SHAREHOLDERS' REPORT

Three and six-month periods ended February 28, 2025

Management's discussion and analysis 2

Condensed interim consolidated financial statements 42

Primary service units statistics 67

COGECO COMMUNICATIONS

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

Three and six-month periods ended February 28, 2025

1. Forward-looking statements 3
2. Financial highlights 4
3. Overview of the business 6
4. Consolidated operating and financial results 7
5. Segmented operating and financial results 14
6. Related party transactions 19
7. Cash flow analysis 20
8. Financial position 25
9. Capital resources and liquidity 26
10. Controls and procedures 29
11. Uncertainties and main risk factors 29
12. Accounting policy developments 31
13. Non-IFRS Accounting Standards and other financial measures 33
14. Supplementary quarterly financial information 41

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 Communications Inc.'s ("Cogeco Communications" 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 Communications 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 Communications 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, trade tariffs, 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. 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 Communications 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 Communications' 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 and six-month periods ended February 28, 2025 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 April 9, 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 and six months ended *(In thousands of Canadian dollars, except % and per share data)*	February 28, 2025 $	February 29, 2024 [1] $	Change %	Change in constant currency [2][3] %	February 28, 2025 $	February 29, 2024 [1] $	Change %	Change in constant currency [2][3] %
Operations								
Revenue	**732,426**	730,501	0.3	(2.7)	**1,471,121**	1,478,190	(0.5)	(2.1)
Adjusted EBITDA [3]	**356,499**	347,112	2.7	(0.1)	**721,714**	706,072	2.2	0.6
Adjusted EBITDA margin [3]	**48.7 %**	47.5 %			**49.1 %**	47.8 %		
Acquisition, integration, restructuring and other costs (gains)	**8,035**	885	—		**(1,923)**	3,501	—	
Profit for the period	**79,637**	96,562	(17.5)		**186,797**	192,314	(2.9)	
Profit for the period attributable to owners of the Corporation	**74,674**	93,681	(20.3)		**175,262**	183,174	(4.3)	
Adjusted profit attributable to owners of the Corporation [3][4]	**80,693**	94,054	(14.2)		**171,367**	197,780	(13.4)	
Cash flow								
Cash flows from operating activities	**253,212**	285,434	(11.3)		**472,077**	522,416	(9.6)	
Free cash flow [1][3]	**116,603**	101,799	14.5	12.8	**265,461**	239,647	10.8	10.0
Free cash flow, excluding network expansion projects [1][3]	**132,176**	126,189	4.7	3.3	**302,833**	295,697	2.4	1.7
Acquisition of property, plant and equipment	**159,371**	180,247	(11.6)		**312,614**	333,796	(6.3)	
Net capital expenditures [3][5]	**157,895**	170,769	(7.5)	(10.7)	**308,540**	317,196	(2.7)	(4.6)
Net capital expenditures, excluding network expansion projects [3]	**142,322**	146,379	(2.8)	(6.4)	**271,168**	261,146	3.8	1.6
Capital intensity [3]	**21.6 %**	23.4 %			**21.0 %**	21.5 %		
Capital intensity, excluding network expansion projects [3]	**19.4 %**	20.0 %			**18.4 %**	17.7 %		
Per share data [6]								
Earnings per share								
Basic	**1.77**	2.21	(19.9)		**4.17**	4.23	(1.4)	
Diluted	**1.76**	2.20	(20.0)		**4.13**	4.21	(1.9)	
Adjusted diluted [3][4]	**1.90**	2.21	(14.0)		**4.04**	4.55	(11.2)	
Dividends per share	**0.922**	0.854	8.0		**1.844**	1.708	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 $0.9 million and $20.5 million for the three and six-month periods ended February 28, 2025, respectively ($1.6 million and $1.9 million, respectively, for the same periods 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 periods denominated in US dollars at the foreign exchange rates of the comparable periods of the prior year. For the three and six-month periods ended February 29, 2024, the average foreign exchange rates used for translation were 1.3452 USD/CDN and 1.3553 USD/CDN, respectively.

(3) Adjusted EBITDA and net capital expenditures are total of segments measures. Adjusted EBITDA margin and capital intensity are supplementary financial 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, capital intensity, excluding network expansion projects 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 *(In thousands of Canadian dollars)*	**February 28, 2025** **$**	August 31, 2024 $
Financial condition		
Cash and cash equivalents	**141,073**	76,335
Total assets	**10,152,322**	9,675,009
Long-term debt		
Current	**353,486**	361,808
Non-current	**4,688,512**	4,448,261
Net indebtedness [1]	**4,971,544**	4,803,629
Equity attributable to owners of the Corporation	**3,176,747**	2,979,691

(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 Communications, a telecommunications corporation, provides Internet, video and wireline phone services to residential and business customers in Canada and in the United States. More recently, the Corporation has expanded its services to also offer wireless services in most of the U.S. states in which it operates. The Corporation's results are reported in two operating segments: Canadian telecommunications and American telecommunications.

3.1 Business developments

Issuance of $325 million senior secured notes

On February 6, 2025, Cogeco Communications completed, pursuant to a private offering, the issuance of $325 million senior secured notes, bearing interest at 4.743% and maturing in February 2035, in order to pre-finance its upcoming US$215 million senior secured notes maturing in June 2025. In the meantime, Cogeco Communications used the net proceeds of the offering to repay existing indebtedness and for other general corporate purposes. The senior secured notes are direct and unsubordinated secured debt obligations of Cogeco Communications and rank equally and *pari passu*, with all other secured senior indebtedness of Cogeco Communications.

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

The Corporation pursued its three-year transformation program to improve its agility and competitiveness, driven by a focus on operational optimization, advanced analytics, digital, and an elevated customer experience. This transformation started with the combination of the commercial, operational and technical functions of its 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. In addition, the impact of the U.S. trade tariffs on the greater macroeconomic environment, for which the situation is constantly evolving, may cause customers to reduce or delay discretionary spending and/or result in higher costs and supply chain disruptions, which may pressure the Corporation's revenue and/or operating costs. To sustain its growth, the Corporation announced last year the adoption of a new operating model and a three-year transformation program centered on synergies, digitization, advanced analytics, network expansion and wireless.

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 [1], net capital expenditures [1], capital intensity [1] and free cash flow [1] on a constant currency basis [1]. The Corporation also measures net capital expenditures, capital intensity and free cash flow excluding network expansion projects [1] 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, capital intensity and free cash flow.

Overview

For the first half of fiscal 2025, Cogeco Communications' financial results were as expected. While the American telecommunications segment continued to face headwinds in the context of a competitive environment and the Canadian telecommunications segment also faced pressure on its revenue, cost reduction initiatives and operating efficiencies across the Corporation have positively contributed to adjusted EBITDA.

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(1) Adjusted EBITDA and net capital expenditures are total of segments measures. Capital intensity is a supplementary financial measure. Constant currency basis, net capital expenditures, excluding network expansion projects, free cash flow and free cash flow, excluding network expansion projects are non-IFRS Accounting Standards measures. Capital intensity, excluding network expansion projects is a non-IFRS Accounting Standards ratio. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

During the first six months of fiscal 2025, the Canadian telecommunications segment continued its network expansion activities in Ontario, connecting more homes and businesses to its fibre-to-the-home networks, while the American telecommunications segment's construction related to its high-speed Internet network expansions adopted a slower pace. The Corporation added close to 16,200 homes passed during the first six months of fiscal 2025, primarily in the Canadian telecommunications segment. 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.

Cogeco Communications maintains its fiscal 2025 financial guidelines as issued on October 31, 2024. These financial guidelines, including the various assumptions underlying them, contain forward-looking statements concerning the business outlook for Cogeco Communications, and should be read in conjunction with the "Forward-looking statements" section of the Corporation's fiscal 2024 annual MD&A and this MD&A.

4. Consolidated operating and financial results

4.1 Consolidated performance

Three months ended	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	**Actual** [1]	Foreign exchange impact	**In constant currency** [2]	Actual	**Actual**	**In constant currency**
	$	$	**$**	$	**%**	**%**
Revenue	**732,426**	(21,406)	**711,020**	730,501	**0.3**	**(2.7)**
Operating expenses	**371,006**	(11,558)	**359,448**	378,151	**(1.9)**	**(4.9)**
Management fees – Cogeco Inc.	**4,921**	—	**4,921**	5,238	**(6.1)**	**(6.1)**
Adjusted EBITDA	**356,499**	(9,848)	**346,651**	347,112	**2.7**	**(0.1)**
Adjusted EBITDA margin	**48.7 %**			47.5 %		
Net capital expenditures	**157,895**	(5,343)	**152,552**	170,769	**(7.5)**	**(10.7)**
Capital intensity	**21.6 %**			23.4 %		

(1) For fiscal 2025 second-quarter, the average foreign exchange rate used for translation was 1.4298 USD/CDN.

(2) Fiscal 2025 second-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3452 USD/CDN.

Six months ended	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	**Actual** [1]	Foreign exchange impact	**In constant currency** [2]	Actual	**Actual**	**In constant currency**
	$	$	**$**	$	**%**	**%**
Revenue	**1,471,121**	(24,129)	**1,446,992**	1,478,190	**(0.5)**	**(2.1)**
Operating expenses	**739,564**	(12,998)	**726,566**	761,642	**(2.9)**	**(4.6)**
Management fees – Cogeco Inc.	**9,843**	—	**9,843**	10,476	**(6.0)**	**(6.0)**
Adjusted EBITDA	**721,714**	(11,131)	**710,583**	706,072	**2.2**	**0.6**
Adjusted EBITDA margin	**49.1 %**			47.8 %		
Net capital expenditures	**308,540**	(6,030)	**302,510**	317,196	**(2.7)**	**(4.6)**
Capital intensity	**21.0 %**			21.5 %		

(1) For fiscal 2025 first six months, the average foreign exchange rate used for translation was 1.4028 USD/CDN.

(2) Fiscal 2025 first six months in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3553 USD/CDN.

Revenue

Three months ended	February 28, 2025	February 29, 2024	Change	Change in constant currency	Foreign exchange impact [1]
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**370,211**	373,479	(0.9)	(0.9)	—
American telecommunications	**362,215**	357,022	1.5	(4.5)	(21,406)
	732,426	730,501	0.3	(2.7)	(21,406)

(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.

Six months ended	February 28, 2025	February 29, 2024	Change	Change in constant currency	Foreign exchange impact [1]
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**747,477**	749,927	(0.3)	(0.3)	—
American telecommunications	**723,644**	728,263	(0.6)	(3.9)	(24,129)
	1,471,121	1,478,190	(0.5)	(2.1)	(24,129)

(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.

For the second quarter of fiscal 2025, revenue increased by 0.3% (decrease of 2.7% in constant currency). For the first six months of fiscal 2025, revenue decreased by 0.5% (2.1% in constant currency). The decrease in constant currency for both periods 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 Canadian telecommunications segment, mainly due to a lower revenue per customer as a result of a decline in video and wireline phone service subscribers as an increasing proportion of customers subscribe to Internet-only services, as well as a competitive pricing environment, partly offset 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.

