SHAREHOLDERS' REPORT

Three-month period ended November 30, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Three-month period ended November 30, 2024

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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 Corporation's fiscal 2024 annual 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 Corporation's fiscal 2024 annual MD&A and 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 condensed interim consolidated financial statements and the notes thereto for the three-month period ended November 30, 2024 prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the Corporation's fiscal 2024 Annual Report.

In preparing this MD&A, the Corporation has taken into account information available up to January 13, 2025, the date of this MD&A, unless otherwise indicated. Additional information relating to the Corporation, including its fiscal 2024 Annual Report and Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on the Corporation's website at corpo.cogeco.com.

2. Financial highlights

Three months ended November 30 *(In thousands of Canadian dollars, except % and per share data)*	2024 $	2023 [1] $	Change %	Change in constant currency [2][3] %
Operations				
Revenue	**764,960**	776,172	(1.4)	(1.8)
Adjusted EBITDA [3]	**371,084**	366,033	1.4	1.0
Acquisition, integration, restructuring and other costs (gains)	**(9,648)**	3,265	—	
Profit for the period	**108,396**	98,729	9.8	
Profit for the period attributable to owners of the Corporation	**29,809**	34,541	(13.7)	
Adjusted profit attributable to owners of the Corporation [3][4]	**27,221**	40,038	(32.0)	
Cash flow				
Cash flows from operating activities	**208,655**	236,919	(11.9)	
Free cash flow [1][3]	**152,451**	142,078	7.3	7.2
Free cash flow, excluding network expansion projects [1][3]	**174,250**	173,738	0.3	0.2
Acquisition of property, plant and equipment	**153,514**	153,789	(0.2)	
Net capital expenditures [3][5]	**150,916**	146,667	2.9	2.4
Net capital expenditures, excluding network expansion projects [3]	**129,117**	115,007	12.3	11.7
Per share data [6]				
Earnings per share				
Basic	**3.13**	2.23	40.4	
Diluted	**3.09**	2.21	39.8	
Adjusted diluted [3][4]	**2.82**	2.57	9.7	
Dividends per share	**0.922**	0.854	8.0	

(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, which includes proceeds from sale and leaseback transactions. Proceeds from sale and leaseback and other disposals of property, plant and equipment amounted to $19.6 million for the first quarter of fiscal 2025 ($0.3 million for the same period of fiscal 2024). 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 this 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 comparable period of the prior year. For the three-month period ended November 30, 2023, the average foreign exchange rate used for translation was 1.3654 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 this MD&A.

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

(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.

(6) Per multiple and subordinate voting share.

As at	November 30, 2024	August 31, 2024
(In thousands of Canadian dollars)	$	$
Financial condition		
Cash and cash equivalents	**92,841**	77,746
Total assets	**10,025,750**	9,773,739
Long-term debt		
Current	**351,728**	370,108
Non-current	**4,752,299**	4,594,057
Net indebtedness [1]	**5,072,740**	4,957,594
Equity attributable to owners of the Corporation	**844,428**	810,437

(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 this MD&A.

3. 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.

3.1 Business developments

Ongoing transformation of Cogeco and Cogeco Communications' combined Canadian and U.S. telecommunications teams

In the first quarter of fiscal 2025, Cogeco and Cogeco Communications embarked on a three-year transformation program to improve their agility and competitiveness, driven by a focus on operational optimization, advanced analytics, digital, and an elevated customer experience. This transformation includes a combination of the commercial, operational and technical functions of our Canadian and U.S. telecommunications businesses into a simpler, more efficient North American organization with a streamlined cost structure.

3.2 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 sustain its growth, the Corporation announced, in May, the adoption of a new operating model and a three-year transformation program centered on synergies, digitization, advanced analytics, network expansion and wireless, as referred to above, as well as transforming its radio business.

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.

3.3 Key performance indicators

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.

Overview

For the first quarter of fiscal 2025, Cogeco's financial results were as expected. While the American telecommunications segment continued to face headwinds in the context of a competitive environment, subscriber metrics have started showing early signs of improvement. As for the Canadian telecommunications segment, it also performed as expected in the first quarter, marked by stable revenue and 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. Furthermore, recent cost reduction initiatives and operating efficiencies across the Corporation have positively contributed to adjusted EBITDA growth over last year.

During the first quarter of fiscal 2025, both the Canadian and American telecommunications segments continued their network expansion activities, connecting more homes and businesses to their fibre-to-the-home networks. The Corporation added close to 9,500 homes passed during the first quarter of fiscal 2025. In addition to Québec's completed network expansion programs, these fibre-to-the-home network expansion projects are also increasing the Corporation's footprint in Ontario and in several areas adjacent to Breezeline's network in the United States.

Accordingly, Cogeco maintains its fiscal 2025 financial guidelines as issued on October 31, 2024.

4. Consolidated operating and financial results

4.1 Consolidated performance

Three months ended November 30	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	**764,960**	(2,723)	**762,237**	776,172	**(1.4)**	**(1.8)**
Operating expenses	**393,876**	(1,440)	**392,436**	410,139	**(4.0)**	**(4.3)**
Adjusted EBITDA	**371,084**	(1,283)	**369,801**	366,033	**1.4**	**1.0**
Net capital expenditures	**150,916**	(687)	**150,229**	146,667	**2.9**	**2.4**

(1) For fiscal 2025 first-quarter, the average foreign exchange rate used for translation was 1.3759 USD/CDN.

(2) Fiscal 2025 first-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3654 USD/CDN.

Revenue

Three months ended November 30	2024	2023	Change	Change in constant currency	Foreign exchange impact [1]
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**377,266**	376,448	0.2	0.2	—
American telecommunications	**361,429**	371,241	(2.6)	(3.4)	(2,723)
Cogeco Communications	**738,695**	747,689	(1.2)	(1.6)	(2,723)
Other	**26,265**	28,483	(7.8)	(7.8)	—
Consolidated	**764,960**	776,172	(1.4)	(1.8)	(2,723)

(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 2025 first-quarter revenue decreased by 1.4% (1.8% 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 a better product mix; and
- lower revenue in the media activities as competitive dynamics in the radio advertising market remain challenging; while
- revenue remained stable in the Canadian telecommunications segment, mainly driven by the cumulative effect of high-speed Internet service additions over the past years, including from network expansion projects, as well as from the Niagara Regional Broadband Network ("NRBN") acquisition, offset 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 November 30	2024	2023	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**177,788**	180,094	(1.3)	(1.3)	(97)
American telecommunications	**182,617**	193,071	(5.4)	(6.1)	(1,344)
Corporate and eliminations	**8,153**	10,326	(21.0)	(21.0)	1
Cogeco Communications	**368,558**	383,491	(3.9)	(4.3)	(1,440)
Other	**25,318**	26,648	(5.0)	(5.0)	—
Consolidated	**393,876**	410,139	(4.0)	(4.3)	(1,440)

Fiscal 2025 first-quarter operating expenses decreased by 4.0% (4.3% in constant currency). The decrease in constant currency is mainly from:

- 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 lower technology licensing costs and the timing of certain operating expenses, a $2.6 million gain on disposals of certain property, plant and equipment recognized during the first quarter of fiscal 2025, as well as 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 the strategic partnerships announced in August to facilitate the development of wireless services in Canada under a capital-light operating model.

Adjusted EBITDA

Three months ended November 30	2024	2023	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**199,478**	196,354	1.6	1.6	97
American telecommunications	**178,812**	178,170	0.4	(0.4)	(1,379)
Corporate and eliminations	**(13,075)**	(15,564)	16.0	16.0	(1)
Cogeco Communications	**365,215**	358,960	1.7	1.4	(1,283)
Other	**5,869**	7,073	(17.0)	(17.0)	—
Consolidated	**371,084**	366,033	1.4	1.0	(1,283)

Fiscal 2025 first-quarter adjusted EBITDA increased by 1.4% (1.0% in constant currency). The increase in constant currency is mainly driven by:

- higher adjusted EBITDA in the Canadian telecommunications segment resulting from lower operating expenses, as explained above; and
- lower corporate costs; offset in part by
- lower revenue in the media activities; while
- adjusted EBITDA remained stable in the American telecommunications segment.

Net capital expenditures

Three months ended November 30			2024	2023		Change
(In thousands of Canadian dollars, except percentages)	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
	$	$	$	$	%	%
Canadian telecommunications	**74,161**	(120)	**74,041**	87,836	**(15.6)**	**(15.7)**
American telecommunications	**73,727**	(563)	**73,164**	55,853	**32.0**	**31.0**
Corporate and eliminations	**2,757**	(4)	**2,753**	2,738	**0.7**	**0.5**
Cogeco Communications	**150,645**	(687)	**149,958**	146,427	**2.9**	**2.4**
Capital intensity	**20.4 %**			19.6 %		
Other	**271**	—	**271**	240	**12.9**	**12.9**
Consolidated	**150,916**	(687)	**150,229**	146,667	**2.9**	**2.4**

Net capital expenditures and capital intensity, excluding network expansion projects

Three months ended November 30			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	**150,645**	(687)	**149,958**	146,427	**2.9**	**2.4**
Net capital expenditures in connection with network expansion projects	**21,799**	(16)	**21,783**	31,660	**(31.1)**	**(31.2)**
Cogeco Communications	**128,846**	(671)	**128,175**	114,767	**12.3**	**11.7**
Capital intensity, excluding network expansion projects [1]	**17.4 %**			15.3 %		
Other	**271**	—	**271**	240	**12.9**	**12.9**
Consolidated	**129,117**	(671)	**128,446**	115,007	**12.3**	**11.7**

(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 2025 first-quarter net capital expenditures increased by 2.9% (2.4% in constant currency), mostly due to:

- higher spending in the American telecommunications segment, primarily due to the timing of certain initiatives, partly offset by drawdowns of previously accumulated customer premise equipment inventory. The overall increase was further offset in part by
- lower spending in the Canadian telecommunications segment, mainly due to the timing of certain initiatives and lower purchases of customer premise equipment.

