

VoIP Technology (Voice over Internet Protocol): Technology that enables voice communication over the Internet, converting analog voice signals into digital data packets.

Investor information

Credit ratings

Cogeco Communications

The table below shows Cogeco Communications' and the U.S. subsidiaries' credit ratings:

At August 31, 2024	S&P	DBRS	Moody's
Cogeco Communications			
Senior Secured Notes	**BBB-**	**BBB (low) (stable)**	**NR**
Senior Unsecured Notes	**BB+**	**BB (high) (stable)**	**NR**
Corporate credit issuer rating	**BB+ (negative outlook)**	**BB (high) (stable)**	**NR**
U.S. subsidiaries			
First Lien Credit Facilities	**BB**	**NR**	**B1 (negative outlook)**
Corporate credit issuer rating	**BB (negative outlook)**	**NR**	**B1 (negative outlook)**

NR : Not rated

Ratings for long-term debt instruments across the universe of composite rates range from "AAA" (S&P and DBRS) or "Aaa" (Moody's), representing the highest quality of securities rated, to "D" (S&P and DBRS) and "C" (Moody's) for the lowest quality of securities rated. Ratings are based on several industry and company specific factors which include financial leverage as one of the key elements considered.

Our ability to access debt capital markets and bank credit markets and the cost and amount of funding available partly depends on the quality of our credit ratings. Obligations rated in the "BBB" category are considered investment grade and their cost of funding is typically lower relative to the "BB/B" rating category. In addition, obligations with "BBB" ratings generally have greater access to funding than those with "BB/B" ratings.

Share information

At August 31, 2024		Registrar / Transfer agent
Number of multiple voting shares (20 votes per share) outstanding	**1,602,217**	Computershare Trust Company of Canada 100 University Avenue, 9th Floor Toronto, ON M5J 2Y1 Tel.: 514-982-7555 Tel.: 1-800-564-6253 Fax: 416-263-9394
Number of subordinate voting shares (1 vote per share) outstanding	**8,040,562**	
Stock exchange listing	The Toronto Stock Exchange	
Trading symbol	CGO	

Dividends

Dividend declaration

At its October 31, 2024 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $0.922 per share for multiple and subordinate voting shares, payable on November 28, 2024 to shareholders of record on November 14, 2024. The declaration, amount and date of any future dividend will continue to be considered and approved by the Board of Directors of the Corporation based upon the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board of Directors, at its sole discretion, deems relevant. There is therefore no assurance that dividends will be declared, and if declared, the amount and frequency may vary.

Trading statistics

Quarters ended	Nov. 30	Feb. 29	May 31	Aug. 31	2024 Total
(In Canadian dollars, except subordinate voting share volumes)	$	$	$	$	
The Toronto Stock Exchange					
High	51.02	62.49	59.58	55.95	
Low	44.62	46.69	47.45	46.25	
Close	46.81	57.43	47.45	53.93	
Volume (subordinate voting shares)	1,137,717	1,926,036	1,130,995	1,298,640	5,493,388

Quarters ended	Nov. 30	Feb. 28	May 31	Aug. 31	2023 Total
(in Canadian dollars, except subordinate voting share volumes)	$	$	$	$	
The Toronto Stock Exchange					
High	65.05	68.47	62.65	57.19	
Low	52.06	56.07	52.86	46.84	
Close	60.00	60.50	53.66	50.00	
Volume (subordinate voting shares)	898,900	2,153,250	2,196,911	1,268,290	6,517,351

Primary service unit statistics

	August 31, 2024	May 31, 2024	February 29, 2024	November 30, 2023	August 31, 2023
CONSOLIDATED					
Homes passed [1]	3,863,637	3,849,846	3,838,038	3,813,534	3,800,068
Primary service units [1][2]	2,899,958	2,921,403	2,942,235	2,951,057	2,973,527
Internet service subscribers [3]	1,536,298	1,535,322	1,537,340	1,528,754	1,526,465
Video service subscribers	866,135	881,448	893,646	906,817	923,617
Wireline phone service subscribers	497,525	504,633	511,249	515,486	523,445
CANADA					
Homes passed [1]	2,098,262	2,089,834	2,084,425	2,063,949	2,056,180
Primary service units [1][2]	1,869,963	1,872,290	1,875,388	1,873,244	1,874,796
Internet service subscribers	892,699	882,992	877,113	865,468	854,703
Video service subscribers	604,824	612,701	618,707	626,672	634,736
Wireline phone service subscribers	372,440	376,597	379,568	381,104	385,357
UNITED STATES					
Homes passed	1,765,375	1,760,012	1,753,613	1,749,585	1,743,888
Primary service units [2]	1,029,995	1,049,113	1,066,847	1,077,813	1,098,731
Internet service subscribers [3]	643,599	652,330	660,227	663,286	671,762
Video service subscribers	261,311	268,747	274,939	280,145	288,881
Wireline phone service subscribers	125,085	128,036	131,681	134,382	138,088

(1) During the third quarter of fiscal 2024, homes passed and primary service units were adjusted following the finalization of the detailed calculation of the number of units and homes passed acquired from the recent Niagara Regional Broadband Network acquisition, to include those acquired from it. On February 5, 2024, 5,868 homes passed and 4,806 primary service units (2,691 Internet, 223 video and 1,892 wireline phone) were added related to the acquisition of Niagara Regional Broadband Network. This change was applied retrospectively to the comparative figures.

(2) Primary service units exclude mobile phone service subscribers.