Operating expenses

Three months ended	February 28, 2025	February 29, 2024	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	$	$	%	%	$
Canadian telecommunications	**177,719**	174,720	1.7	1.4	(634)
American telecommunications	**184,506**	190,672	(3.2)	(9.0)	(10,911)
Corporate and eliminations	**8,781**	12,759	(31.2)	(31.3)	(13)
	371,006	378,151	(1.9)	(4.9)	(11,558)

Six months ended	**February 28, 2025**	February 29, 2024	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	**$**	$	%	%	$
Canadian telecommunications	**355,507**	354,814	0.2	—	(731)
American telecommunications	**367,123**	383,743	(4.3)	(7.5)	(12,255)
Corporate and eliminations	**16,934**	23,085	(26.6)	(26.7)	(12)
	739,564	761,642	(2.9)	(4.6)	(12,998)

For the second quarter of fiscal 2025, operating expenses decreased by 1.9% (4.9% in constant currency). The decrease in constant currency is mainly driven by cost reduction initiatives and operating efficiencies across the Corporation as a result of our ongoing transformation program, in addition to:

- reduced video service costs resulting from a decline in TV subscriptions in the American telecommunications segment, as well as the timing of certain operating expenses; partly offset by
- higher operating expenses in the Canadian telecommunications segment, in part to drive subscriber growth, and due to higher technology licensing costs and the timing of certain operating expenses, as well as the NRBN acquisition.

For the first six months of fiscal 2025, operating expenses decreased by 2.9% (4.6% in constant currency). The decrease in constant currency is mainly driven by cost reduction initiatives and operating efficiencies across the Corporation, in addition to reduced video service costs resulting from a decline in TV subscriptions in the American telecommunications segment, as well as the timing of certain operating expenses, while operating expenses in the Canadian telecommunications segment remained stable.

Management fees

For the second quarter and the first six months of fiscal 2025, management fees paid to Cogeco Inc. ("Cogeco") were $4.9 million and $9.8 million, respectively, compared to $5.2 million and $10.5 million for the same periods of fiscal 2024. For further details on the Corporation's management fees, please refer to the "Related party transactions" section.

Adjusted EBITDA

Three months ended	**February 28, 2025**	February 29, 2024	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	**$**	$	%	%	$
Canadian telecommunications	**192,492**	198,759	(3.2)	(2.8)	634
American telecommunications	**177,709**	166,350	6.8	0.5	(10,495)
Corporate and eliminations	**(13,702)**	(17,997)	23.9	23.9	13
	356,499	347,112	2.7	(0.1)	(9,848)

Six months ended	**February 28, 2025**	February 29, 2024	Change	Change in constant currency	Foreign exchange impact
(In thousands of Canadian dollars, except percentages)	**$**	$	%	%	$
Canadian telecommunications	**391,970**	395,113	(0.8)	(0.6)	731
American telecommunications	**356,521**	344,520	3.5	—	(11,874)
Corporate and eliminations	**(26,777)**	(33,561)	20.2	20.2	12
	721,714	706,072	2.2	0.6	(11,131)

For the second quarter of fiscal 2025, adjusted EBITDA increased by 2.7% and remained stable in constant currency, mainly driven by cost reduction initiatives and operating efficiencies across the Corporation, as explained above, offset by lower revenue in both the American and Canadian telecommunications segments, in addition to higher operating expenses in the Canadian telecommunications segment.

For the first six months of fiscal 2025, adjusted EBITDA increased by 2.2% (0.6% in constant currency). The increase in constant currency is driven by cost reduction initiatives and operating efficiencies across the Corporation, offset in part by lower revenue in both the American and Canadian telecommunications segments.

Net capital expenditures

Three months ended	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	**Actual**	Foreign exchange impact	**In constant currency**	Actual	**Actual**	**In constant currency**
	$	$	**$**	$	**%**	**%**
Canadian telecommunications	**74,108**	(580)	**73,528**	106,345	**(30.3)**	**(30.9)**
American telecommunications	**80,402**	(4,756)	**75,646**	62,855	**27.9**	**20.4**
Corporate and eliminations	**3,385**	(7)	**3,378**	1,569	**—**	**—**
Net capital expenditures [1]	**157,895**	(5,343)	**152,552**	170,769	**(7.5)**	**(10.7)**
Net capital expenditures in connection with network expansion projects	**15,573**	(73)	**15,500**	24,390	**(36.2)**	**(36.4)**
Net capital expenditures, excluding network expansion projects	**142,322**	(5,270)	**137,052**	146,379	**(2.8)**	**(6.4)**
Capital intensity	**21.6 %**			23.4 %		
Capital intensity, excluding network expansion projects	**19.4 %**			20.0 %		

(1) 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.

Six months ended	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	**Actual**	Foreign exchange impact	**In constant currency**	Actual	**Actual**	**In constant currency**
	$	$	**$**	$	**%**	**%**
Canadian telecommunications	**148,269**	(700)	**147,569**	194,181	**(23.6)**	**(24.0)**
American telecommunications	**154,129**	(5,319)	**148,810**	118,708	**29.8**	**25.4**
Corporate and eliminations	**6,142**	(11)	**6,131**	4,307	**42.6**	**42.3**
Net capital expenditures [1]	**308,540**	(6,030)	**302,510**	317,196	**(2.7)**	**(4.6)**
Net capital expenditures in connection with network expansion projects	**37,372**	(89)	**37,283**	56,050	**(33.3)**	**(33.5)**
Net capital expenditures, excluding network expansion projects	**271,168**	(5,941)	**265,227**	261,146	**3.8**	**1.6**
Capital intensity	**21.0 %**			21.5 %		
Capital intensity, excluding network expansion projects	**18.4 %**			17.7 %		

(1) 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.

For the second quarter and the first six months of fiscal 2025, net capital expenditures decreased by 7.5% and 2.7% (10.7% and 4.6% in constant currency), respectively, mainly due to:

- lower spending in the Canadian telecommunications segment, primarily due to lower capital spending related to customer premise equipment and the timing of certain initiatives; partly offset by
- higher spending in the American telecommunications segment, mainly resulting from higher costs in relation to customer premise equipment. The increase was offset in part by a slower pace of construction related to high-speed Internet network expansions.

For the second quarter and the first six months of fiscal 2025, capital intensity was 21.6% and 21.0%, respectively, compared to 23.4% and 21.5% for the same periods of the prior year. The capital intensity decrease for both periods is mainly due to the lower net capital expenditures referred to above.

Excluding network expansion projects, net capital expenditures for the second quarter of fiscal 2025 decreased by 2.8% (6.4% in constant currency), while capital intensity was 19.4%, compared to 20.0% for the same period of the prior year. Excluding network expansion projects, net capital expenditures for the first six months of fiscal 2025 increased by 3.8% (1.6% in constant currency), while capital intensity was 18.4%, compared to 17.7% for the same period of the prior year.

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

	Three months ended			Six months ended		
	February 28, 2025	February 29, 2024	Change	**February 28, 2025**	February 29, 2024	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%	**$**	$	%
Acquisition, integration and other costs	**6**	275	(97.8)	**1,309**	454	—
Restructuring costs	**4,541**	218	—	**5,579**	438	—
Configuration and customization costs related to cloud computing and other arrangements	**3,488**	4,586	(23.9)	**5,033**	6,803	(26.0)
Reversal of costs related to litigation and regulatory decisions	**—**	(4,194)	—	**—**	(4,194)	—
Gain on sale and leaseback transactions	**—**	—	—	**(13,844)**	—	—
	8,035	885	—	**(1,923)**	3,501	—

For the second quarter of fiscal 2025, acquisition, integration, restructuring and other costs (gains) increased by $7.2 million, mainly related to:

- higher restructuring costs incurred, mostly in connection with additional costs related to the new organizational structure announced in May 2024 and other cost optimization initiatives undertaken during the second quarter of fiscal 2025; and
- last year's reversal of a charge of $4.2 million recognized following the Copyright Board decision issued in January 2024 on the redetermination of the 2014-2018 royalty rates; partly offset by
- lower configuration and customization costs related to cloud computing and other arrangements.

For the first six months of fiscal 2025, acquisition, integration, restructuring and other costs (gains) decreased by $5.4 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; and
- lower configuration and customization costs related to cloud computing and other arrangements; offset in part by
- higher restructuring costs incurred, mostly in connection with additional costs related to the new organizational structure announced in May 2024 and other cost optimization initiatives undertaken; and
- last year's reversal of a charge of $4.2 million recognized following the Copyright Board decision issued in January 2024 on the redetermination of the 2014-2018 royalty rates.

4.3 Depreciation and amortization

For the second quarter and the first six months of fiscal 2025, depreciation and amortization expense amounted to $182.9 million and $358.8 million, respectively, an increase of 11.8% and 11.1%, respectively, compared to the same periods of the prior year, mainly due to a higher level of capital assets, a change in mix of assets, and the appreciation of the US dollar against the Canadian dollar since last year.

4.4 Financial expense

	Three months ended			Six months ended		
	February 28, 2025	February 29, 2024	Change	**February 28, 2025**	February 29, 2024	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%	**$**	$	%
Interest on long-term debt, excluding interest on lease liabilities	**71,422**	71,159	0.4	**141,579**	140,718	0.6
Interest on lease liabilities	**771**	539	43.0	**1,513**	981	54.2
Loss on debt extinguishment [1]	**—**	—	—	**—**	16,880	—
Net foreign exchange gain	**(2,935)**	(1,828)	60.6	**(939)**	(3,409)	(72.5)
Interest and other income	**(2,801)**	(1,810)	54.8	**(5,528)**	(3,994)	38.4
Capitalized borrowing costs [2]	**(4,879)**	(538)	—	**(10,209)**	(1,004)	—
Other	**1,425**	641	—	**2,076**	1,285	61.6
Financial expense	**63,003**	68,163	(7.6)	**128,492**	151,457	(15.2)
Loss on debt extinguishment [1]	**—**	—	—	**—**	(16,880)	—
Adjusted financial expense [3]	**63,003**	68,163	(7.6)	**128,492**	134,577	(4.5)

(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.

For the second quarter of fiscal 2025, financial expense decreased by 7.6%, mainly due to:

- lower usage under the Term Revolving Facility and the Senior Secured Revolving Facility compared to last year; 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 appreciation of the US dollar against the Canadian dollar.

For the first six months of fiscal 2025, financial expense decreased by 15.2%, mostly 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;
- lower usage under the Term Revolving Facility and the Senior Secured Revolving Facility compared to last year; 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 appreciation of the US dollar against the Canadian dollar.

Excluding last year's non-cash loss on debt extinguishment, financial expense for the first six months of fiscal 2025 decreased by 4.5%.

4.5 Income taxes

	Three months ended			Six months ended		
	February 28, 2025	February 29, 2024	Change	**February 28, 2025**	February 29, 2024	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%	**$**	$	%
Current	**9,670**	9,189	5.2	**24,298**	16,417	48.0
Deferred	**13,234**	8,631	53.3	**25,231**	19,501	29.4
Income taxes	**22,904**	17,820	28.5	**49,529**	35,918	37.9
Effective income tax rate	**22.3 %**	15.6 %	42.9	**21.0 %**	15.7 %	33.8

For the second quarter of fiscal 2025, income tax expense increased by 28.5%, 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; partly offset by
- the decrease in profit before income taxes.