Excluding network expansion projects, fiscal 2025 first-quarter net capital expenditures increased by 12.3% (11.7% in constant currency).

Fiscal 2025 first-quarter capital intensity of Cogeco Communications was 20.4% compared to 19.6% for the same period of the prior year. The capital intensity increase is mostly due to higher net capital expenditures, as explained above. Excluding network expansion projects, fiscal 2025 first-quarter capital intensity of Cogeco Communications was 17.4% compared to 15.3% for the same period of the prior year.

4.2 Acquisition, integration, restructuring and other costs (gains)

	Three months ended November 30		
	2024	2023	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%
Acquisition, integration and other costs	**1,303**	179	—
Restructuring costs	**1,129**	466	—
Configuration and customization costs related to cloud computing and other arrangements	**1,764**	2,620	(32.7)
Gain on sale and leaseback transactions	**(13,844)**	—	—
	(9,648)	3,265	—

Fiscal 2025 first-quarter acquisition, integration, restructuring and other costs (gains) decreased by $12.9 million, resulting mainly from a $13.8 million non-cash gain recognized during the first quarter of fiscal 2025 in connection with a sale of a building in Ontario, which was leased back for a period of two years, with an option to renew for an additional year.

4.3 Depreciation and amortization

Fiscal 2025 first-quarter depreciation and amortization expense amounted to $177.2 million, an increase of 10.5% compared to the same period of the prior year, mainly due to a higher level of capital assets.

4.4 Financial expense

	Three months ended November 30		
	2024	2023	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%
Interest on long-term debt, excluding interest on lease liabilities	**72,343**	69,653	3.9
Interest on lease liabilities	**1,004**	708	41.8
Loss on debt extinguishment [1]	**—**	16,880	—
Net foreign exchange loss (gain)	**1,959**	(1,626)	—
Interest and other income	**(2,749)**	(1,447)	90.0
Capitalized borrowing costs [2]	**(5,330)**	(466)	—
Other	**571**	592	(3.5)
Financial expense	**67,798**	84,294	(19.6)
Loss on debt extinguishment [1]	**—**	(16,880)	—
Adjusted financial expense [3]	**67,798**	67,414	0.6

(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) Mainly 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 2025 first-quarter financial expense decreased by 19.6%, mainly due to:

- last year's non-cash loss on debt extinguishment of $16.9 million recognized 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; and
- higher capitalized interest recognized, mainly in connection with debt incurred for the purchase of spectrum licences, as well as for the construction of certain networks; partly offset by
- 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.

Excluding last year's non-cash loss on debt extinguishment, financial expense for the first quarter of fiscal 2025 remained stable compared to the same period of the prior year.

4.5 Income taxes

	Three months ended November 30		
	2024	2023	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%
Current	**15,126**	8,042	88.1
Deferred	**12,210**	11,339	7.7
Income taxes	**27,336**	19,381	41.0
Effective income tax rate	**20.1 %**	16.4 %	22.6

Fiscal 2025 first-quarter income tax expense increased by 41.0%, mainly due to the impact of the Pillar Two global minimum tax and other recent changes in tax legislation, which applied to the Corporation starting on September 1st, 2024.

Current income taxes were higher in the first quarter of fiscal 2025 compared to the prior year, mainly resulting from the same factors as mentioned above.

4.6 Profit for the period

	Three months ended November 30		
	2024	2023	Change
(In thousands of Canadian dollars, except percentages and earnings per share)	**$**	$	%
Profit for the period	**108,396**	98,729	9.8
Profit for the period attributable to owners of the Corporation	**29,809**	34,541	(13.7)
Profit for the period attributable to non-controlling interest [1]	**78,587**	64,188	22.4
Adjusted profit attributable to owners of the Corporation	**27,221**	40,038	(32.0)
Basic earnings per share	**3.13**	2.23	40.4
Diluted earnings per share	**3.09**	2.21	39.8
Adjusted diluted earnings per share	**2.82**	2.57	9.7

(1) At November 30, 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.

Fiscal 2025 first-quarter profit for the period increased by 9.8%, mainly as a result of:

- lower financial expense, due in part to last year's pre-tax $16.9 million non-cash loss on debt extinguishment;
- lower acquisition, integration, restructuring and other costs (gains) reflecting a pre-tax $13.8 million non-cash gain recognized during the first quarter of fiscal 2025 in connection with a sale and leaseback transaction of a building in Ontario; and
- higher adjusted EBITDA; partly offset by
- higher depreciation and amortization expense; and
- higher income tax expense.

Fiscal 2025 first-quarter profit for the period attributable to owners of the Corporation decreased by 13.7%, mainly reflecting the impact of the reduced ownership in Cogeco Communications following a share repurchase transaction in December 2023.

Fiscal 2025 first-quarter adjusted profit attributable to owners of the Corporation, which excludes the impact of acquisition, integration, restructuring and other costs (gains), and 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 32.0% compared to the same period of the prior year. Adjusted diluted earnings per share was higher reflecting the benefit of last year's December's share buyback transaction.

5. Segmented operating and financial results

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

5.1 Canadian telecommunications

Operating and financial results

Three months ended November 30			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	**377,266**	—	**377,266**	376,448	**0.2**	**0.2**
Operating expenses	**177,788**	(97)	**177,691**	180,094	**(1.3)**	**(1.3)**
Adjusted EBITDA	**199,478**	97	**199,575**	196,354	**1.6**	**1.6**
Adjusted EBITDA margin [3]	**52.9 %**			52.2 %		
Net capital expenditures	**74,161**	(120)	**74,041**	87,836	**(15.6)**	**(15.7)**
Capital intensity [3]	**19.7 %**			23.3 %		

(1) For fiscal 2025 first-quarter, the average foreign exchange rate used for translation was 1.3759 USD/CDN.

(2) Fiscal 2025 first-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3654 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 2025 first-quarter revenue remained stable 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; offset by
- an overall decline in video and wireline phone service subscribers as an increasing proportion of customers subscribe to Internet-only services.

Operating expenses

Fiscal 2025 first-quarter operating expenses decreased by 1.3% as reported and in constant currency, mainly due to:

- lower technology licensing costs and the timing of certain operating expenses;
- a $2.6 million gain on disposals of certain property, plant and equipment; and
- cost reduction initiatives and operating efficiencies; partly offset by
- higher sales and other operating expenses to drive subscriber growth; and
- the NRBN acquisition.

Adjusted EBITDA

Fiscal 2025 first-quarter adjusted EBITDA increased by 1.6% as reported and in constant currency, driven mainly from lower operating expenses while revenue remained stable.

Net capital expenditures and capital intensity

Fiscal 2025 first-quarter net capital expenditures decreased by 15.6% (15.7% in constant currency) and capital intensity was 19.7% compared to 23.3% for the same period of the prior year, mainly from reduced capital spending due to the timing of certain initiatives and lower purchases of customer premise equipment.

Primary service units and subscriber statistics

		Net additions (losses)	
		Three months ended November 30	
	November 30, 2024	**2024**	2023
Primary service units [1]	**1,868,636**	**(1,327)**	(1,552)
Internet service subscribers	**903,390**	**10,691**	10,765
Video service subscribers	**596,841**	**(7,983)**	(8,064)
Wireline phone service subscribers	**368,405**	**(4,035)**	(4,253)

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

Primary service units

Internet

Fiscal 2025 first-quarter Internet service subscriber net additions of 10,691 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 2025 first-quarter video service subscriber net losses of 7,983 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 2025 first-quarter wireline phone service subscriber net losses of 4,035 were mainly due to higher mobile phone substitution, partly offset by additions in network expansion areas.

Distribution of subscribers

On November 30, 2024, 57% of subscribers in the Canadian telecommunications segment subscribed to two-service or three-service bundles.

Homes passed

For the first quarter of fiscal 2025, homes passed increased by 6,270, mainly driven by fibre-to-the-home network expansions in Ontario.

5.2 American telecommunications

Operating and financial results

Three months ended November 30	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	**361,429**	(2,723)	**358,706**	371,241	**(2.6)**	**(3.4)**
Operating expenses	**182,617**	(1,344)	**181,273**	193,071	**(5.4)**	**(6.1)**
Adjusted EBITDA	**178,812**	(1,379)	**177,433**	178,170	**0.4**	**(0.4)**
Adjusted EBITDA margin [3]	**49.5 %**			48.0 %		
Net capital expenditures	**73,727**	(563)	**73,164**	55,853	**32.0**	**31.0**
Capital intensity [3]	**20.4 %**			15.0 %		

(1) For fiscal 2025 first-quarter, the average foreign exchange rate used for translation was 1.3759 USD/CDN.

(2) Fiscal 2025 first-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3654 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 2025 first-quarter revenue decreased by 2.6% (3.4% 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
- a better product mix.

In local currency, revenue amounted to US$262.7 million compared to US$271.9 million for the same period of fiscal 2024.

Operating expenses

Fiscal 2025 first-quarter operating expenses decreased by 5.4% (6.1% 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 2025 first-quarter adjusted EBITDA remained stable as reported and in constant currency, driven by cost reduction initiatives and operating efficiencies, offset by lower revenue.

In local currency, adjusted EBITDA amounted to US$130.0 million compared to US$130.5 million for the same period of fiscal 2024.

Net capital expenditures and capital intensity

Fiscal 2025 first-quarter net capital expenditures increased by 32.0% (31.0% in constant currency) and capital intensity was 20.4% compared to 15.0% for the same period of the prior year, mainly resulting from higher capital spending due to the timing of certain initiatives, partly offset by drawdowns of previously accumulated customer premise equipment inventory.

In local currency, net capital expenditures amounted to US$53.6 million compared to US$40.9 million for the same period of fiscal 2024.