(3) Net of a provision, as of August 31, 2024, related to non-paying Internet service subscribers who were previously on the government-sponsored Affordable Connectivity Program and were not disconnected following the discontinuation of the program.

Board of Directors and senior leadership team

As of October 31, 2024

Board of Directors

✪ **LOUIS AUDET**, Eng., MBA, C.M., O.Q., **Board Chair**
Westmount (Québec)

✪■♦ **JAMES C. CHERRY**, B.Com, FCPA, **Lead Director**
Elizabethtown (Ontario)
Corporate Director

■♦ **MARY-ANN BELL**, Eng., M.S.c., ASC
Bromont (Québec)
Corporate Director

●★ **ROBIN BIENENSTOCK**, M.A., B.A., ICD.D
Revelstoke (British Columbia)
Corporate Director and the Canadian representative of Resource Capital Funds (mining-focussed alternative investment firm)

●★ **SAMIH ELHAGE**, MASc, BSSc, BASc
London (United Kingdom)
Corporate Director

●★ **NORMAND LEGAULT**, B.B.A
Ville de Lac Brome (Québec)
Corporate Director

■♦ **CAROLINE PAPADATOS**, BA, CAAP, ICD.D
Toronto (Ontario)
Corporate Director

★ **FRÉDÉRIC PERRON**
Burlington (Ontario)
President and Chief Executive Officer of Cogeco and Cogeco Communications

Legend:

✪ Attends as an observer and participates in meetings of all the committees

● Member of the Audit Committee

■ Member of the Human Resources Committee

♦ Member of the Corporate Governance Committee

★ Member of the Strategic Opportunities Committee

Senior leadership team

FRÉDÉRIC PERRON
President and Chief Executive Officer

NANCY AUDETTE
Senior Vice President, Growth Initiatives

SEAN BRUSHETT
Chief Operations Officer

PAUL COWLING
Chief Legal and Corporate Affairs Officer

TIM DINESEN
Chief Technology and Information Officer

LINDA GILLESPIE
Chief Human Resources Officer

MIKE HENRY
Chief Commercial Officer

MARIE GINETTE LEPAGE
Senior Vice President, Transformation

PATRICE OUIMET
Chief Financial Officer

Corporate and other information

Corporate head office
1 Place Ville Marie
Suite 3301
Montréal (Québec)
H3B 3N2
corpo.cogeco.com

Auditors
Deloitte LLP
1190 Avenue des Canadiens-de-Montréal
Suite 500
Montréal (Québec)
H3B 0M7

Legal counsel
Stikeman Elliott LLP
1155 René-Lévesque Blvd. West
Suite 4100
Montréal (Québec)
H3B 3V2

Transfer agent for subordinate and multiple voting shares, and trustee for senior secured notes
Computershare Trust Company of Canada

Quarter ends
November, February, May

Year end
August 31

Annual meeting
January 14, 2025
Additional information on Cogeco Inc. and press releases are available on the Corporation's website at:
corpo.cogeco.com

Subsidiaries information

COGECO CONNEXION

1 Place Ville Marie
Suite 3301
Montréal (Québec)
H3B 3N2
www.cogeco.ca

breezeline

3 Batterymarch Park
Suite 200
Quincy, MA 02169
www.breezeline.com

COGECO COMMUNICATIONS

1 Place Ville Marie
Suite 3301
Montréal (Québec)
H3B 3N2
corpo.cogeco.com

COGECO MEDIA

1100-800 De La Gauchetière Street West
Montréal (Québec)
H5A 1M1
www.cogecomedia.com

Inquiries

The Annual Report, Annual Information Form, Quarterly Reports and Information Circular are available in the "Investors" section of the Corporation's website (corpo.cogeco.com) or upon request by calling 514 764-4600.

Des versions françaises du rapport annuel, de la notice annuelle, des rapports trimestriels et de la circulaire d'information sont disponibles sous la section « Investisseurs » du site Internet de la société (corpo.cogeco.com) ou sur demande au 514 764-4600.

Investors and analysts

For all matters related to investor relations, please contact:

Patrice Ouimet
Chief Financial Officer
514 764-4600
patrice.ouimet@cogeco.com

Troy Crandall
Head, Investor Relations
514 764-4600
troy.crandall@cogeco.com

Shareholders

For any inquiries regarding a change of address or a change of registration of shares, please contact Computershare Trust Company of Canada. For any other inquiries please refer to the Shareholder Engagement Policy which can be found on the "Information for Shareholders" section on the Corporation's website at corpo.cogeco.com.

Duplicate communications

Some shareholders may receive more than one copy of publications such as Quarterly Reports and the Annual Report. Every effort is made to avoid such duplication. Shareholders who receive duplicate mailings should advise Computershare Trust Company of Canada.

Ethics line

Cogeco Inc. makes available an anonymous and confidential Ethics Line for its employees and the employees of all of its business units and other individuals who wish to report any perceived or actual instances of violations of the Cogeco Code of Ethics (including complaints regarding accounting, internal accounting controls and audit matters). The Ethics Line is operated by a specialized external provider that is independent of Cogeco Inc. Reports can be made through secured confidential toll-free telephone lines or the website described below. All reports submitted through the Ethics Line will be examined by the Vice President, Internal Audit and/or the Chief Legal and Corporate Affairs Officer. Individuals will be protected from dismissal or retaliation of any kind for reporting truthfully and in good faith.

By telephone:

Canada or United States: **1 877 706-2640**

Website of ClearView Connects: www.clearviewconnects.com

cogeco

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corpo.cogeco.com

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