For the first six months of fiscal 2025, income tax expense increased by 37.9%, 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 second quarter and the first six months of fiscal 2025 compared to the same periods of the prior year, mainly resulting from the same factors as mentioned above, offset in part by a favorable adjustment recorded in the second quarter of fiscal 2025 which related to the prior year.

4.6 Profit for the period

	Three months ended			Six months ended		
	February 28, 2025	February 29, 2024	Change	**February 28, 2025**	February 29, 2024	Change
(In thousands of Canadian dollars, except percentages and earnings per share)	**$**	$	%	**$**	$	%
Profit for the period	**79,637**	96,562	(17.5)	**186,797**	192,314	(2.9)
Profit for the period attributable to owners of the Corporation	**74,674**	93,681	(20.3)	**175,262**	183,174	(4.3)
Profit for the period attributable to non-controlling interest [1]	**4,963**	2,881	72.3	**11,535**	9,140	26.2
Adjusted profit attributable to owners of the Corporation	**80,693**	94,054	(14.2)	**171,367**	197,780	(13.4)
Basic earnings per share	**1.77**	2.21	(19.9)	**4.17**	4.23	(1.4)
Diluted earnings per share	**1.76**	2.20	(20.0)	**4.13**	4.21	(1.9)
Adjusted diluted earnings per share	**1.90**	2.21	(14.0)	**4.04**	4.55	(11.2)

(1) The non-controlling interest relates to the 21% ownership of Caisse de dépôt et placement du Québec ("CDPQ") in a U.S. subsidiary.

For the second quarter of fiscal 2025, profit for the period and profit for the period attributable to owners of the Corporation decreased by 17.5% and 20.3%, respectively, mainly as a result of:

- higher depreciation and amortization expense;
- higher acquisition, integration, restructuring and other costs; and
- higher income tax expense; partly offset by
- lower financial expense; and
- the impact of the appreciation of the US dollar against the Canadian dollar.

For the first six months of fiscal 2025, profit for the period and profit for the period attributable to owners of the Corporation decreased by 2.9% and 4.3%, respectively, mostly resulting from:

- higher depreciation and amortization expense; and
- higher income tax expense; partly offset by
- lower financial expense, due in part 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;
- 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
- the impact of the appreciation of the US dollar against the Canadian dollar.

For the second quarter and the first six months of fiscal 2025, 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 14.2% and 13.4%, respectively, compared to the same periods of the prior year.

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	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	**Actual** [1]	Foreign exchange impact	**In constant currency** [2]	Actual	**Actual**	**In constant currency**
	$	$	**$**	$	**%**	**%**
Revenue	**370,211**	—	**370,211**	373,479	**(0.9)**	**(0.9)**
Operating expenses	**177,719**	(634)	**177,085**	174,720	**1.7**	**1.4**
Adjusted EBITDA	**192,492**	634	**193,126**	198,759	**(3.2)**	**(2.8)**
Adjusted EBITDA margin	**52.0 %**			53.2 %		
Net capital expenditures	**74,108**	(580)	**73,528**	106,345	**(30.3)**	**(30.9)**
Capital intensity	**20.0 %**			28.5 %		

(1) For fiscal 2025 second-quarter, the average foreign exchange rate used for translation was 1.4298 USD/CDN.

(2) Fiscal 2025 second-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3452 USD/CDN.

Six months ended	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	**Actual** [1] **$**	Foreign exchange impact $	**In constant currency** [2] **$**	Actual $	**Actual %**	**In constant currency %**
Revenue	**747,477**	—	**747,477**	749,927	**(0.3)**	**(0.3)**
Operating expenses	**355,507**	(731)	**354,776**	354,814	**0.2**	**—**
Adjusted EBITDA	**391,970**	731	**392,701**	395,113	**(0.8)**	**(0.6)**
Adjusted EBITDA margin	**52.4 %**			52.7 %		
Net capital expenditures	**148,269**	(700)	**147,569**	194,181	**(23.6)**	**(24.0)**
Capital intensity	**19.8 %**			25.9 %		

(1) For fiscal 2025 first six months, the average foreign exchange rate used for translation was 1.4028 USD/CDN.

(2) Fiscal 2025 first six months in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3553 USD/CDN.

Revenue

For the second quarter and the first six months of fiscal 2025, revenue decreased by 0.9% and 0.3%, respectively, as reported and in constant currency, mainly as a result of:

- a lower revenue per customer as a result of a decline in video and wireline phone service subscribers as an increasing proportion of customers subscribe to Internet-only services, as well as a competitive pricing environment; partly offset by
- a higher Internet service subscriber base, including from network expansion projects; and
- the NRBN acquisition completed on February 5, 2024.

Operating expenses

For the second quarter of fiscal 2025, operating expenses increased by 1.7% (1.4% in constant currency), mainly resulting from:

- higher operating expenses, in part to drive subscriber growth, and due to higher technology licensing costs and the timing of certain operating expenses; and
- the NRBN acquisition; partly offset by
- cost reduction initiatives and operating efficiencies.

For the first six months of fiscal 2025, operating expenses remained stable as reported and in constant currency, mainly due to:

- higher operating expenses, in part to drive subscriber growth; and
- the NRBN acquisition; offset by
- cost reduction initiatives and operating efficiencies; and
- a $2.6 million gain on disposals of certain property, plant and equipment recognized during the first quarter of fiscal 2025.

Adjusted EBITDA

For the second quarter of fiscal 2025, adjusted EBITDA decreased by 3.2% (2.8% in constant currency), mainly resulting from lower revenue and higher operating expenses, in part to drive subscriber growth.

For the first six months of fiscal 2025, adjusted EBITDA decreased by 0.8% (0.6% in constant currency), mainly resulting from lower revenue while operating expenses remained stable.

Net capital expenditures and capital intensity

For the second quarter and the first six months of fiscal 2025, net capital expenditures decreased by 30.3% and 23.6% (30.9% and 24.0% in constant currency), respectively, mostly due to lower capital spending related to customer premise equipment and the timing of certain initiatives.

For the second quarter and the first six months of fiscal 2025, capital intensity was 20.0% and 19.8%, respectively, compared to 28.5% and 25.9% for the same periods of the prior year. Capital intensity decrease for both periods is mainly due to reduced capital spending, as explained above.

Primary service units and subscriber statistics

		Net additions (losses)		Net additions (losses)	
		Three months ended		Six months ended	
	February 28, 2025	**February 28, 2025**	February 29, 2024 [1] [2]	**February 28, 2025**	February 29, 2024 [1] [2]
Primary service units [3]	**1,865,624**	**(3,012)**	(2,662)	**(4,339)**	(4,214)
Internet service subscribers	**911,749**	**8,359**	8,954	**19,050**	19,719
Video service subscribers	**590,269**	**(6,572)**	(8,188)	**(14,555)**	(16,252)
Wireline phone service subscribers	**363,606**	**(4,799)**	(3,428)	**(8,834)**	(7,681)

(1) During the third quarter of fiscal 2024, primary service units were adjusted following the finalization of the detailed calculation of the number of units acquired from the recent Niagara Regional Broadband Network acquisition, to include those acquired from it. This change was applied retrospectively to the comparative figures.

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

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

Primary service units

Internet

Fiscal 2025 second-quarter and first six months Internet service subscriber net additions of 8,359 and 19,050, respectively, 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 second-quarter and first six months video service subscriber net losses of 6,572 and 14,555, respectively, 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 second-quarter and first six months wireline phone service subscriber net losses of 4,799 and 8,834, respectively, were mainly due to higher mobile phone substitution, partly offset by additions in network expansion areas.

Distribution of subscribers

On February 28, 2025, 56% of subscribers in the Canadian telecommunications segment subscribed to two-service or three-service bundles.

Homes passed

For the second quarter and the first six months of fiscal 2025, homes passed increased by 6,028 and 12,298, respectively.

5.2 American telecommunications

Operating and financial results

Three months ended	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	Actual [1] $	Foreign exchange impact $	In constant currency [2] $	Actual $	Actual %	In constant currency %
Revenue	362,215	(21,406)	340,809	357,022	1.5	(4.5)
Operating expenses	184,506	(10,911)	173,595	190,672	(3.2)	(9.0)
Adjusted EBITDA	177,709	(10,495)	167,214	166,350	6.8	0.5
Adjusted EBITDA margin	49.1 %			46.6 %		
Net capital expenditures	80,402	(4,756)	75,646	62,855	27.9	20.4
Capital intensity	22.2 %			17.6 %		

(1) For fiscal 2025 second-quarter, the average foreign exchange rate used for translation was 1.4298 USD/CDN.

(2) Fiscal 2025 second-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3452 USD/CDN.

Six months ended	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	Actual [1] $	Foreign exchange impact $	In constant currency [2] $	Actual $	Actual %	In constant currency %
Revenue	723,644	(24,129)	699,515	728,263	(0.6)	(3.9)
Operating expenses	367,123	(12,255)	354,868	383,743	(4.3)	(7.5)
Adjusted EBITDA	356,521	(11,874)	344,647	344,520	3.5	—
Adjusted EBITDA margin	49.3 %			47.3 %		
Net capital expenditures	154,129	(5,319)	148,810	118,708	29.8	25.4
Capital intensity	21.3 %			16.3 %		

(1) For fiscal 2025 first six months, the average foreign exchange rate used for translation was 1.4028 USD/CDN.

(2) Fiscal 2025 first six months in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3553 USD/CDN.

Revenue

For the second quarter of fiscal 2025, revenue increased by 1.5% (decrease of 4.5% in constant currency). For the first six months of fiscal 2025, revenue decreased by 0.6% (3.9% in constant currency). The decrease in constant currency in both periods is mainly due to:

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

In local currency, revenue amounted to US$253.3 million and US$516.1 million, respectively, compared to US$265.4 million and US$537.3 million for the same periods of fiscal 2024.

Operating expenses

For the second quarter and the first six months of fiscal 2025, operating expenses decreased by 3.2% and 4.3% (9.0% and 7.5% in constant currency), respectively. The decrease in constant currency in both periods is primarily due to:

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

Adjusted EBITDA

For the second quarter of fiscal 2025, adjusted EBITDA increased by 6.8% (0.5% in constant currency). The increase in constant currency is mostly driven by cost reduction initiatives and operating efficiencies, offset in part by lower revenue.

For the first six months of fiscal 2025, adjusted EBITDA increased by 3.5%, while it remained stable in constant currency, mainly due to the same explanations as mentioned above.

In local currency, adjusted EBITDA amounted to US$124.3 million and US$254.3 million, respectively, compared to US$123.7 million and US$254.2 million for the same periods of fiscal 2024.

Net capital expenditures and capital intensity

For the second quarter and the first six months of fiscal 2025, net capital expenditures increased by 27.9% and 29.8% (20.4% and 25.4% in constant currency), respectively, mainly resulting from higher costs in relation to customer premise equipment, partly offset by a slower pace of construction related to high-speed Internet network expansions.

In local currency, net capital expenditures amounted to US$56.3 million and US$109.8 million, respectively, compared to US$46.7 million and US$87.6 million for the same periods of fiscal 2024.