Primary service units and subscriber statistics

	November 30, 2024	Net additions (losses) Three months ended November 30 2024	2023
Primary service units [1]	**1,012,490**	**(17,505)**	(20,918)
Internet service subscribers	**637,873**	**(5,726)**	(8,476)
Video service subscribers	**252,784**	**(8,527)**	(8,736)
Wireline phone service subscribers	**121,833**	**(3,252)**	(3,706)

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

Primary service units

Internet

Fiscal 2025 first-quarter Internet service subscriber net losses amounted to 5,726, of which 825 were in Ohio. The reduction 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. Internet subscriber net losses also reflect a highly competitive environment, notably for entry-level Internet services, partially offset by new subscribers gained from fibre-to-the-home network expansions.

Video

Fiscal 2025 first-quarter video service subscriber net losses of 8,527 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 2025 first-quarter wireline phone service subscriber net losses of 3,252 were mainly due to:

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

Distribution of subscribers

On November 30, 2024, 30% of subscribers in the American telecommunications segment subscribed to two-service or three-service bundles. This percentage has decreased from past years, as we have shifted to an Internet-led strategy focusing on our higher-margin Internet service.

Homes passed

For the first quarter of fiscal 2025, homes passed increased by 3,208, driven mostly by fibre-to-the-home network expansions.

6. Related party transactions

As of November 30, 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.

The following table shows the management fees paid by Cogeco Communications:

	Three months ended November 30	
	2024	2023
	$	$
Management fees paid by Cogeco Communications	**4,922**	5,238

No direct remuneration is payable to Cogeco's executive officers by Cogeco Communications. The following table provides the number of stock options and performance share units ("PSUs") granted during the three-month periods ended November 30, 2024 and 2023 to these executive officers, as executive officers of Cogeco Communications, the value of which was charged back to Cogeco:

	Three months ended November 30	
(In number of units)	**2024**	2023 [1]
Stock options	**143,978**	—
PSUs	**89,991**	—

(1) Due to internal trading restrictions in place at the time when Cogeco Communications typically issues stock options and PSUs, none were issued during the first quarter of fiscal 2024 and were instead issued in the second quarter of fiscal 2024.

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

	Three months ended November 30	
	2024	2023
(In thousands of Canadian dollars)	**$**	$
Stock options	**198**	222
ISUs	**40**	—
PSUs	**255**	99
DSUs	**36**	—
	529	321

7. Cash flow analysis

	Three months ended November 30		
	2024	2023	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%
Cash flows from operating activities	**208,655**	236,919	(11.9)
Cash flows used in investing activities	**(137,227)**	(153,354)	(10.5)
Cash flows used in financing activities	**(58,942)**	(359,865)	(83.6)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	**2,609**	(633)	—
Net change in cash and cash equivalents	**15,095**	(276,933)	—
Cash and cash equivalents, beginning of the period	**77,746**	363,854	(78.6)
Cash and cash equivalents, end of the period	**92,841**	86,921	6.8

7.1 Operating activities

Fiscal 2025 first-quarter cash flows from operating activities decreased by 11.9%, mainly due to:

- lower cash from other non-cash operating activities, due in part to the timing of grants received in connection with network expansion projects and the collection of trade accounts receivable; and
- higher income taxes paid; partly offset by
- higher adjusted EBITDA.

7.2 Investing activities

Fiscal 2025 first-quarter cash flows used in investing activities decreased by 10.5%, mainly as a result of net proceeds amounting to $16.5 million received in connection with a sale and leaseback transaction of a building in Ontario.

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 interim consolidated statements of cash flows, and the net capital expenditures, as presented in sub-section 4.1 "Consolidated performance".

	Three months ended November 30			
	2024	2023	Change	Change in constant currency
(In thousands of Canadian dollars, except percentages)	**$**	$	%	%
Acquisition of property, plant and equipment	**153,514**	153,789	(0.2)	
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	**(2,598)**	(7,122)	(63.5)	
Net capital expenditures	**150,916**	146,667	2.9	2.4

7.3 Financing activities

Issuance and repayment of debt

Fiscal 2025 first-quarter changes in cash flows from the issuance and repayment of debt are mainly explained as follows:

	Three months ended November 30		
	2024	2023	Explanations
(In thousands of Canadian dollars)	**$**	$	
Decrease in bank indebtedness	**(9,331)**	(2,212)	Related to the timing of working capital needs.
Net increase under revolving facilities	**31,821**	156,639	Related to funds drawn under the revolving facilities.
Issuance of long-term debt, net of discounts and transaction costs	**—**	1,656,208	Last year's debt issuance was 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.
Repayment of notes and credit facilities	**(42,196)**	(2,129,215)	Mainly related to the redemption of the US$25 million Senior Secured Notes Series A upon maturity in September 2024, and the quarterly repayments of the Senior Secured Term Loan B Facility and of the $75 million Non-Revolving Term Credit Facility. Last year's repayment was mainly related to the reimbursement of Tranche 1 of the Senior Secured Term Loan B Facility in September 2023.
Repayment of lease liabilities	**(3,034)**	(2,100)	Comparable.
Increase in deferred transaction costs	**—**	(1,801)	Related to last year's amendment of the Senior Secured Revolving Facility in September 2023.
	(22,740)	(322,481)	

Dividends

During the first quarter of fiscal 2025, a quarterly eligible dividend of $0.922 per share was paid to the holders of multiple and subordinate voting shares, totalling $8.7 million, compared to a quarterly eligible dividend of $0.854 per share, or $13.2 million, in the first quarter of fiscal 2024. In addition, dividends paid on subordinate voting shares by a subsidiary to non-controlling interest during the first quarter of fiscal 2025 amounted to $27.6 million compared to $24.4 million last year.

7.4 Free cash flow

Three months ended November 30	**2024** [1]	2023 [2]	Change	Change in constant currency [3]	Foreign exchange impact [3]
(In thousands of Canadian dollars, except percentages)	**$**	$	%	%	$
Adjusted EBITDA	**371,084**	366,033	1.4	1.0	(1,283)
Share-based payment	**3,418**	499	—		
Proceeds from sale and leaseback and other disposals of property, plant and equipment [2]	**19,622**	255	—		
Gain on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions [4]	**(16,457)**	(113)	—		
Defined benefit plans expense, net of contributions	**478**	201	—		
Acquisition, integration, restructuring and other (costs) gains [4]	**9,648**	(3,265)	—		
Financial expense	**(67,798)**	(84,294)	(19.6)		
Loss on debt extinguishment [5]	**—**	16,880	—		
Amortization of deferred transaction costs and discounts on long-term debt [5]	**1,532**	2,691	(43.1)		
Current income taxes	**(15,126)**	(8,042)	88.1		
Net capital expenditures	**(150,916)**	(146,667)	2.9		
Repayment of lease liabilities	**(3,034)**	(2,100)	44.5		
Free cash flow [2]	**152,451**	142,078	7.3	7.2	(204)
Free cash flow, excluding network expansion projects [2]	**174,250**	173,738	0.3	0.2	(220)

(1) For fiscal 2025 first-quarter, the average foreign exchange rate used for translation was 1.3759 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, which includes proceeds from sale and leaseback transactions. 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 2025 first-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3654 USD/CDN.

(4) Includes a $13.8 million non-cash gain recognized during the first quarter of fiscal 2025 in connection with a sale of a building in Ontario, which was leased back for a period of two years, with an option to renew for an additional year.

(5) Included within financial expense.

Fiscal 2025 first-quarter free cash flow increased by 7.3% (7.2% in constant currency). The variation in constant currency is mainly due to:

- net proceeds from disposals of property, plant and equipment, including net proceeds amounting to $16.5 million received in connection with a sale and leaseback transaction of a building in Ontario; partly offset by
- higher current income taxes; and
- higher net capital expenditures.

Excluding network expansion projects, fiscal 2025 first-quarter free cash flow amounted to $174.3 million ($174.0 million in constant currency), and remained stable compared to the same period of the prior year.

7.5 Dividend declaration

At its January 13, 2025 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 February 10, 2025 to shareholders of record on January 27, 2025. 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.

8. Financial position

8.1 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.

(In thousands of Canadian dollars)	**November 30, 2024** **$**	August 31, 2024 $	Change $	Explanations
Current assets				
Cash and cash equivalents	**92,841**	77,746	15,095	Refer to the "Cash flows analysis" section.
Trade and other receivables	**149,272**	131,929	17,343	Mainly related to the timing of collection of trade and other receivables, combined with the appreciation of the US dollar against the Canadian dollar.
Income taxes receivable	**18,539**	16,073	2,466	Not significant.
Prepaid expenses and other	**48,905**	40,857	8,048	Not significant.
Derivative financial instruments	**17,075**	3,875	13,200	Mainly related to the interest swap tranches maturing in October 2025 reclassified as current, partly offset by the ones that matured in November 2024.
	326,632	270,480	56,152	
Current liabilities				
Bank indebtedness	**6,068**	15,399	(9,331)	Refer to the "Cash flows analysis" section.
Trade and other payables	**344,049**	376,444	(32,395)	Mainly related to the timing of payments made to suppliers.
Provisions	**43,111**	58,882	(15,771)	Mainly related to the payment of restructuring costs previously recognized in connection with the new organizational structure announced in May 2024 and other cost optimization initiatives.
Income tax liabilities	**11,134**	8,679	2,455	Not significant.
Contract liabilities and other liabilities	**54,077**	61,736	(7,659)	Not significant.
Government subsidies received in advance	**6,334**	8,740	(2,406)	Not significant.
Derivative financial instruments	**1,113**	240	873	Not significant.
Current portion of long-term debt	**351,728**	370,108	(18,380)	Mainly related to the redemption of the US$25 million Senior Secured Notes Series A in September 2024, partly offset by the appreciation of the US dollar against the Canadian dollar.
	817,614	900,228	(82,614)	
Working capital deficiency	**(490,982)**	(629,748)	138,766	

8.2 Other significant changes

(In thousands of Canadian dollars)	**November 30, 2024** **$**	August 31, 2024 $	Change $	Explanations
Non-current assets				
Property, plant and equipment	**3,400,025**	3,340,793	59,232	Mainly related to capital investments made during the first quarter of fiscal 2025 and the appreciation of the US dollar against the Canadian dollar, partly offset by the depreciation expense for the period.
Intangible assets	**3,911,819**	3,837,794	74,025	Mainly related to the appreciation of the US dollar against the Canadian dollar and the capitalized interest in connection with spectrum licences, partly offset by the amortization for the period.
Goodwill	**2,205,197**	2,132,661	72,536	Related to the appreciation of the US dollar against the Canadian dollar.
Derivative financial instruments	**30,907**	46,539	(15,632)	Mainly related to the interest swap tranches maturing in October 2025 reclassified as current and changes in market interest rates.
Non-current liabilities				
Long-term debt	**4,752,299**	4,594,057	158,242	Mainly related to the appreciation of the US dollar against the Canadian dollar and funds drawn under the term revolving facilities, partly offset by the quarterly repayments on the Senior Secured Term B Facility and the $75 million Non-Revolving Term Credit Facility.
Deferred tax liabilities	**896,751**	867,944	28,807	Mainly related to the timing of temporary differences and the appreciation of the US dollar against the Canadian dollar.

9. Capital resources and liquidity

9.1 Capital structure

The table below summarizes the Corporation's available liquidity:

(In thousands of Canadian dollars)	**At November 30, 2024** **$**	At August 31, 2024 $
Cash and cash equivalents	**92,841**	77,746
Cash with restrictions on use [1]	**(6,334)**	(8,740)
Amounts available under revolving credit facilities [2]	**766,176**	787,426
Available liquidity [3]	**852,683**	856,432

(1) Included within cash and cash equivalents (see Note 14 C) of the Corporation's condensed interim 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 15 A) of the Corporation's condensed interim 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 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 used to monitor and manage its capital structure:

	November 30, 2024	August 31, 2024
Weighted average cost of indebtedness [1]	**5.5 %**	5.6 %
Weighted average term: long-term debt (in years)	**4.6**	4.8
Net indebtedness / adjusted EBITDA ratio [2][3]	**3.4**	3.3
Adjusted EBITDA / adjusted financial expense ratio [2][3]	**5.6**	5.5

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

(2) Net indebtedness to adjusted EBITDA ratio and adjusted EBITDA to adjusted financial expense ratio are 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, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

(3) Calculated on a 12-month trailing basis. Net indebtedness reflects the US denominated debt converted at the exchange rate at the end of the period, while adjusted EBITDA and adjusted financial expense reflect the average exchange rate throughout the corresponding 12-month period.

9.2 Outstanding share data

A description of Cogeco's share data at December 31, 2024, is presented in the table below. Additional details are provided in Note 12 A) of the condensed interim 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**

9.3 Cogeco Communications' credit ratings

At November 30, 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

9.4 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 which are described in the Corporation's 2024 annual consolidated financial statements.

Credit risk

The lowest credit rating of the counterparties to the derivative financial instruments agreements at November 30, 2024 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.

Liquidity risk

The following table shows the amount used and remaining availability under the Corporation's and Cogeco Communications' revolving facilities at November 30, 2024:

	Total amount	Amount used	Remaining availability
Corporation			
Term Revolving Facility	$100.0 million	$72.0 million	$28.0 million
Cogeco Communications			
Term Revolving Facility	$750.0 million	$358.3 million	$391.7 million
Senior Secured Revolving Facility - U.S. subsidiaries	$350.3 million (US$250.0 million)	$3.8 million (US$2.7 million)	$346.5 million (US$247.3 million)

Interest rate risk

On November 30, 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 November 30, 2024:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate [1]	Maturity	Hedged item
Cash flow [2]	US$300 million	Term SOFR	4.01% - 4.18%	February 2027 - 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) Interest rate swaps amounting to US$250 million matured in November 2024, bringing the outstanding hedge amount to US$300 million (US$550 million at August 31, 2024). In December 2024, new fixed interest rate swaps amounting to US$250 million were entered into, with maturities ranging from February 2028 to February 2029, and interest rates varying from 3.82% to 3.85%.

A 1% increase (decrease) in the interest rate applicable to the unhedged portion of the floating interest rate facilities would result in an increase (decrease) of approximately $19.2 million in the Corporation's annual financial expense, based on the outstanding debt and swap agreements at November 30, 2024.

9.5 Foreign currency

For the three-month periods ended November 30, 2024 and 2023, the average rates prevailing used to convert the operating results of the American telecommunications segment were as follows:

	Three months ended November 30	
	2024	2023
	$	$
US dollar vs Canadian dollar	**1.3759**	1.3654

9.6 Contractual obligations, contingencies and guarantees

A summary of the Corporation's material contractual obligations, contingencies and guarantees can be found in the fiscal 2024 annual MD&A, available on SEDAR+ at www.sedarplus.ca and corpo.cogeco.com. There has been no significant change in the material contractual obligations, contingencies and guarantees.

10. 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 design of the Corporation's DC&P and ICFR at November 30, 2024, and concluded that they are adequate. Furthermore, no significant changes to the internal controls over financial reporting occurred during the three-month period ended November 30, 2024.

11. Uncertainties and main risk factors

A detailed description of the uncertainties and main risk factors faced by Cogeco can be found in the fiscal 2024 annual MD&A, available on SEDAR+ at www.sedarplus.ca and corpo.cogeco.com. The following update should be read together with the uncertainties and main risk factors described in the fiscal 2024 annual MD&A, which are hereby incorporated by reference.

Further developments on the wholesale high-speed access framework

On August 13, 2024, the CRTC issued Telecom Regulatory Policy CRTC 2024-180, *Competition in Canada's Internet service markets* (TRP 2024-180), which updates its framework for the provision of regulated wireline wholesale services. The decision mandates Canada's largest telephone companies - Bell Canada, Telus Communications Inc. (Telus) and Sasktel - to provide aggregated wholesale access to their fibre-to-the-premises (FTTP) facilities across Canada by February 13, 2025. 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. In addition, the decision bans both incumbent telephone and cable companies, including their brands and affiliates, from using aggregated wholesale high-speed access (HSA) services within their traditional wireline serving territories. 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.

On November 6, 2024, in response to a petition from Bell Canada challenging the CRTC's Telecom Decision 2023-358 (TD 2023-358), which required incumbent local exchange carriers to provide access to FTTP facilities over aggregated HSA services within their Ontario and Québec servicing territories on a temporary basis, Canada's Governor in Council issued Order in Council P.C. 2024-1172 entitled *Order Referring Telecom Decision CRTC 2023-358 Back to the CRTC* (Cabinet Order), which requires the CRTC to reconsider whether Bell Canada, Telus and Rogers Communications Inc. (Rogers) should be prohibited from using mandated wholesale aggregated FTTP services in Ontario and Québec under the temporary FTTP access regime established by TD 2023-358. While the Cabinet Order does not oblige the CRTC to implement this prohibition, it noted concerns about future and ongoing investments and the viability of small and regional internet service providers. The Cabinet Order only relates to TD 2023-358 and does not apply to the more recent final and comprehensive decision by the CRTC, TRP 2024-180. On December 3, 2024, Telus filed an application for judicial review of the Cabinet Order pursuant to the Federal Courts Act, in which it asks the Federal Court to quash the Cabinet Order.

On November 7, 2024, Cogeco Communications, together with the Competitive Network Operators of Canada and Bragg Communications Inc., doing business as Eastlink (Eastlink), submitted an application requesting that the CRTC review and vary TRP 2024-180 and ban Bell Canada, Telus and Rogers from using mandated wholesale high-speed access services on any technology, anywhere in the country. Other applications to review and vary TRP 2024-180 that were supportive of such a ban were also filed by Rogers and TekSavvy Solutions Inc. In light of these developments, the CRTC has launched separate proceedings to reconsider TD 2023-238 and to consider the various applications to review and vary TRP 2024-180. A decision on the reconsideration of TD 2023-238 must be issued by February 4, 2025, whereas the review of the applications to review and vary TRP 2024-180 is not subject to a specific timeline.

On November 9, 2024, Cogeco Communications, together with the Competitive Network Operators of Canada, Eastlink and Sasktel submitted a petition to the federal Cabinet requesting that TRP 2024-180 be varied to ban Canada's three dominant

telecommunications carriers from using mandated wholesale high-speed access services on any technology, anywhere in the country.

The failure of the CRTC or the Governor in Council to vary TRP 2024-180 to exclude Canada's three dominant national telecommunications carriers from accessing mandated wholesale HSA services could have a material adverse effect on the Corporation's business, financial condition and results of operations.

12. Accounting policy developments

Initial application of amendments to accounting standards

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 were effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Effective September 1, 2024, the Corporation applied these amendments, which had no impact on the consolidated financial statements.

Future changes to accounting standards

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 condensed interim 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.

13. 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.

Financial measures presented on a constant currency basis for the three-month period ended November 30, 2024 are translated at the average foreign exchange rate of the comparable period of the prior year, which was 1.3654 USD/CDN.

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 (gains), 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 (gains); - 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.
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.

Specified financial measures	Usefulness	Calculation	Most directly comparable IFRS Accounting Standards measures
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, which includes proceeds from sale and leaseback transactions, 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 from sale and leaseback and other disposals of property, plant and equipment; - loss (gain) on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions; and - defined benefit plans expense, net of contributions deduct: - acquisition, integration, restructuring and other costs (gains); - 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
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

Specified financial measures	Usefulness	Calculation	Most directly comparable IFRS Accounting Standards measures
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

	Three months ended November 30	
	2024	2023
(In thousands of Canadian dollars)	**$**	$
Profit for the period attributable to owners of the Corporation	**29,809**	34,541
Acquisition, integration, restructuring and other costs (gains)	**(9,648)**	3,265
Loss on debt extinguishment [1]	**—**	16,880
Tax impact for the above items	**199**	(5,333)
Non-controlling interest impact for the above items	**6,861**	(9,315)
Adjusted profit attributable to owners of the Corporation	**27,221**	40,038

(1) Included within financial expense.