For the second quarter and the first six months of fiscal 2025, capital intensity was 22.2% and 21.3%, respectively, compared to 17.6% and 16.3% for the same periods of fiscal 2024. Capital intensity increase for both periods is mainly explained by higher capital spending, as explained above.

Primary service units and subscriber statistics

		Net additions (losses)		Net additions (losses)	
		Three months ended		Six months ended	
	February 28, 2025	**February 28, 2025**	February 29, 2024	**February 28, 2025**	February 29, 2024
Primary service units [1]	**997,135**	**(15,355)**	(10,966)	**(32,860)**	(31,884)
Internet service subscribers	**632,836**	**(5,037)**	(3,059)	**(10,763)**	(11,535)
Video service subscribers	**245,672**	**(7,112)**	(5,206)	**(15,639)**	(13,942)
Wireline phone service subscribers	**118,627**	**(3,206)**	(2,701)	**(6,458)**	(6,407)

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

Primary service units

Internet

Fiscal 2025 second-quarter and first six months Internet service subscriber net losses were 5,037 and 10,763, respectively, of which 1,462 and 2,287 were in Ohio, mainly due to:

- a highly competitive environment, notably for entry-level Internet services; partly offset by
- a reduction in net losses over last year in Ohio, primarily due to improved customer management resulting from investments made in the network infrastructure and the proactive replacement of customer IPTV video equipment; and
- new subscribers gained from fibre-to-the-home network expansions.

Video

Fiscal 2025 second-quarter and first six months video service subscriber net losses of 7,112 and 15,639, respectively, were mainly due to:

- the continued promotion of Internet-led offers and a reduced emphasis on stand-alone video service offerings;
- 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 second-quarter and first six months wireline phone service subscriber net losses of 3,206 and 6,458, respectively, were mainly due to:

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

Distribution of subscribers

On February 28, 2025, 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 second quarter and the first six months of fiscal 2025, homes passed increased by 678 and 3,886, respectively.

6. Related party transactions

As of February 28, 2025, Cogeco held 28.4% of the Corporation's equity shares, representing 79.9% of the votes attached to the Corporation's voting shares.

Cogeco provides executive and administrative services to the Corporation 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 or the Corporation from time to time during the term of the Agreement. The following table shows the management fees paid to Cogeco:

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Management fees paid to Cogeco	**4,921**	5,238	**9,843**	10,476

No direct remuneration is payable to Cogeco's executive officers by the Corporation. The following table provides the number of stock options, incentive share units ("ISUs") and performance share units ("PSUs") granted during the six-month periods ended February 28, 2025 and February 29, 2024 to these executive officers, as executive officers of Cogeco Communications, as well as deferred share units ("DSUs") issued to Board directors of Cogeco, the value of which was charged back to Cogeco:

	Six months ended	
(In number of units)	**February 28, 2025**	February 29, 2024
Stock options	**143,978**	169,799
ISUs	**—**	974
PSUs	**89,991**	26,444
DSUs	**—**	2,368

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
(In thousands of Canadian dollars)	**$**	$	**$**	$
Stock options	**189**	103	**387**	325
ISUs	**31**	2	**71**	2
PSUs	**473**	244	**728**	343
DSUs	**37**	—	**73**	—
	730	349	**1,259**	670

Share buyback transaction during the second quarter of fiscal 2024 - repurchases of Rogers holdings in Cogeco and Cogeco Communications

On December 13, 2023, Cogeco and Cogeco Communications entered into a series of transactions pursuant to the sale by Rogers Communications Inc. of its entire holdings in both companies to CDPQ. Cogeco sold 2,266,537 subordinate voting shares of its holding in Cogeco Communications to Cogeco Communications for $116.5 million and 1,423,692 subordinate voting shares to CDPQ for $73.2 million, following the conversion and cancellation of an equivalent number of Cogeco Communications multiple voting shares. The 2,266,537 subordinate voting shares repurchased by Cogeco Communications were repurchased for cancellation.

7. Cash flow analysis

	Three months ended			Six months ended		
	February 28, 2025	February 29, 2024	Change	**February 28, 2025**	February 29, 2024	Change
(In thousands of Canadian dollars, except percentages)	**$**	$	%	**$**	$	%
Cash flows from operating activities	**253,212**	285,434	(11.3)	**472,077**	522,416	(9.6)
Cash flows used in investing activities	**(160,209)**	(274,635)	(41.7)	**(297,174)**	(427,749)	(30.5)
Cash flows used in financing activities	**(46,361)**	(13,931)	—	**(115,636)**	(375,525)	(69.2)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	**2,862**	(240)	—	**5,471**	(873)	—
Net change in cash and cash equivalents	**49,504**	(3,372)	—	**64,738**	(281,731)	—
Cash and cash equivalents, beginning of the period	**91,569**	84,562	8.3	**76,335**	362,921	(79.0)
Cash and cash equivalents, end of the period	**141,073**	81,190	73.8	**141,073**	81,190	73.8

7.1 Operating activities

For the second quarter and the first six months of fiscal 2025, cash flows from operating activities decreased by 11.3% and 9.6%, respectively, mainly due to:

- lower cash from other non-cash operating activities, primarily due to the timing of payments of trade and other payables, as well as 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
- lower interest paid.

7.2 Investing activities

For the second quarter and the first six months of fiscal 2025, cash flows used in investing activities decreased by 41.7% and 30.5%, respectively, mainly as a result of:

- cash flows used in connection with the acquisition of Niagara Regional Broadband Network last year;
- last year's $38.1 million deposit paid in order to secure 99 spectrum licences in the 3800 MHz spectrum auction; and
- the decrease in acquisition of property, plant and equipment.

In addition, the decrease for the first six months of fiscal 2025 is also explained by net proceeds amounting to $16.5 million received in connection with a sale and leaseback transaction of a building in Ontario during the first quarter of fiscal 2025.

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				Six months ended			
(In thousands of Canadian dollars, except percentages)	**February 28, 2025**	February 29, 2024	Change	Change in constant currency	**February 28, 2025**	February 29, 2024	Change	Change in constant currency
	$	$	%	%	**$**	$	%	%
Acquisition of property, plant and equipment	**159,371**	180,247	(11.6)		**312,614**	333,796	(6.3)	
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	**(1,476)**	(9,478)	(84.4)		**(4,074)**	(16,600)	(75.5)	
Net capital expenditures	**157,895**	170,769	(7.5)	(10.7)	**308,540**	317,196	(2.7)	(4.6)

7.3 Financing activities

Issuance and repayment of debt

For the second quarter and the first six months of fiscal 2025, changes in cash flows from the issuance and repayment of debt are mainly explained as follows:

	Three months ended		Six months ended		
(In thousands of Canadian dollars)	**February 28, 2025**	February 29, 2024	**February 28, 2025**	February 29, 2024	Explanations
	$	$	**$**	$	
Increase in bank indebtedness	**11,127**	1,557	**2,657**	172	Related to the timing of working capital needs.
Net increase (decrease) under revolving facilities	**(331,714)**	(120,479)	**(312,893)**	33,515	Repayment of amounts drawn under the Term Revolving Facility using net proceeds from the issuance of the $325 million Senior Secured Notes - Series 3 during the second quarter of fiscal 2025.
Issuance of long-term debt, net of discounts and transaction costs	**323,421**	270,719	**323,421**	1,926,927	Mainly related to the issuance of the $325 million Senior Secured Notes - Series 3 in February 2025. 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, and the issuance of the $275 million Senior Unsecured Notes in February 2024.
Repayment of notes and credit facilities	**(7,761)**	(3,053)	**(49,019)**	(2,132,268)	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. 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	**(3,181)**	(2,078)	**(5,787)**	(3,882)	Comparable.
Increase in deferred transaction costs	**—**	(119)	**—**	(1,920)	Related to last year's amendment of the Senior Secured Revolving Facility in September 2023.
	(8,108)	146,547	**(41,621)**	(177,456)	

Dividends

During the second 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 $38.7 million, compared to a quarterly eligible dividend of $0.854 per share, or $35.8 million, in the second quarter of fiscal 2024. Dividend payment in the first six months of fiscal 2025 totalled $1.844 per share, or $77.4 million, compared to $1.708 per share, or $73.6 million, in the prior year.

Purchase of subordinate voting shares for cancellation from Cogeco during the second quarter of fiscal 2024

On December 13, 2023, following a share buyback transaction, the Corporation repurchased for cancellation 2,266,537 of its subordinate voting shares for $116.5 million.

7.4 Free cash flow

Three months ended	**February 28, 2025** [1]	February 29, 2024 [2]	Change	Change in constant currency [3]	Foreign exchange impact [3]
(In thousands of Canadian dollars, except percentages)	**$**	$	%	%	$
Adjusted EBITDA	**356,499**	347,112	2.7	(0.1)	(9,848)
Share-based payment	**(165)**	2,497	—		
Proceeds from sale and leaseback and other disposals of property, plant and equipment [2]	**931**	1,644	(43.4)		
Gain on disposals and write-offs of property, plant and equipment	**(1,178)**	(471)	—		
Defined benefit plans expense, net of contributions	**72**	94	(23.4)		
Acquisition, integration, restructuring and other costs	**(8,035)**	(885)	—		
Financial expense	**(63,003)**	(68,163)	(7.6)		
Amortization of deferred transaction costs and discounts on long-term debt [4]	**2,228**	2,007	11.0		
Current income taxes	**(9,670)**	(9,189)	5.2		
Net capital expenditures	**(157,895)**	(170,769)	(7.5)		
Repayment of lease liabilities	**(3,181)**	(2,078)	53.1		
Free cash flow [2]	**116,603**	101,799	14.5	12.8	(1,760)
Free cash flow, excluding network expansion projects [2]	**132,176**	126,189	4.7	3.3	(1,833)

(1) For fiscal 2025 second-quarter, the average foreign exchange rate used for translation was 1.4298 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 second-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3452 USD/CDN.

(4) Included within financial expense.

Six months ended	**February 28, 2025** [1]	February 29, 2024 [2]	Change	Change in constant currency [3]	Foreign exchange impact [3]
(In thousands of Canadian dollars, except percentages)	**$**	$	%	%	$
Adjusted EBITDA	**721,714**	706,072	2.2	0.6	(11,131)
Share-based payment	**2,058**	2,952	(30.3)		
Proceeds from sale and leaseback and other disposals of property, plant and equipment [2]	**20,544**	1,899	—		
Gain on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions [4]	**(17,626)**	(584)	—		
Defined benefit plans expense, net of contributions	**273**	200	36.5		
Acquisition, integration, restructuring and other (costs) gains [4]	**1,923**	(3,501)	—		
Financial expense	**(128,492)**	(151,457)	(15.2)		
Loss on debt extinguishment [5]	**—**	16,880	—		
Amortization of deferred transaction costs and discounts on long-term debt [5]	**3,692**	4,681	(21.1)		
Current income taxes	**(24,298)**	(16,417)	48.0		
Net capital expenditures	**(308,540)**	(317,196)	(2.7)		
Repayment of lease liabilities	**(5,787)**	(3,882)	49.1		
Free cash flow [2]	**265,461**	239,647	10.8	10.0	(1,964)
Free cash flow, excluding network expansion projects [2]	**302,833**	295,697	2.4	1.7	(2,053)

(1) For fiscal 2025 first six months, the average foreign exchange rate used for translation was 1.4028 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 six months in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3553 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. On a net basis, the $13.8 million non-cash gain had no impact on the free cash flow.