Adjusted financial expense

For the reconciliation of adjusted financial expense to the most directly comparable IFRS Accounting Standards measures, refer to sub-section 4.4 "Financial expense".

Constant currency basis and foreign exchange impact reconciliation

Consolidated

For the reconciliations of consolidated revenue, operating expenses, adjusted EBITDA and net capital expenditures in constant currency to the most directly comparable IFRS Accounting Standards measures, refer to sub-section 4.1 "Consolidated performance".

The reconciliation of free cash flow in constant currency is as follows. For the reconciliation of this specified financial measure to the most directly comparable IFRS Accounting Standards measure, refer to the specific reconciliation in the sub-section below.

Three months ended November 30			**2024**	2023 [1]		**Change**
	Actual	Foreign exchange impact	**In constant currency**	Actual	**Actual**	**In constant currency**
(In thousands of Canadian dollars, except percentages)	**$**	$	**$**	$	**%**	**%**
Free cash flow [1]	**152,451**	(204)	**152,247**	142,078	**7.3**	**7.2**

(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, which includes proceeds from sale and leaseback transactions. 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 5 "Segmented operating and financial results".

Corporate and eliminations of Cogeco Communications

Three months ended November 30			2024	2023		Change
(In thousands of Canadian dollars, except percentages)	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
	$	$	$	$	%	%
Operating expenses	**8,153**	1	**8,154**	10,326	**(21.0)**	**(21.0)**
Management fees – Cogeco Inc.	**4,922**	—	**4,922**	5,238	**(6.0)**	**(6.0)**
Adjusted EBITDA	**(13,075)**	(1)	**(13,076)**	(15,564)	**16.0**	**16.0**

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

	Three months ended November 30	
	2024	2023 [1]
(In thousands of Canadian dollars)	$	$
Cash flows from operating activities	**208,655**	236,919
Changes in other non-cash operating activities	**80,652**	58,495
Income taxes paid	**15,048**	2,903
Current income taxes	**(15,126)**	(8,042)
Interest paid	**63,816**	65,038
Financial expense	**(67,798)**	(84,294)
Loss on debt extinguishment [2]	**—**	16,880
Amortization of deferred transaction costs and discounts on long-term debt [2]	**1,532**	2,691
Net capital expenditures [3]	**(150,916)**	(146,667)
Proceeds from sale and leaseback and other disposals of property, plant and equipment [1]	**19,622**	255
Repayment of lease liabilities	**(3,034)**	(2,100)
Free cash flow [1]	**152,451**	142,078
Net capital expenditures in connection with network expansion projects	**21,799**	31,660
Free cash flow, excluding network expansion projects [1]	**174,250**	173,738

(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, which includes proceeds from sale and leaseback transactions. 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.

Available liquidity reconciliation

For the reconciliation of available liquidity to the most directly comparable IFRS Accounting Standards measure, refer to sub-section 9.1 "Capital structure".

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

Net capital expenditures

For the reconciliations of net capital expenditures, excluding network expansion projects to the most directly comparable IFRS Accounting Standards measures, refer to sub-section 4.1 "Consolidated performance".

Free cash flow

Three months ended November 30			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]	**152,451**	(204)	**152,247**	142,078	**7.3**	**7.2**
Net capital expenditures in connection with network expansion projects	**21,799**	(16)	**21,783**	31,660	**(31.1)**	**(31.2)**
Free cash flow, excluding network expansion projects [1]	**174,250**	(220)	**174,030**	173,738	**0.3**	**0.2**

(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, which includes proceeds from sale and leaseback transactions. 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 (gains), 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.
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.

Specified financial measures	Usefulness	Calculation
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 4 of the condensed interim 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 November 30	
	2024	2023
(In thousands of Canadian dollars)	**$**	$
Profit for the period	**108,396**	98,729
Income taxes	**27,336**	19,381
Financial expense	**67,798**	84,294
Depreciation and amortization	**177,202**	160,364
Acquisition, integration, restructuring and other costs (gains)	**(9,648)**	3,265
Adjusted EBITDA	**371,084**	366,033

Net capital expenditures reconciliation

For the reconciliation of net capital expenditures to the most directly comparable IFRS Accounting Standards measure, refer to sub-section 7.2 "Investing activities".

Capital management measures

The following financial measures used by Cogeco and/or Cogeco Communications are capital management measures, as disclosed within the notes to the Corporation's and/or Cogeco Communications' consolidated financial statements and/or condensed interim 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.

14. Supplementary quarterly financial information

	Fiscal 2025				Fiscal 2024			Fiscal 2023
Three months ended	Nov. 30	Aug. 31	May. 31 [1]	Feb. 29 [1]	Nov. 30 [1]	Aug. 31 [1]	May. 31 [1]	Feb. 28 [1]
(In thousands of Canadian dollars, except per share data)	$	$	$	$	$	$	$	$
Operations								
Revenue	**764,960**	768,656	777,249	751,908	776,172	766,652	767,603	757,191
Adjusted EBITDA	**371,084**	371,216	369,786	347,782	366,033	351,925	355,459	351,663
Acquisition, integration, restructuring and other costs (gains)	**(9,648)**	12,177	46,634	1,222	3,265	15,239	11,377	6,952
Impairment of property, plant and equipment, intangible assets and goodwill	**—**	15,229	—	—	—	—	88,000	—
Profit for the period	**108,396**	81,437	75,285	93,930	98,729	90,521	33,314	102,592
Profit (loss) for the period attributable to owners of the Corporation	**29,809**	19,248	18,960	23,997	34,541	29,234	(34,473)	33,788
Adjusted profit attributable to owners of the Corporation	**27,221**	25,562	29,102	24,346	40,038	33,006	37,921	35,609
Cash flow								
Cash flows from operating activities	**208,655**	326,723	335,126	286,382	236,919	284,370	283,180	206,843
Free cash flow [1]	**152,451**	143,055	90,164	100,468	142,078	87,274	108,361	118,808
Acquisition of property, plant and equipment	**153,514**	156,577	172,404	181,234	153,789	207,434	190,121	173,674
Net capital expenditures	**150,916**	154,570	169,754	171,756	146,667	178,481	170,258	156,832
Per share data [2] and related information								
Earnings (loss) per share								
Basic	**3.13**	2.02	1.99	2.32	2.23	1.89	(2.22)	2.17
Diluted	**3.09**	1.99	1.97	2.30	2.21	1.87	(2.22)	2.15
Adjusted diluted [3]	**2.82**	2.65	3.02	2.33	2.57	2.12	2.43	2.27
Weighted average number of shares outstanding - diluted (in thousands)	**9,648**	9,648	9,643	10,429	15,598	15,602	15,513	15,702
Dividends per share	**0.922**	0.854	0.854	0.854	0.854	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, which includes proceeds from sale and leaseback transactions. 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.

14.1 Seasonal variations

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three-month period ended November 30, 2024

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COGECO INC.
INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
(unaudited)

		Three months ended November 30	
	Notes	**2024**	2023
(In thousands of Canadian dollars, except per share data)		**$**	$
Revenue	*3*	**764,960**	776,172
Operating expenses	*5*	**393,876**	410,139
Acquisition, integration, restructuring and other costs (gains)	*6*	**(9,648)**	3,265
Depreciation and amortization		**177,202**	160,364
Financial expense	*7*	**67,798**	84,294
Profit before income taxes		**135,732**	118,110
Income taxes	*8*	**27,336**	19,381
Profit for the period		**108,396**	98,729
Profit for the period attributable to:			
Owners of the Corporation		**29,809**	34,541
Non-controlling interest		**78,587**	64,188
		108,396	98,729
Earnings per share			
Basic	*9*	**3.13**	2.23
Diluted	*9*	**3.09**	2.21

COGECO INC.
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

	Three months ended November 30	
	2024	2023
(In thousands of Canadian dollars)	**$**	$
Profit for the period	**108,396**	98,729
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	**1,847**	(14,915)
Related income taxes	**(489)**	3,952
	1,358	(10,963)
Foreign currency translation adjustments		
Net foreign currency translation differences on net investments in foreign operations	**94,339**	8,701
Net changes on translation of long-term debt designated as hedges of net investments in foreign operations	**(20,241)**	(1,989)
Related income taxes	**984**	(698)
	75,082	6,014
	76,440	(4,949)
Items not to be subsequently reclassified to profit or loss		
Defined benefit plans actuarial adjustments		
Remeasurement of net defined benefit liability or asset	**(90)**	(574)
Related income taxes	**24**	152
	(66)	(422)
	76,374	(5,371)
Comprehensive income for the period	**184,770**	93,358
Comprehensive income for the period attributable to:		
Owners of the Corporation	**46,051**	31,952
Non-controlling interest	**138,719**	61,406
	184,770	93,358

COGECO INC.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited)

	Equity attributable to owners of the Corporation					
(In thousands of Canadian dollars)	Share capital	Share-based payment reserve	Accumulated other comprehensive income (loss)	Retained earnings	Equity attributable to non-controlling interest	Total shareholders' equity
	$	$	$	$	$	$
	(Note 12)		*(Note 13)*			
Balance at August 31, 2023	104,882	10,380	60,197	750,404	2,517,286	3,443,149
Profit for the period	—	—	—	34,541	64,188	98,729
Other comprehensive loss for the period	—	—	(2,372)	(217)	(2,782)	(5,371)
Comprehensive income (loss) for the period	—	—	(2,372)	34,324	61,406	93,358
Share-based payment (Note 12 C))	—	457	—	—	764	1,221
Issuance of subordinate voting shares by a subsidiary to non-controlling interest	—	(15)	—	—	215	200
Dividends (Note 12 B))	—	—	—	(13,193)	(24,391)	(37,584)
Effect of changes in ownership of a subsidiary on non-controlling interest	—	—	—	(26)	26	—
Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	1,362	(1,489)	—	127	—	—
Distribution to employees, by a subsidiary, of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	—	(1,559)	—	122	1,437	—
Total contributions by (distributions to) shareholders	1,362	(2,606)	—	(12,970)	(21,949)	(36,163)
Balance at November 30, 2023	106,244	7,774	57,825	771,758	2,556,743	3,500,344
Balance at August 31, 2024	**56,433**	**12,493**	**44,531**	**696,980**	**2,570,422**	**3,380,859**
Profit for the period	**—**	**—**	**—**	**29,809**	**78,587**	**108,396**
Other comprehensive income (loss) for the period	**—**	**—**	**16,245**	**(3)**	**60,132**	**76,374**
Comprehensive income for the period	**—**	**—**	**16,245**	**29,806**	**138,719**	**184,770**
Share-based payment (Note 12 C))	**—**	**577**	**—**	**—**	**757**	**1,334**
Issuance of subordinate voting shares by a subsidiary to non-controlling interest and other	**—**	**(298)**	**—**	**—**	**2,695**	**2,397**
Dividends (Note 12 B))	**—**	**—**	**—**	**(8,686)**	**(27,608)**	**(36,294)**
Effect of changes in ownership of a subsidiary on non-controlling interest	**—**	**—**	**—**	**(143)**	**143**	**—**
Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**(2,819)**	**—**	**—**	**—**	**—**	**(2,819)**
Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**1,307**	**(1,471)**	**—**	**164**	**—**	**—**
Disposal by a subsidiary to non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**—**	**—**	**—**	**—**	**409**	**409**
Distribution to employees, by a subsidiary, of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**—**	**(855)**	**—**	**164**	**691**	**—**
Total distributions to shareholders	**(1,512)**	**(2,047)**	**—**	**(8,501)**	**(22,913)**	**(34,973)**
Balance at November 30, 2024	**54,921**	**10,446**	**60,776**	**718,285**	**2,686,228**	**3,530,656**

COGECO INC.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited)

(In thousands of Canadian dollars)	*Notes*	**November 30, 2024** **$**	August 31, 2024 $
Assets			
Current			
Cash and cash equivalents	*14 C)*	**92,841**	77,746
Trade and other receivables		**149,272**	131,929
Income taxes receivable		**18,539**	16,073
Prepaid expenses and other		**48,905**	40,857
Derivative financial instruments		**17,075**	3,875
		326,632	270,480
Non-current			
Other assets		**145,679**	138,688
Property, plant and equipment	*10*	**3,400,025**	3,340,793
Intangible assets		**3,911,819**	3,837,794
Goodwill		**2,205,197**	2,132,661
Derivative financial instruments		**30,907**	46,539
Deferred tax assets		**5,491**	6,784
		10,025,750	9,773,739
Liabilities and Shareholders' equity			
Liabilities			
Current			
Bank indebtedness		**6,068**	15,399
Trade and other payables		**344,049**	376,444
Provisions		**43,111**	58,882
Income tax liabilities		**11,134**	8,679
Contract liabilities and other liabilities		**54,077**	61,736
Government subsidies received in advance		**6,334**	8,740
Derivative financial instruments		**1,113**	240
Current portion of long-term debt	*11*	**351,728**	370,108
		817,614	900,228
Non-current			
Long-term debt	*11*	**4,752,299**	4,594,057
Derivative financial instruments		**3,597**	8,257
Contract liabilities and other liabilities		**10,051**	9,697
Accrued employee benefits		**14,782**	12,697
Deferred tax liabilities		**896,751**	867,944
		6,495,094	6,392,880
Shareholders' equity			
Equity attributable to owners of the Corporation			
Share capital	*12 A)*	**54,921**	56,433
Share-based payment reserve		**10,446**	12,493
Accumulated other comprehensive income	*13*	**60,776**	44,531
Retained earnings		**718,285**	696,980
		844,428	810,437
Equity attributable to non-controlling interest		**2,686,228**	2,570,422
		3,530,656	3,380,859
		10,025,750	9,773,739

COGECO INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(In thousands of Canadian dollars)	*Notes*	Three months ended November 30 **2024** **$**	2023 $
Cash flows from operating activities			
Profit for the period		**108,396**	98,729
Adjustments for:			
Depreciation and amortization		**177,202**	160,364
Financial expense	*7*	**67,798**	84,294
Income taxes	*8*	**27,336**	19,381
Share-based payment		**3,418**	499
Gain on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions	*10*	**(16,457)**	(113)
Defined benefit plans expense, net of contributions		**478**	201
		368,171	363,355
Changes in other non-cash operating activities	*14 A)*	**(80,652)**	(58,495)
Interest paid		**(63,816)**	(65,038)
Income taxes paid		**(15,048)**	(2,903)
		208,655	236,919
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(153,514)**	(153,789)
Acquisition of spectrum licences		**(3,522)**	—
Subsidies received in advance and other		**187**	180
Proceeds from sale and leaseback and other disposals of property, plant and equipment	*10*	**19,622**	255
		(137,227)	(153,354)
Cash flows from financing activities			
Decrease in bank indebtedness		**(9,331)**	(2,212)
Net increase under revolving facilities		**31,821**	156,639
Issuance of long-term debt, net of discounts and transaction costs		**—**	1,656,208
Repayment of notes and credit facilities		**(42,196)**	(2,129,215)
Repayment of lease liabilities		**(3,034)**	(2,100)
Increase in deferred transaction costs		**—**	(1,801)
Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	*12 A)*	**(2,819)**	—
Issuance of subordinate voting shares by a subsidiary to non-controlling interest		**2,911**	200
Dividends paid on multiple and subordinate voting shares	*12 B)*	**(8,686)**	(13,193)
Dividends paid on subordinate voting shares by a subsidiary to non-controlling interest	*12 B)*	**(27,608)**	(24,391)
		(58,942)	(359,865)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency		**2,609**	(633)
Net change in cash and cash equivalents		**15,095**	(276,933)
Cash and cash equivalents, beginning of the period		**77,746**	363,854
Cash and cash equivalents, end of the period	*14 C)*	**92,841**	86,921

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.

The results of operations for the interim period are not necessarily indicative of the results of operations for the full year. The Corporation does not expect seasonality to be a material factor in its quarterly results.

2. Basis of presentation and accounting policy developments

A) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and were approved and authorized for issuance by the Board of Directors of the Corporation on January 13, 2025. These condensed interim consolidated financial statements have been prepared with the same accounting policies and methods of computation followed by the Corporation in its 2024 annual consolidated financial statements. These condensed interim consolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Corporation's 2024 annual consolidated financial statements. Certain comparative amounts in the condensed interim consolidated financial statements have been reclassified in order to conform to the fiscal 2025 consolidated financial statements presentation.

Financial information is presented in Canadian dollars, unless otherwise indicated.

B) Foreign currency translation

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

	Closing rates as of		Average rates for the three months ended November 30	
	November 30, 2024	August 31, 2024	**2024**	2023
US dollar vs Canadian dollar	**1.4010**	1.3491	**1.3759**	1.3654

C) Accounting policy developments

Initial application of amendments to accounting standards

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 were effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Effective September 1, 2024, the Corporation applied these amendments, which had no impact on the consolidated financial statements.

Future changes to accounting standards

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

3. Revenue

Three months ended November 30

	Cogeco Communications									
	Canadian telecommunications		American telecommunications		Sub-total		Other		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Residential [1]	**312,277**	315,200	**312,253**	322,079	**624,530**	637,279	**—**	—	**624,530**	637,279
Commercial	**48,363**	44,902	**44,583**	45,145	**92,946**	90,047	**—**	—	**92,946**	90,047
Other [2]	**16,626**	16,346	**4,593**	4,017	**21,219**	20,363	**26,265**	28,483	**47,484**	48,846
	377,266	376,448	**361,429**	371,241	**738,695**	747,689	**26,265**	28,483	**764,960**	776,172

(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.

4. Segment information

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

	Three months ended November 30, 2024					
	Cogeco Communications					
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Sub-total	Other	Consolidated
	$	$	$	$	$	$
Revenue [1]	**377,266**	**361,429**	**—**	**738,695**	**26,265**	**764,960**
Operating expenses	**177,788**	**182,617**	**8,153**	**368,558**	**25,318**	**393,876**
Management fees – Cogeco Inc.	**—**	**—**	**4,922**	**4,922**	**(4,922)**	**—**
Adjusted EBITDA	**199,478**	**178,812**	**(13,075)**	**365,215**	**5,869**	**371,084**
Acquisition, integration, restructuring and other costs (gains)				**(9,958)**	**310**	**(9,648)**
Depreciation and amortization				**175,899**	**1,303**	**177,202**
Financial expense				**65,489**	**2,309**	**67,798**
Profit before income taxes				**133,785**	**1,947**	**135,732**
Income taxes				**26,625**	**711**	**27,336**
Profit for the period				**107,160**	**1,236**	**108,396**
Net capital expenditures [2]	**74,161**	**73,727**	**2,757**	**150,645**	**271**	**150,916**

	Three months ended November 30, 2023					
	Cogeco Communications					
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Sub-total	Other	Consolidated
	$	$	$	$	$	$
Revenue [1]	376,448	371,241	—	747,689	28,483	776,172
Operating expenses	180,094	193,071	10,326	383,491	26,648	410,139
Management fees – Cogeco Inc.	—	—	5,238	5,238	(5,238)	—
Adjusted EBITDA	196,354	178,170	(15,564)	358,960	7,073	366,033
Acquisition, integration, restructuring and other costs				2,616	649	3,265
Depreciation and amortization				159,200	1,164	160,364
Financial expense				83,294	1,000	84,294
Profit before income taxes				113,850	4,260	118,110
Income taxes				18,098	1,283	19,381
Profit for the period				95,752	2,977	98,729
Net capital expenditures [2]	87,836	55,853	2,738	146,427	240	146,667

(1) For the first quarter of fiscal 2025, revenue by geographic market includes $403.5 million in Canada and $361.4 million in the United States. For the same period of the prior year, revenue included $404.9 million in Canada, and $371.2 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 14 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.