(5) Included within financial expense.

For the second quarter of fiscal 2025, free cash flow increased by 14.5% (12.8% in constant currency). The variation in constant currency is mainly due to:

- lower net capital expenditures in the Canadian telecommunications segment, offset in part by higher net capital expenditures in the American telecommunications segment; and
- lower financial expense; partly offset by
- higher acquisition, integration, restructuring and other costs.

For the first six months of fiscal 2025, free cash flow increased by 10.8% (10.0% in constant currency). The variation in constant currency is mostly due to:

- net proceeds from disposals of property, plant and equipment, including net proceeds amounting to $16.5 million received during the first quarter of fiscal 2025 in connection with a sale and leaseback transaction of a building in Ontario;
- lower net capital expenditures in the Canadian telecommunications segment, offset in part by higher net capital expenditures in the American telecommunications segment; and
- lower financial expense, net of last year's pre-tax $16.9 million non-cash loss on debt extinguishment recognized in the first quarter of fiscal 2024; partly offset by
- higher current income taxes; and
- higher restructuring costs incurred, included within *Acquisition, integration, restructuring and other (costs) gains*.

Excluding network expansion projects, free cash flow for the second quarter and the first six months of fiscal 2025 amounted to $132.2 million and $302.8 million ($130.3 million and $300.8 million in constant currency), respectively, an increase of 4.7% and 2.4% (3.3% and 1.7% in constant currency), respectively, compared to $126.2 million and $295.7 million for the same periods of the prior year.

7.5 Dividend declaration

At its April 9, 2025 meeting, the Board of Directors of Cogeco Communications declared a quarterly eligible dividend of $0.922 per share for multiple and subordinate voting shares, payable on May 7, 2025 to shareholders of record on April 23, 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 Communications 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)	**February 28, 2025** **$**	August 31, 2024 $	Change $	Explanations
Current assets				
Cash and cash equivalents	**141,073**	76,335	64,738	Refer to the "Cash flows analysis" section.
Trade and other receivables	**143,533**	112,108	31,425	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	**15,899**	13,873	2,026	Not significant.
Prepaid expenses and other	**50,176**	39,380	10,796	Mainly related to the increase in prepayments for annual services agreements.
Derivative financial instruments	**12,429**	3,875	8,554	Mainly related to the interest swap tranches maturing in October 2025 reclassified as current, partly offset by the ones that matured in November 2024.
	363,110	245,571	117,539	
Current liabilities				
Bank indebtedness	**17,041**	14,384	2,657	Refer to the "Cash flows analysis" section.
Trade and other payables	**306,499**	359,663	(53,164)	Mainly related to the timing of payments made to suppliers, partly offset by the appreciation of the US dollar against the Canadian dollar.
Provisions	**39,333**	56,668	(17,335)	Mainly related to the payment of restructuring costs previously recognized in connection with the organizational structure announced in May 2024.
Income tax liabilities	**12,645**	412	12,233	Related to the current income taxes expense for the period, partly offset by the payment of income tax installments.
Contract liabilities and other liabilities	**58,519**	61,335	(2,816)	Not significant.
Government subsidies received in advance	**5,054**	8,740	(3,686)	Not significant.
Current portion of long-term debt	**353,486**	361,808	(8,322)	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.
	792,577	863,010	(70,433)	
Working capital deficiency	**(429,467)**	(617,439)	187,972	

8.2 Other significant changes

(In thousands of Canadian dollars)	**February 28, 2025** **$**	August 31, 2024 $	Change $	Explanations
Non-current assets				
Property, plant and equipment	**3,410,830**	3,305,394	105,436	Mainly related to capital investments made during the first six months 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	**3,944,168**	3,812,214	131,954	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	**2,263,925**	2,132,661	131,264	Mainly related to the appreciation of the US dollar against the Canadian dollar.
Derivative financial instruments	**27,328**	46,539	(19,211)	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	**4,688,512**	4,448,261	240,251	Mainly related to the issuance of the $325 million Senior Secured Notes - Series 3 in February 2025 and the appreciation of the US dollar against the Canadian dollar, partly offset by the net repayment of the Term Revolving Facility during the second quarter of fiscal 2025 and the quarterly repayments on the Senior Secured Term B Facility.
Deferred tax liabilities	**918,194**	863,864	54,330	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 following table summarizes certain key ratios used to monitor and manage the Corporation's capital structure:

	February 28, 2025	August 31, 2024
Weighted average cost of indebtedness [1]	**5.4 %**	5.6 %
Weighted average term: long-term debt (in years)	**4.7**	4.8
Net indebtedness / adjusted EBITDA ratio [2][3]	**3.4**	3.3
Adjusted EBITDA / adjusted financial expense ratio [2][3]	**5.7**	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.

The table below summarizes the Corporation's available liquidity:

(In thousands of Canadian dollars)	**At February 28, 2025** **$**	At August 31, 2024 $
Cash and cash equivalents	**141,073**	76,335
Cash with restrictions on use [1]	**(5,054)**	(8,740)
Amounts available under revolving credit facilities [2]	**1,058,903**	748,260
Available liquidity [3]	**1,194,922**	815,855

(1) Included within cash and cash equivalents (see Note 15 C) of the Corporation's condensed interim consolidated financial statements).

(2) Total amount available under the $750 million Term Revolving Facility and the US$250 million Senior Secured Revolving Facility (see Note 16 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.

9.2 Outstanding share data

A description of Cogeco Communications' share data at March 31, 2025 is presented in the table below. Additional details are provided in Note 13 A) of the Corporation's condensed interim consolidated financial statements.

(In thousands of Canadian dollars, except number of shares/options)	Number of shares/options	Amount $
Common shares		
Multiple voting shares	**12,000,871**	**75,217**
Subordinate voting shares	**30,272,424**	**783,046**
Options to purchase subordinate voting shares		
Outstanding options	**1,157,729**	
Exercisable options	**648,818**	

9.3 Financing

On February 6, 2025, Cogeco Communications completed, pursuant to a private offering, the issuance of $325 million senior secured notes, bearing interest at 4.743% and maturing in February 2035, in order to pre-finance its upcoming US$215 million senior secured notes maturing in June 2025. In the meantime, Cogeco Communications used the net proceeds of the offering to repay existing indebtedness and for other general corporate purposes. The senior secured notes are direct and unsubordinated secured debt obligations of Cogeco Communications and rank equally and *pari passu*, with all other secured senior indebtedness of Cogeco Communications.

9.4 Credit ratings

At February 28, 2025	**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

9.5 Financial risk management

Management's objectives are to protect the Corporation and its subsidiaries against material economic exposures and variability of results, and against certain financial risks including credit, liquidity, interest rate, foreign exchange and market risks 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 February 28, 2025 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 its U.S. subsidiaries' revolving facilities at February 28, 2025:

	Total amount	Amount used	Remaining availability
Corporation			
Term Revolving Facility	$750.0 million	$47.8 million	$702.2 million
U.S. subsidiaries			
Senior Secured Revolving Facility	$361.0 million	$4.3 million	$356.7 million
	(US$250.0 million)	(US$3.0 million)	(US$247.0 million)

Interest rate risk

On February 28, 2025, all of the Corporation's long-term debt was at fixed rate, except for the amounts drawn under the 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, the Corporation's U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at February 28, 2025:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate [1]	Maturity	Hedged item
Cash flow [2]	US$550 million	Term SOFR	3.82% - 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, and in December 2024 new fixed interest rate swaps of the same amount 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 $11.3 million in the Corporation's annual financial expense, based on the outstanding debt and swap agreements at February 28, 2025.

Foreign exchange risk

Cogeco Communications faces exposure to foreign exchange risk associated with the June 2025 repayment of its US$215 million Senior Secured Notes. In order to mitigate such risk, subsequent to fiscal 2025 second-quarter, Cogeco Communications entered into foreign currency forward contracts to partially hedge its exposure.

9.6 Foreign currency

For the three and six-month periods ended February 28, 2025 and February 29, 2024, the average rates prevailing used to convert the operating results of the American telecommunications segment were as follows:

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
US dollar vs Canadian dollar	**1.4298**	1.3452	**1.4028**	1.3553

9.7 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. The following is an update to the "contractual obligations, contingencies and guarantees" described in the fiscal 2024 annual MD&A.

Final rates for aggregated wholesale Internet access services

On March 27, 2025, the Supreme Court of Canada dismissed the application of an Internet wholesale-based provider that sought leave to appeal the Canadian Radio-television and Telecommunications Commission's ("CRTC") Telecom Decision 2021-181, in which the CRTC overturned wholesale rate reductions it had mandated in a 2019 decision and made the interim rates it had previously established in 2016, with certain adjustments, final. For more information, please refer to the "Uncertainties and main risk factors" section.

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 Communications' 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 February 28, 2025, and concluded that they are adequate. Furthermore, no significant changes to the internal controls over financial reporting occurred during the three and six-month periods ended February 28, 2025.

11. Uncertainties and main risk factors

A detailed description of the uncertainties and main risk factors faced by Cogeco Communications 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.

Evolving economic conditions

The imposition of trade tariffs, other trade conditions or protective government measures may adversely impact the greater macroeconomic environment and may cause customers to reduce or delay discretionary spending, impacting new service purchases or volumes of use, and consider substitution by lower-priced alternatives. Trade friction may also result in higher costs and supply chain disruptions. The overall economic impact remains uncertain and will depend on the severity and duration of the trade tariffs, which could have a material adverse effect on the Corporation's business, financial condition and results of operations, including its financial guidelines.

Regulatory and legislative developments

Canada

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") and their affiliates 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, the Corporation, 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, Rogers and their affiliates 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 launched separate proceedings to reconsider TD 2023-358 and to consider the various applications to review and vary TRP 2024-180. On February 3, 2025, the CRTC determined that it would not vary TD 2023-358, but that it would rule on the various applications to review and vary TRP 2024-180 by summer 2025.

On November 9, 2024, the Corporation, 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.

Appeals of CRTC's 2021 Internet wholesale rate decision

On May 27, 2021, the CRTC released Telecom Decision 2021-181, which ruled on applications by cable carriers (including the Corporation) and telecommunications carriers to review and vary Telecom Order 2019-288. In Telecom Order 2019-288, the CRTC had set final rates for Cogeco Connexion's aggregated wholesale high-speed Internet access service that were significantly lower than the interim rates set in October 2016, and had made them retroactive to March 31, 2016. In Telecom Decision 2021-181, the CRTC overturned the 2019 rate reductions and made the interim rates it had previously established in 2016, with certain adjustments, final. On July 28, 2021, an Internet wholesale-based provider sought leave to appeal Telecom Decision 2021-181 to the Federal Court of Appeal, which was granted on September 15, 2021. On July 22, 2024, the Federal Court of Appeal dismissed the appeal. On September 30, 2024, the same Internet wholesale-based provider sought leave to appeal the Federal Court of Appeal's decision to the Supreme Court of Canada. On March 27, 2025, the Supreme Court of Canada dismissed the application for leave to appeal.