5. Operating expenses

	Three months ended November 30	
	2024	2023
	$	$
Salaries, employee benefits and outsourced services	**134,358**	141,604
Service delivery costs [1]	**187,101**	190,203
Customer related costs [2]	**35,250**	32,300
Other external purchases [3]	**37,167**	46,032
	393,876	410,139

(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.

6. Acquisition, integration, restructuring and other costs (gains)

	Three months ended November 30	
	2024	2023
	$	$
Acquisition, integration and other costs	**1,303**	179
Restructuring costs	**1,129**	466
Configuration and customization costs related to cloud computing and other arrangements	**1,764**	2,620
Gain on sale and leaseback transactions	**(13,844)**	—
	(9,648)	3,265

7. Financial expense

	Three months ended November 30	
	2024	2023
	$	$
Interest on long-term debt, excluding interest on lease liabilities	**72,343**	69,653
Interest on lease liabilities	**1,004**	708
Loss on debt extinguishment [1]	**—**	16,880
Net foreign exchange loss (gain)	**1,959**	(1,626)
Interest and other income	**(2,749)**	(1,447)
Capitalized borrowing costs [2]	**(5,330)**	(466)
Other	**571**	592
	67,798	84,294

(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) Mainly in connection with debt incurred for the purchase of spectrum licences and the construction of certain networks. For the three-month period ended November 30, 2024, the weighted average interest rate used for the capitalization of borrowing costs was 6.0% (6.9% for the comparative period of the prior year).

8. Income taxes

	Three months ended November 30	
	2024	2023
	$	$
Current	**15,126**	8,042
Deferred	**12,210**	11,339
	27,336	19,381

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:

	Three months ended November 30	
	2024	2023
	$	$
Profit before income taxes	**135,732**	118,110
Combined Canadian income tax rate	**26.5 %**	26.5 %
Income taxes at combined Canadian income tax rate	**35,969**	31,299
Difference in operations' statutory income tax rates	**(167)**	(155)
Recognition of previously unrecognized capital loss	**(2,338)**	—
Impact on income taxes arising from non-deductible expenses and non-taxable profit	**(1,797)**	699
Pillar Two global minimum tax	**2,518**	—
Tax impacts related to foreign operations	**(7,271)**	(12,682)
Other	**422**	220
Income taxes at effective income tax rate	**27,336**	19,381
Effective income tax rate	**20.1%**	16.4%

9. Earnings per share

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

	Three months ended November 30	
	2024	2023
	$	$
Profit for the period attributable to owners of the Corporation	**29,809**	34,541
Weighted average number of multiple and subordinate voting shares outstanding	**9,518,821**	15,512,563
Effect of dilutive incentive share units	**64,699**	42,445
Effect of dilutive performance share units	**64,552**	43,328
Weighted average number of diluted multiple and subordinate voting shares outstanding	**9,648,072**	15,598,336

10. Property, plant and equipment

Sale and leaseback

During the first quarter of fiscal 2025, the Corporation completed a sale of a building in Ontario and its leaseback for a period of two years, with an option to renew for an additional year. In connection with this transaction, the Corporation recognized a gain of $13.8 million within *Acquisition, integration, restructuring and other costs (gains)*.

11. Long-term debt

	November 30, 2024	August 31, 2024
	$	$
Notes and credit facilities	**4,998,624**	4,866,353
Lease liabilities	**88,309**	80,718
Balance due on business combinations	**17,094**	17,094
	5,104,027	4,964,165
Less current portion	**351,728**	370,108
	4,752,299	4,594,057

Notes and credit facilities

	Maturity	Effective interest rate [1]	November 30, 2024	August 31, 2024
		%	$	$
Corporation				
Term Revolving Facility				
Revolving loan	May 2029	5.17	**72,000**	59,000
Non-Revolving Term Credit Facility	December 2026	5.22	**70,920**	71,833
Subsidiaries				
Term Revolving Facility				
Revolving loan – US$252 million (US$237.5 million at August 31, 2024)	May 2029	4.95 [2]	**353,052**	320,411
Senior Secured Notes				
Series A - US$25 million	—	—	**—**	33,727
Series B - US$150 million	September 2026	4.29	**209,989**	202,181
Senior Secured Notes - US$215 million	June 2025	4.30	**301,123**	289,925
Senior Secured Notes - Series 1	September 2031	2.99	**497,666**	497,588
Senior Secured Notes - Series 2	February 2033	5.30	**298,334**	298,293
Senior Unsecured Notes	February 2029	6.13	**271,843**	271,677
Senior Unsecured Non-Revolving Facility	November 2042	—	**—**	—
First Lien Credit Facilities				
Senior Secured Term Loan B Facility				
Tranche 2 - US$875.3 million (US$877.5 million at August 31, 2024)	September 2028	4.17 [3]	**1,213,539**	1,170,893
Tranche 3 - US$769.2 million (US$771.1 million at August 31, 2024)	September 2030	7.63 [4]	**1,059,662**	1,023,005
Farm Credit - US$471.4 million (US$472.6 million at August 31, 2024)	September 2028	7.82 [5]	**650,496**	627,820
Senior Secured Revolving Facility	September 2028	—	**—**	—
			4,998,624	4,866,353
Less current portion			**338,744**	359,220
			4,659,880	4,507,133

(1) Effective interest rate as of November 30, 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$227 million drawn under Cogeco Communications' Term Revolving Facility was hedged until January 10, 2025, using a cross-currency swap agreement which sets the amount redeemable at maturity at $319.2 million.

(3) As of November 30, 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 November 30, 2024, a U.S. subsidiary had outstanding interest rate swap agreements to fix the interest rate on an amount of US$300 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 4.01% to 4.18%, plus an applicable credit spread, for maturities between February 28, 2027 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*.

Subsidiaries

Senior Secured Notes

Cogeco Communications redeemed its US$25 million Senior Secured Notes Series A upon maturity in September 2024.

12. Share capital

A) Issued and paid

	Multiple voting shares		Subordinate voting shares	
	Number of shares	Amount	Number of shares	Amount
		$		$
Issued and outstanding, November 30, 2024 and August 31, 2024	**1,602,217**	**10**	**8,040,562**	**64,347**
Shares held in trust, August 31, 2024 [(1)]	**—**	**—**	**(121,193)**	**(7,924)**
Subordinate voting shares acquired	**—**	**—**	**(46,429)**	**(2,819)**
Subordinate voting shares distributed to employees	**—**	**—**	**19,994**	**1,307**
Shares held in trust, November 30, 2024 [(1)]	**—**	**—**	**(147,628)**	**(9,436)**
Issued and outstanding, net of shares held in trust, November 30, 2024	**1,602,217**	**10**	**7,892,934**	**54,911**

(1) Shares held in trust under the Incentive Share Unit and Performance Share Unit plans.

B) 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 three-month periods ended November 30, 2024 and 2023:

Declaration date	Record date	Payment date	Dividend per share (in dollars)	
			Cogeco	Cogeco Communications
October 31, 2024	**November 14, 2024**	**November 28, 2024**	**0.922**	**0.922**
November 1, 2023	November 15, 2023	November 29, 2023	0.854	0.854

	Three months ended November 30	
	2024	2023
	$	$
Attributable to owners of the Corporation		
Dividends on multiple voting shares	**1,477**	1,368
Dividends on subordinate voting shares	**7,209**	11,825
	8,686	13,193
Attributable to non-controlling interest		
Dividends on subordinate voting shares	**27,608**	24,391

At its January 13, 2025 meeting, the Board of Directors of Cogeco declared a quarterly dividend of $0.922 per share for multiple and subordinate voting shares, payable on February 10, 2025 to shareholders of record on January 27, 2025. The Corporation hereby notifies that all dividends are eligible dividends unless indicated otherwise.

C) Share-based payment plans

The following table shows the compensation expense recorded with regard to the Corporation's and Cogeco Communications' share-based payment plans:

	Three months ended November 30	
	2024	2023
	$	$
Stock options	**285**	409
SARs	**60**	—
ISUs	**467**	236
PSUs	**582**	576
DSUs	**2,055**	(722)
	3,449	499

Stock options and SARs

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.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. 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.
SAR Plan	Cogeco Communications offers a Share Appreciation Rights Plan, for the benefit of its American executive officers and designated employees. 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.

Under Cogeco Communications' Stock Option and SAR plans, changes in the outstanding number of stock options and SARs for the three-month period ended November 30, 2024 were as follows:

	Stock options	Weighted average exercise price	SARs	Weighted average exercise price
		$		**$**
Outstanding at August 31, 2024	**1,017,216**	**80.16**	**32,607**	**61.62**
Granted	**215,231**	**70.83**	**45,766**	**70.83**
Exercised [1]	**(47,004)**	**61.93**	**(3,181)**	**61.62**
Cancelled	**(49,102)**	**98.12**	**—**	**—**
Outstanding at November 30, 2024	**1,136,341**	**78.37**	**75,192**	**67.22**
Exercisable at November 30, 2024	**621,141**	**85.01**	**3,340**	**61.62**

(1) The weighted average share price for options and SARs exercised during the three-month period was $69.81 and $71.39, respectively.