Spectrum

On March 6, 2025, Innovation, Science and Economic Development Canada ("ISED") launched a consultation on the spectrum in the 26 and 38 GHz bands, also referred to as "millimetre wave" ("mmWave") spectrum. These bands will allow for the expansion of 5G networks and the eventual deployment of 6G services. The consultation is seeking comments on the repurposing of a portion of the 26 GHz band to flexible use (i.e. mobile or fixed use), on the auction process in the 26 GHz and 38 GHz bands, and on the non-auction local licensing process in the 26 GHz band. ISED, among other things, is of the view that pro-competitive measures are required for the proposed mmWave auction and is seeking comment on whether to use a cross-band spectrum cap.

On March 7, 2025, ISED issued *Decision on a Fee Framework and Amendments to Conditions of Licence for Certain Spectrum Licences Used to Provide Commercial Mobile Services Below 10 GHz*, which aims to ensure that spectrum licence fees are applied fairly and consistently across bands. The fees, which are set to take effect on April 1, 2026, will be calculated based on the amount of spectrum authorized (MHz) and the population within the licence area, employing a three-tier rate system that considers a licensee's total spectrum holdings. While this decision will increase the annual spectrum fees Cogeco Communications pays to ISED, its financial impact is not expected to be material to the Corporation in the near term, as a majority (i.e. over 80%) of the spectrum licences currently held by the Corporation has an initial licence term ending in 2041, during which annual spectrum fees do not apply.

CRTC consultation on broadcasting market dynamics

On January 9, 2025, the CRTC issued Notice of Consultation CRTC 2025-2, *The Path Forward - Working towards a sustainable Canadian broadcasting system*. This proceeding will examine the market dynamics between programming undertakings, broadcasting distribution undertakings ("BDUs") and online services to ensure the sustainability and growth of Canada's broadcasting system. It will also look at the effectiveness of existing regulatory tools, including the Wholesale Code and the CRTC's dispute resolution processes, used by BDUs (including the Corporation) and programming undertakings in negotiations for the carriage and distribution of programming services. A public hearing is scheduled to begin on June 18, 2025.

United States

FTC's "Click-to-Cancel" rule

On October 16, 2024, the Federal Trade Commission ("FTC") adopted rules that will require sellers offering goods and services with a negative option feature, including Internet, wireless and video service providers, to make it as easy for consumers to cancel their enrollment as it was to sign up. These rules have been challenged in federal court, and we cannot predict the outcome of those challenges. The application of the rules could make it easier and faster for consumers to terminate subscription services.

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 accounting 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, but does not expect to have any material impact.
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 two new defined subtotals, i.e. operating profit and profit before financing and income taxes; • 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. The IASB also made consequential amendments to other accounting standards, including IAS 7, *Statement of Cash Flows*, IAS 33, *Earnings per Share,* and IAS 34, *Interim Financial Reporting*. 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 these new and amended accounting standards on its consolidated financial statements presentation and disclosure. Based on a high level assessment, the Corporation expects the following most significant impacts to date on the presentation and disclosure of its consolidated financial statements: • **Consolidated statements of profit or loss:** Although there will be no impact on the Corporation's reported profit for the period/year, the presentation of the Corporation's consolidated statements of profit or loss will change, including presenting the two new defined subtotals and classifying income and expenses into the IFRS 18 defined categories. Certain line items presented may also change as a result of the application of the new 'useful structured summary' concept and the enhanced principles on aggregation and disaggregation. • **Consolidated statements of cash flows:** The starting point will change from profit for the period/year to the new operating profit subtotal to be reported, while interest paid will move from cash flows from operating activities to cash flows from financing activities. • **Notes to the consolidated financial statements:** Certain financial measures and related information currently reported as 'non-IFRS Accounting Standards and other financial measures' in the Corporation's management's discussion and analysis are expected to be considered 'management-defined performance measures' under IFRS 18 (e.g. adjusted EBITDA and adjusted profit attributable to owners of the Corporation). Accordingly, specific required disclosures for these management-defined performance measures will need to be provided within a single note to the consolidated financial statements.

13. Non-IFRS Accounting Standards and other financial measures

This section describes non-IFRS Accounting Standards and other financial measures used by Cogeco Communications throughout this MD&A. These financial measures are reviewed in assessing the performance of Cogeco Communications and used in the decision-making process with regard to its business units.

Financial measures presented on a constant currency basis for the three and six-month periods ended February 28, 2025 are translated at the average foreign exchange rate of the comparable periods of the prior year, which were 1.3452 USD/CDN and 1.3553 USD/CDN, respectively.

Non-IFRS Accounting Standards measures

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

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

Specified financial measures	Usefulness	Calculation	Most directly comparable IFRS Accounting Standards measures
Adjusted profit attributable to owners of the Corporation	Adjusted profit attributable to owners of the Corporation is a measure used by management to assess the Corporation's performance before the impact of impairment of assets, acquisition, integration, restructuring and other costs (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.	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.	Cash flows from operating activities
	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, excluding network expansion projects: - Free cash flow add: - net capital expenditures in connection with network expansion projects.	
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 Communications' 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 Communications' 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		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
(In thousands of Canadian dollars)	**$**	$	**$**	$
Profit for the period attributable to owners of the Corporation	**74,674**	93,681	**175,262**	183,174
Acquisition, integration, restructuring and other costs (gains)	**8,035**	885	**(1,923)**	3,501
Loss on debt extinguishment [1]	**—**	—	**—**	16,880
Tax impact for the above items	**(1,861)**	(219)	**(1,580)**	(5,380)
Non-controlling interest impact for the above items	**(155)**	(293)	**(392)**	(395)
Adjusted profit attributable to owners of the Corporation	**80,693**	94,054	**171,367**	197,780

(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	**February 28, 2025**			February 29, 2024 [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]	**116,603**	(1,760)	**114,843**	101,799	**14.5**	**12.8**

(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.

Six months ended	February 28, 2025			February 29, 2024 [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]	**265,461**	(1,964)	**263,497**	239,647	**10.8**	**10.0**

(1) During the fourth quarter of fiscal 2024, the Corporation updated its free cash flow calculation to include proceeds on disposals of property, plant and equipment, 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

Three months ended	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	**Actual**	Foreign exchange impact	**In constant currency**	Actual	**Actual**	**In constant currency**
	$	$	**$**	$	**%**	**%**
Operating expenses	**8,781**	(13)	**8,768**	12,759	**(31.2)**	**(31.3)**
Management fees – Cogeco Inc.	**4,921**	—	**4,921**	5,238	**(6.1)**	**(6.1)**
Adjusted EBITDA	**(13,702)**	13	**(13,689)**	(17,997)	**23.9**	**23.9**

Six months ended	February 28, 2025			February 29, 2024	Change	
(In thousands of Canadian dollars, except percentages)	**Actual**	Foreign exchange impact	**In constant currency**	Actual	**Actual**	**In constant currency**
	$	$	**$**	$	**%**	**%**
Operating expenses	**16,934**	(12)	**16,922**	23,085	**(26.6)**	**(26.7)**
Management fees – Cogeco Inc.	**9,843**	—	**9,843**	10,476	**(6.0)**	**(6.0)**
Adjusted EBITDA	**(26,777)**	12	**(26,765)**	(33,561)	**20.2**	**20.2**

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024 [1]	**February 28, 2025**	February 29, 2024 [1]
(In thousands of Canadian dollars)	**$**	$	**$**	$
Cash flows from operating activities	**253,212**	285,434	**472,077**	522,416
Changes in other non-cash operating activities	**24,343**	2,253	**98,517**	55,188
Income taxes paid (received)	**7,443**	(7,628)	**14,082**	(4,725)
Current income taxes	**(9,670)**	(9,189)	**(24,298)**	(16,417)
Interest paid	**62,195**	68,288	**123,666**	132,260
Financial expense	**(63,003)**	(68,163)	**(128,492)**	(151,457)
Loss on debt extinguishment [2]	**—**	—	**—**	16,880
Amortization of deferred transaction costs and discounts on long-term debt [2]	**2,228**	2,007	**3,692**	4,681
Net capital expenditures [3]	**(157,895)**	(170,769)	**(308,540)**	(317,196)
Proceeds from sale and leaseback and other disposals of property, plant and equipment [1]	**931**	1,644	**20,544**	1,899
Repayment of lease liabilities	**(3,181)**	(2,078)	**(5,787)**	(3,882)
Free cash flow [1]	**116,603**	101,799	**265,461**	239,647
Net capital expenditures in connection with network expansion projects	**15,573**	24,390	**37,372**	56,050
Free cash flow, excluding network expansion projects [1]	**132,176**	126,189	**302,833**	295,697

(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	February 28, 2025			February 29, 2024 [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]	**116,603**	(1,760)	**114,843**	101,799	**14.5**	**12.8**
Net capital expenditures in connection with network expansion projects	**15,573**	(73)	**15,500**	24,390	**(36.2)**	**(36.4)**
Free cash flow, excluding network expansion projects [1]	**132,176**	(1,833)	**130,343**	126,189	**4.7**	**3.3**

(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.

Six months ended	February 28, 2025			February 29, 2024 [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]	**265,461**	(1,964)	**263,497**	239,647	**10.8**	**10.0**
Net capital expenditures in connection with network expansion projects	**37,372**	(89)	**37,283**	56,050	**(33.3)**	**(33.5)**
Free cash flow, excluding network expansion projects [1]	**302,833**	(2,053)	**300,780**	295,697	**2.4**	**1.7**

(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.

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.

Specified financial measures	Usefulness	Calculation
Organic revenue growth in constant currency and organic adjusted EBITDA growth in constant currency	Organic revenue growth in constant currency and organic adjusted EBITDA growth in constant currency are used by management to analyze the Corporation's revenue and adjusted EBITDA growth excluding the effect of changes in foreign exchange rates and the impact of acquisitions, in order to facilitate period-to-period comparisons. Management believes these measures are used by certain investors and analysts to evaluate the Corporation's performance.	Revenue and adjusted EBITDA changes in constant currency (as calculated above), expressed as a percentage of the variation between the periods presented, adjusted for the impact of acquisitions. Constant currency basis is a non-IFRS Accounting Standards measure. For more details on this financial measure, please refer to the "Non-IFRS Accounting Standards measures" sub-section.
Capital intensity, excluding network expansion projects	Capital intensity, excluding network expansion projects is used by management to assess the Corporation's 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. The Corporation 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, management believes this helps certain investors and analysts to assess the impact of the network expansion projects on the Corporation's 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 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.
Free cash flow dividend payout ratio and free cash flow, excluding network expansion projects, dividend payout ratio	Management believes certain investors use free cash flow dividend payout ratio and free cash flow, excluding network expansion projects, dividend payout ratio, to assess the Corporation's financial strength and performance by demonstrating the sustainability of the Corporation's dividend payments.	Dividends declared for the year on multiple and subordinate voting shares divided by free cash flow and by free cash flow, excluding network expansion projects. Free cash flow and free cash flow, excluding network expansion projects 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 Communications 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		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
(In thousands of Canadian dollars)	**$**	$	**$**	$
Profit for the period	**79,637**	96,562	**186,797**	192,314
Income taxes	**22,904**	17,820	**49,529**	35,918
Financial expense	**63,003**	68,163	**128,492**	151,457
Depreciation and amortization	**182,920**	163,682	**358,819**	322,882
Acquisition, integration, restructuring and other costs (gains)	**8,035**	885	**(1,923)**	3,501
Adjusted EBITDA	**356,499**	347,112	**721,714**	706,072

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 Communications are capital management measures, as disclosed within the notes to the Corporation's 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 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 financial leverage and its capital structure decisions, including the issuance of new debt, and to manage the Corporation's 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 financial strength and the ability to service its 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 capital structure. Management believes this measure helps investors and analysts to assess the Corporation's financial leverage.	Principal on fixed-rate long-term debt divided by the principal on long-term debt.

Supplementary financial measures

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	**Feb. 28**	**Nov. 30**	Aug. 31	May. 31 [1]	Feb. 29 [1]	Nov. 30 [1]	Aug. 31 [1]	May. 31 [1]
(In thousands of Canadian dollars, except % and per share data)	**$**	**$**	$	$	$	$	$	$
Operations								
Revenue	**732,426**	**738,695**	747,751	750,583	730,501	747,689	743,397	741,785
Adjusted EBITDA	**356,499**	**365,215**	370,418	365,824	347,112	358,960	351,300	351,328
Adjusted EBITDA margin	**48.7 %**	**49.4 %**	49.5 %	48.7 %	47.5 %	48.0 %	47.3 %	47.4 %
Acquisition, integration, restructuring and other costs (gains)	**8,035**	**(9,958)**	10,561	45,669	885	2,616	15,228	11,368
Impairment of property, plant and equipment	**—**	**—**	14,862	—	—	—	—	—
Profit for the period	**79,637**	**107,160**	85,484	76,334	96,562	95,752	91,797	101,538
Profit for the period attributable to owners of the Corporation	**74,674**	**100,588**	81,958	70,402	93,681	89,493	86,499	95,892
Adjusted profit attributable to owners of the Corporation	**80,693**	**90,674**	99,054	103,597	94,054	103,726	97,175	103,826
Cash flow								
Cash flows from operating activities	**253,212**	**218,865**	319,177	333,626	285,434	236,982	281,326	284,377
Free cash flow [1]	**116,603**	**148,858**	148,189	88,185	101,799	137,848	88,953	105,403
Acquisition of property, plant and equipment	**159,371**	**153,243**	154,260	171,034	180,247	153,549	205,570	189,656
Net capital expenditures	**157,895**	**150,645**	152,253	168,384	170,769	146,427	176,617	169,793
Capital intensity	**21.6 %**	**20.4 %**	20.4 %	22.4 %	23.4 %	19.6 %	23.8 %	22.9 %
Per share data [2] and related information								
Earnings per share								
Basic	**1.77**	**2.39**	1.95	1.68	2.21	2.02	1.95	2.17
Diluted	**1.76**	**2.38**	1.94	1.67	2.20	2.01	1.95	2.16
Adjusted diluted	**1.90**	**2.14**	2.35	2.45	2.21	2.33	2.19	2.34
Weighted average number of shares outstanding - diluted (in thousands)	**42,508**	**42,302**	42,217	42,220	42,516	44,454	44,469	44,445
Dividends per share	**0.922**	**0.922**	0.854	0.854	0.854	0.854	0.776	0.776

(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.

14.1 Seasonal variations

Cogeco Communications' operating results are not generally subject to material seasonal fluctuations.

COGECO COMMUNICATIONS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three and six-month periods ended February 28, 2025

Interim consolidated statements of profit or loss 43
Interim consolidated statements of comprehensive income 44
Interim consolidated statements of changes in shareholders' equity 45
Interim consolidated statements of financial position 46
Interim consolidated statements of cash flows 47
Notes to the condensed interim consolidated financial statements 48

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

		Three months ended		Six months ended	
	Notes	**February 28, 2025**	February 29, 2024	**February 28, 2025**	February 29, 2024
(In thousands of Canadian dollars, except per share data)		**$**	$	**$**	$
Revenue	*3*	**732,426**	730,501	**1,471,121**	1,478,190
Operating expenses	*6*	**371,006**	378,151	**739,564**	761,642
Management fees – Cogeco Inc.	*17*	**4,921**	5,238	**9,843**	10,476
Acquisition, integration, restructuring and other costs (gains)	*7*	**8,035**	885	**(1,923)**	3,501
Depreciation and amortization		**182,920**	163,682	**358,819**	322,882
Financial expense	*8*	**63,003**	68,163	**128,492**	151,457
Profit before income taxes		**102,541**	114,382	**236,326**	228,232
Income taxes	*9*	**22,904**	17,820	**49,529**	35,918
Profit for the period		**79,637**	96,562	**186,797**	192,314
Profit for the period attributable to:					
Owners of the Corporation		**74,674**	93,681	**175,262**	183,174
Non-controlling interest		**4,963**	2,881	**11,535**	9,140
		79,637	96,562	**186,797**	192,314
Earnings per share					
Basic	*10*	**1.77**	2.21	**4.17**	4.23
Diluted	*10*	**1.76**	2.20	**4.13**	4.21

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
(In thousands of Canadian dollars)	**$**	$	**$**	$
Profit for the period	**79,637**	96,562	**186,797**	192,314
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	**(9,994)**	(9,844)	**(8,147)**	(24,759)
Related income taxes	**2,648**	7,779	**2,159**	11,731
	(7,346)	(2,065)	**(5,988)**	(13,028)
Foreign currency translation adjustments				
Net foreign currency translation differences on net investments in foreign operations	**78,542**	(1,860)	**172,881**	6,841
Net changes on translation of long-term debt designated as hedges of net investments in foreign operations	**(16,807)**	468	**(37,048)**	(1,521)
Related income taxes	**(115)**	668	**869**	(30)
	61,620	(724)	**136,702**	5,290
	54,274	(2,789)	**130,714**	(7,738)
Items not to be subsequently reclassified to profit or loss				
Defined benefit plans actuarial adjustments				
Remeasurement of net defined benefit liability or asset	**(315)**	728	**(435)**	297
Related income taxes	**83**	(193)	**115**	(79)
	(232)	535	**(320)**	218
	54,042	(2,254)	**130,394**	(7,520)
Comprehensive income for the period	**133,679**	94,308	**317,191**	184,794
Comprehensive income for the period attributable to:				
Owners of the Corporation	**112,675**	91,836	**270,360**	174,282
Non-controlling interest	**21,004**	2,472	**46,831**	10,512
	133,679	94,308	**317,191**	184,794

COGECO COMMUNICATIONS INC.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited)

	Equity attributable to owners of the Corporation					
	Share capital	Share-based payment reserve	Accumulated other comprehensive income (loss)	Retained earnings	Equity attributable to non-controlling interest	Total shareholders' equity
(In thousands of Canadian dollars)	$	$	$	$	$	$
	(Note 13)		*(Note 14)*			
Balance at August 31, 2023	896,414	19,896	175,905	1,865,582	477,981	3,435,778
Profit for the period	—	—	—	183,174	9,140	192,314
Other comprehensive income (loss) for the period	—	—	(9,110)	218	1,372	(7,520)
Comprehensive income (loss) for the period	—	—	(9,110)	183,392	10,512	184,794
Share-based payment (Notes 13 C) and 17)	—	2,458	—	—	—	2,458
Stock options exercised	242	(42)	—	—	—	200
Dividends (Note 13 B))	—	—	—	(73,621)	—	(73,621)
Purchase of subordinate voting shares for cancellation from Cogeco Inc. (Note 17)	(58,444)	—	—	(58,056)	—	(116,500)
Transaction costs and income taxes related to the share buyback from Cogeco Inc.	—	—	—	(2,603)	—	(2,603)
Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	(5,002)	—	—	—	—	(5,002)
Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	4,353	(4,694)	—	341	—	—
Total distributions to shareholders	(58,851)	(2,278)	—	(133,939)	—	(195,068)
Balance at February 29, 2024	837,563	17,618	166,795	1,915,035	488,493	3,425,504
Balance at August 31, 2024	**839,701**	**19,719**	**122,401**	**1,997,870**	**494,972**	**3,474,663**
Profit for the period	**—**	**—**	**—**	**175,262**	**11,535**	**186,797**
Other comprehensive income (loss) for the period	**—**	**—**	**95,418**	**(320)**	**35,296**	**130,394**
Comprehensive income for the period	**—**	**—**	**95,418**	**174,942**	**46,831**	**317,191**
Share-based payment (Notes 13 C) and 17)	**—**	**2,292**	**—**	**—**	**—**	**2,292**
Stock options exercised and other	**3,501**	**(2,126)**	**—**	**—**	**—**	**1,375**
Dividends (Note 13 B))	**—**	**—**	**—**	**(77,380)**	**—**	**(77,380)**
Disposal of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**409**	**—**	**—**	**—**	**—**	**409**
Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	**2,478**	**(3,047)**	**—**	**569**	**—**	**—**
Total contributions by (distributions to) shareholders	**6,388**	**(2,881)**	**—**	**(76,811)**	**—**	**(73,304)**
Balance at February 28, 2025	**846,089**	**16,838**	**217,819**	**2,096,001**	**541,803**	**3,718,550**

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

(In thousands of Canadian dollars)	*Notes*	**February 28, 2025** **$**	August 31, 2024 $
Assets			
Current			
Cash and cash equivalents	*15 C)*	**141,073**	76,335
Trade and other receivables		**143,533**	112,108
Income taxes receivable		**15,899**	13,873
Prepaid expenses and other		**50,176**	39,380
Derivative financial instruments		**12,429**	3,875
		363,110	245,571
Non-current			
Other assets		**139,519**	127,735
Property, plant and equipment	*11*	**3,410,830**	3,305,394
Intangible assets		**3,944,168**	3,812,214
Goodwill		**2,263,925**	2,132,661
Derivative financial instruments		**27,328**	46,539
Deferred tax assets		**3,442**	4,895
		10,152,322	9,675,009
Liabilities and Shareholders' equity			
Liabilities			
Current			
Bank indebtedness		**17,041**	14,384
Trade and other payables		**306,499**	359,663
Provisions		**39,333**	56,668
Income tax liabilities		**12,645**	412
Contract liabilities and other liabilities		**58,519**	61,335
Government subsidies received in advance		**5,054**	8,740
Current portion of long-term debt	*12*	**353,486**	361,808
		792,577	863,010
Non-current			
Long-term debt	*12*	**4,688,512**	4,448,261
Derivative financial instruments		**5,983**	8,257
Contract liabilities and other liabilities		**20,219**	9,500
Accrued employee benefits		**8,287**	7,454
Deferred tax liabilities		**918,194**	863,864
		6,433,772	6,200,346
Shareholders' equity			
Equity attributable to owners of the Corporation			
Share capital	*13 A)*	**846,089**	839,701
Share-based payment reserve		**16,838**	19,719
Accumulated other comprehensive income	*14*	**217,819**	122,401
Retained earnings		**2,096,001**	1,997,870
		3,176,747	2,979,691
Equity attributable to non-controlling interest		**541,803**	494,972
		3,718,550	3,474,663
		10,152,322	9,675,009