ISUs, PSUs and DSUs

ISU Plans	The Corporation and its subsidiary, Cogeco Communications, offer executive officers and designated employees Incentive Share Unit ("ISU") Plans. The ISUs vest after three years less one day from the date of grant. ISUs are settled in subordinate voting shares, except for U.S. employees which are settled in cash. Two trusts were created for the purpose of purchasing subordinate voting shares of the Corporation and Cogeco Communications on the stock market for equity-settled ISUs, in order to protect against stock price fluctuation. The trustees were instructed to purchase subordinate voting shares of both corporations 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 ISU Plans presented in reduction of share capital or non-controlling interest.
PSU Plans	The Corporation and its subsidiary, Cogeco Communications, offer Performance Share Unit ("PSU") Plans for the benefit of their executive officers and designated employees. The PSUs vest after a three-year less one day period, contingent upon the level of achievement of performance objectives established by the Board of Directors at the time of grant. The participants are entitled to receive dividend equivalents in the form of additional PSUs but only with respect to PSUs expected to vest. The impact of any changes in the number of PSUs expected to vest is recognized in the period where the estimate is revised. PSUs are settled in subordinate voting shares, except for U.S. employees which are settled in cash. Two trusts were created for the purpose of purchasing subordinate voting shares of the Corporation and Cogeco Communications on the stock market for equity-settled PSUs, in order to protect against stock price fluctuation. The trustees were instructed to purchase subordinate voting shares of both corporations 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, 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. 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 Corporation's share-based payment plans, changes in the outstanding number of ISUs, PSUs and DSUs for the three-month period ended November 30, 2024 were as follows:

	ISUs	PSUs	DSUs
Outstanding at August 31, 2024	**61,693**	**62,722**	**100,785**
Granted/Issued [1]	**21,498**	**21,498**	**—**
Performance-based additional units granted	**—**	**—**	**—**
Distributed/Redeemed	**(9,775)**	**(10,219)**	**—**
Cancelled	**—**	**(1,134)**	**—**
Dividend equivalents	**—**	**1,127**	**1,560**
Outstanding at November 30, 2024	**73,416**	**73,994**	**102,345**

(1) The weighted average fair value of the ISUs and PSUs granted during the three-month period was $61.59.

Under Cogeco Communications' share-based payment plans, changes in the outstanding number of ISUs, PSUs and DSUs for the three-month period ended November 30, 2024 were as follows:

	ISUs	PSUs	DSUs
Outstanding at August 31, 2024	**63,951**	**107,888**	**123,182**
Granted/Issued [1]	**25,190**	**214,739**	**—**
Performance-based additional units granted	**—**	**348**	**—**
Distributed/Redeemed	**(12,516)**	**(20,040)**	**—**
Cancelled	**(2,563)**	**(2,864)**	**—**
Dividend equivalents	**—**	**4,140**	**1,699**
Outstanding at November 30, 2024	**74,062**	**304,211**	**124,881**

(1) The weighted average fair value of the ISUs and PSUs granted during the three-month period was $70.83.

13. Accumulated other comprehensive income

	Cash flow hedge reserve	Foreign currency translation	Total
	$	$	$
Balance at August 31, 2023	27,031	33,166	60,197
Other comprehensive income (loss)	(3,864)	1,492	(2,372)
Balance at November 30, 2023	23,167	34,658	57,825
Balance at August 31, 2024	**12,971**	**31,560**	**44,531**
Other comprehensive income	**385**	**15,860**	**16,245**
Balance at November 30, 2024	**13,356**	**47,420**	**60,776**

14. Additional cash flows information

A) Changes in other non-cash operating activities

	Three months ended November 30	
	2024	2023
	$	$
Trade and other receivables	**(14,841)**	71
Prepaid expenses and other	**(7,373)**	(14,464)
Other assets	**(5,441)**	(7,846)
Trade and other payables	**(28,194)**	(29,841)
Provisions	**(15,769)**	(6,207)
Contract liabilities and other liabilities	**(9,034)**	(208)
	(80,652)	(58,495)

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 interim consolidated statements of cash flows, and the net capital expenditures, as presented in Note 4.

	Three months ended November 30	
	2024	2023
	$	$
Acquisition of property, plant and equipment	**153,514**	153,789
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	**(2,598)**	(7,122)
Net capital expenditures	**150,916**	146,667

C) Cash and cash equivalents

	November 30, 2024	August 31, 2024
	$	$
Cash	**86,507**	69,006
Cash with restrictions on use	**6,334**	8,740
	92,841	77,746

15. 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 which are described in the Corporation's 2024 annual consolidated financial statements.

Credit risk

The lowest credit rating of the counterparties to the derivative financial instruments agreements at November 30, 2024 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.

Liquidity risk

The following table shows the amount used and remaining availability under the Corporation's and Cogeco Communications' revolving facilities at November 30, 2024:

	Total amount	Amount used	Remaining availability
Corporation			
Term Revolving Facility	$100.0 million	$72.0 million	$28.0 million
Cogeco Communications			
Term Revolving Facility	$750.0 million	$358.3 million	$391.7 million
Senior Secured Revolving Facility - U.S. subsidiaries	$350.3 million (US$250.0 million)	$3.8 million (US$2.7 million)	$346.5 million (US$247.3 million)

Interest rate risk

On November 30, 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 November 30, 2024:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate [1]	Maturity	Hedged item
Cash flow [2]	US$300 million	Term SOFR	4.01% - 4.18%	February 2027 - 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) Interest rate swaps amounting to US$250 million matured in November 2024, bringing the outstanding hedge amount to US$300 million (US$550 million at August 31, 2024). In December 2024, new fixed interest rate swaps amounting to US$250 million were entered into, with maturities ranging from February 2028 to February 2029, and interest rates varying from 3.82% to 3.85%.

A 1% increase (decrease) in the interest rate applicable to the unhedged portion of the floating interest rate facilities would result in an increase (decrease) of approximately $19.2 million in the Corporation's annual financial expense, based on the outstanding debt and swap agreements at November 30, 2024.

B) Fair value of financial instruments

The carrying value of all the Corporation's financial instruments approximates fair value, except as otherwise noted in the following table:

	November 30, 2024		August 31, 2024	
	Carrying value $	Fair value $	Carrying value $	Fair value $
Notes and credit facilities	**4,998,624**	**5,013,468**	4,866,353	4,792,120

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.

On November 30, 2024 and August 31, 2024, the Corporation and its subsidiary, Cogeco Communications, were in compliance with all of their debt covenants and were not subject to any other externally imposed capital requirements.

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 Cogeco Media subsidiary's adjusted EBITDA results, and the dividends and management fees received from Cogeco Communications, net of corporate expenses.

Corporation

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:

	November 30, 2024	August 31, 2024
Long-term debt, including the current portion	**5,104,027**	4,964,165
Discounts, transaction costs and other	**49,152**	47,036
Long-term debt before discounts, transaction costs and other	**5,153,179**	5,011,201
Bank indebtedness	**6,068**	15,399
Cash and cash equivalents, excluding cash with restrictions on use [1]	**(86,507)**	(69,006)
Net indebtedness	**5,072,740**	4,957,594

(1) See Note 14 C).

Cogeco Communications

The following table summarizes certain of the key ratios used to monitor and manage Cogeco Communications' capital structure:

As at, or for the 12-month periods ended	November 30, 2024	August 31, 2024
Components of debt and coverage ratios		
Net indebtedness [1]	**4,907,478**	4,803,629
Adjusted EBITDA [2]	**1,448,569**	1,442,314
Adjusted financial expense [2]	**259,885**	260,810
Debt and coverage ratios		
Net indebtedness / adjusted EBITDA	**3.4**	3.3
Adjusted EBITDA / adjusted financial expense	**5.6**	5.5

(1) Net indebtedness reflects the US denominated debt converted at the exchange rate at the end of the period.

(2) Adjusted EBITDA and adjusted financial expense reflect the average exchange rate throughout the corresponding 12-month period.

16. Related party transactions

Management fees and other related party transactions

Cogeco is the parent company of Cogeco Communications and, as of November 30, 2024, held 28.4% of Cogeco Communications' equity shares, representing 79.9% of the votes attached to Cogeco Communications' voting shares.

The following table shows the management fees paid by Cogeco Communications for the executive and administrative services provided by Cogeco under the Management Services Agreement:

	Three months ended November 30	
	2024	2023
	$	$
Management fees paid by Cogeco Communications	**4,922**	5,238

No direct remuneration is payable to Cogeco's executive officers by Cogeco Communications. The following table provides the number of stock options and PSUs granted during the three-month periods ended November 30, 2024 and 2023 to these executive officers, as executive officers of Cogeco Communications, the value of which was charged back to Cogeco:

	Three months ended November 30	
(In number of units)	**2024**	2023
Stock options	**143,978**	—
PSUs	**89,991**	—

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:

	Three months ended November 30	
	2024	2023
	$	$
Stock options	**198**	222
ISUs	**40**	—
PSUs	**255**	99
DSUs	**36**	—
	529	321

Primary service units statistics

	November 30, 2024	August 31, 2024	May 31, 2024	February 29, 2024	November 30, 2023
CONSOLIDATED					
Homes passed [1]	**3,873,115**	3,863,637	3,849,846	3,838,038	3,813,534
Primary service units [1][2]	**2,881,126**	2,899,958	2,921,403	2,942,235	2,951,057
Internet service subscribers	**1,541,263**	1,536,298	1,535,322	1,537,340	1,528,754
Video service subscribers	**849,625**	866,135	881,448	893,646	906,817
Wireline phone service subscribers	**490,238**	497,525	504,633	511,249	515,486
CANADA					
Homes passed [1]	**2,104,532**	2,098,262	2,089,834	2,084,425	2,063,949
Primary service units [1][2]	**1,868,636**	1,869,963	1,872,290	1,875,388	1,873,244
Internet service subscribers	**903,390**	892,699	882,992	877,113	865,468
Video service subscribers	**596,841**	604,824	612,701	618,707	626,672
Wireline phone service subscribers	**368,405**	372,440	376,597	379,568	381,104
UNITED STATES					
Homes passed	**1,768,583**	1,765,375	1,760,012	1,753,613	1,749,585
Primary service units [2]	**1,012,490**	1,029,995	1,049,113	1,066,847	1,077,813
Internet service subscribers	**637,873**	643,599	652,330	660,227	663,286
Video service subscribers	**252,784**	261,311	268,747	274,939	280,145
Wireline phone service subscribers	**121,833**	125,085	128,036	131,681	134,382

(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 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.