Contingencies (Note 18)

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

	Notes	Three months ended February 28, 2025	Three months ended February 29, 2024	Six months ended February 28, 2025	Six months ended February 29, 2024
(In thousands of Canadian dollars)		$	$	$	$
Cash flows from operating activities					
Profit for the period		79,637	96,562	186,797	192,314
Adjustments for:					
Depreciation and amortization		182,920	163,682	358,819	322,882
Financial expense	8	63,003	68,163	128,492	151,457
Income taxes	9	22,904	17,820	49,529	35,918
Share-based payment		(165)	2,497	2,058	2,952
Gain on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions	11	(1,178)	(471)	(17,626)	(584)
Defined benefit plans expense, net of contributions		72	94	273	200
		347,193	348,347	708,342	705,139
Changes in other non-cash operating activities	15 A)	(24,343)	(2,253)	(98,517)	(55,188)
Interest paid		(62,195)	(68,288)	(123,666)	(132,260)
Income taxes received (paid)		(7,443)	7,628	(14,082)	4,725
		253,212	285,434	472,077	522,416
Cash flows from investing activities					
Acquisition of property, plant and equipment		(159,371)	(180,247)	(312,614)	(333,796)
Acquisition of spectrum licences		(3,051)	(38,058)	(6,573)	(38,058)
Business combinations, net of cash and cash equivalents acquired	5	1,089	(57,974)	1,089	(57,974)
Subsidies received in advance and other		193	—	380	180
Proceeds from sale and leaseback and other disposals of property, plant and equipment	11	931	1,644	20,544	1,899
		(160,209)	(274,635)	(297,174)	(427,749)
Cash flows from financing activities					
Increase in bank indebtedness		11,127	1,557	2,657	172
Net increase (decrease) under revolving facilities		(331,714)	(120,479)	(312,893)	33,515
Issuance of long-term debt, net of discounts and transaction costs		323,421	270,719	323,421	1,926,927
Repayment of notes and credit facilities		(7,761)	(3,053)	(49,019)	(2,132,268)
Repayment of lease liabilities		(3,181)	(2,078)	(5,787)	(3,882)
Increase in deferred transaction costs		—	(119)	—	(1,920)
Issuance of subordinate voting shares	13 A)	45	—	2,956	200
Purchase of subordinate voting shares for cancellation from Cogeco Inc.	17	—	(116,500)	—	(116,500)
Transaction costs related to the share buyback from Cogeco Inc.		—	(3,146)	—	(3,146)
Disposal (acquisition) of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	13 A)	409	(5,002)	409	(5,002)
Dividends paid	13 B)	(38,707)	(35,830)	(77,380)	(73,621)
		(46,361)	(13,931)	(115,636)	(375,525)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency		2,862	(240)	5,471	(873)
Net change in cash and cash equivalents		49,504	(3,372)	64,738	(281,731)
Cash and cash equivalents, beginning of the period		91,569	84,562	76,335	362,921
Cash and cash equivalents, end of the period	15 C)	141,073	81,190	141,073	81,190

1. Nature of operations

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

The Corporation is a subsidiary of Cogeco Inc. ("Cogeco"), which as of February 28, 2025 held 28.4% of the Corporation's equity shares, representing 79.9% of the votes attached to the Corporation's voting shares. Cogeco Communications is a Canadian public corporation whose subordinate voting shares are listed on the Toronto Stock Exchange ("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 April 9, 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		Average rates for the six months ended	
	February 28, 2025	August 31, 2024	**February 28, 2025**	February 29, 2024	**February 28, 2025**	February 29, 2024
US dollar vs Canadian dollar	**1.4438**	1.3491	**1.4298**	1.3452	**1.4028**	1.3553

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 accounting 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, but does not expect to have any material impact.
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 two new defined subtotals, i.e. operating profit and profit before financing and income taxes; • 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. The IASB also made consequential amendments to other accounting standards, including IAS 7, *Statement of Cash Flows*, IAS 33, *Earnings per Share,* and IAS 34, *Interim Financial Reporting*. 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 these new and amended accounting standards on its consolidated financial statements presentation and disclosure. Based on a high level assessment, the Corporation expects the following most significant impacts to date on the presentation and disclosure of its consolidated financial statements: • **Consolidated statements of profit or loss:** Although there will be no impact on the Corporation's reported profit for the period/year, the presentation of the Corporation's consolidated statements of profit or loss will change, including presenting the two new defined subtotals and classifying income and expenses into the IFRS 18 defined categories. Certain line items presented may also change as a result of the application of the new 'useful structured summary' concept and the enhanced principles on aggregation and disaggregation. • **Consolidated statements of cash flows:** The starting point will change from profit for the period/year to the new operating profit subtotal to be reported, while interest paid will move from cash flows from operating activities to cash flows from financing activities. • **Notes to the consolidated financial statements:** Certain financial measures and related information currently reported as 'non-IFRS Accounting Standards and other financial measures' in the Corporation's management's discussion and analysis are expected to be considered 'management-defined performance measures' under IFRS 18 (e.g. adjusted EBITDA and adjusted profit attributable to owners of the Corporation). Accordingly, specific required disclosures for these management-defined performance measures will need to be provided within a single note to the consolidated financial statements.

3. Revenue

					Three months ended	
	Canadian telecommunications		**American telecommunications**			**Consolidated**
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$	**$**	$
Residential [1]	**305,350**	311,011	**315,095**	309,584	**620,445**	620,595
Commercial	**48,009**	45,680	**45,171**	43,783	**93,180**	89,463
Other [2]	**16,852**	16,788	**1,949**	3,655	**18,801**	20,443
	370,211	373,479	**362,215**	357,022	**732,426**	730,501

					Six months ended	
	Canadian telecommunications		**American telecommunications**			**Consolidated**
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$	**$**	$
Residential [1]	**617,627**	626,211	**627,348**	631,663	**1,244,975**	1,257,874
Commercial	**96,372**	90,582	**89,754**	88,928	**186,126**	179,510
Other [2]	**33,478**	33,134	**6,542**	7,672	**40,020**	40,806
	747,477	749,927	**723,644**	728,263	**1,471,121**	1,478,190

(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.

	Three months ended February 28, 2025			
	Canadian telecommunications	**American telecommunications**	**Corporate and eliminations**	**Consolidated**
	$	**$**	**$**	**$**
Revenue	**370,211**	**362,215**	**—**	**732,426**
Operating expenses	**177,719**	**184,506**	**8,781**	**371,006**
Management fees – Cogeco Inc.	**—**	**—**	**4,921**	**4,921**
Adjusted EBITDA	**192,492**	**177,709**	**(13,702)**	**356,499**
Acquisition, integration, restructuring and other costs				**8,035**
Depreciation and amortization				**182,920**
Financial expense				**63,003**
Profit before income taxes				**102,541**
Income taxes				**22,904**
Profit for the period				**79,637**
Net capital expenditures [1]	**74,108**	**80,402**	**3,385**	**157,895**

	Three months ended February 29, 2024			
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Consolidated
	$	$	$	$
Revenue	373,479	357,022	—	730,501
Operating expenses	174,720	190,672	12,759	378,151
Management fees – Cogeco Inc.	—	—	5,238	5,238
Adjusted EBITDA	198,759	166,350	(17,997)	347,112
Acquisition, integration, restructuring and other costs				885
Depreciation and amortization				163,682
Financial expense				68,163
Profit before income taxes				114,382
Income taxes				17,820
Profit for the period				96,562
Net capital expenditures [1]	106,345	62,855	1,569	170,769

			Six months ended February 28, 2025	
	Canadian telecommunications	**American telecommunications**	**Corporate and eliminations**	**Consolidated**
	$	**$**	**$**	**$**
Revenue	**747,477**	**723,644**	**—**	**1,471,121**
Operating expenses	**355,507**	**367,123**	**16,934**	**739,564**
Management fees – Cogeco Inc.	**—**	**—**	**9,843**	**9,843**
Adjusted EBITDA	**391,970**	**356,521**	**(26,777)**	**721,714**
Acquisition, integration, restructuring and other costs (gains)				**(1,923)**
Depreciation and amortization				**358,819**
Financial expense				**128,492**
Profit before income taxes				**236,326**
Income taxes				**49,529**
Profit for the period				**186,797**
Net capital expenditures [1]	**148,269**	**154,129**	**6,142**	**308,540**

			Six months ended February 29, 2024	
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Consolidated
	$	$	$	$
Revenue	749,927	728,263	—	1,478,190
Operating expenses	354,814	383,743	23,085	761,642
Management fees – Cogeco Inc.	—	—	10,476	10,476
Adjusted EBITDA	395,113	344,520	(33,561)	706,072
Acquisition, integration, restructuring and other costs				3,501
Depreciation and amortization				322,882
Financial expense				151,457
Profit before income taxes				228,232
Income taxes				35,918
Profit for the period				192,314
Net capital expenditures [1]	194,181	118,708	4,307	317,196

(1) 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 15 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. Business combinations

Fiscal 2024 - Niagara Regional Broadband Network acquisition

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

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

During the second quarter of fiscal 2025, the Corporation finalized the purchase price allocation and, as a result, adjustments were made to goodwill and the purchase price. The final allocation of the purchase price, based on the estimated fair value of assets acquired and the liabilities assumed at the date of acquisition, is as follows:

	February 28, 2025	August 31, 2024
	Final	Preliminary
Purchase price		
Base purchase price	**56,885**	57,974
Working capital adjustments	**285**	285
Cash consideration paid	**57,170**	58,259
Balance due on business combinations	**17,094**	17,094
	74,264	75,353
Net assets acquired		
Cash and cash equivalents	**69**	69
Current assets	**1,098**	1,098
Property, plant and equipment	**57,804**	57,804
Intangible assets	**9,625**	9,625
Goodwill	**19,406**	20,495
Current liabilities	**(3,648)**	(3,648)
Deferred tax liabilities	**(9,515)**	(9,515)
Other long-term liabilities	**(575)**	(575)
	74,264	75,353

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

6. Operating expenses

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Salaries, employee benefits and outsourced services	**114,915**	119,803	**230,542**	242,267
Service delivery costs [1]	**191,343**	190,840	**377,698**	380,367
Customer related costs [2]	**29,178**	28,681	**62,691**	59,239
Other external purchases [3]	**35,570**	38,827	**68,633**	79,769
	371,006	378,151	**739,564**	761,642

(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.

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Acquisition, integration and other costs	**6**	275	**1,309**	454
Restructuring costs	**4,541**	218	**5,579**	438
Configuration and customization costs related to cloud computing and other arrangements	**3,488**	4,586	**5,033**	6,803
Reversal of costs related to litigation and regulatory decisions	**—**	(4,194)	**—**	(4,194)
Gain on sale and leaseback transactions	**—**	—	**(13,844)**	—
	8,035	885	**(1,923)**	3,501

8. Financial expense

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Interest on long-term debt, excluding interest on lease liabilities	**71,422**	71,159	**141,579**	140,718
Interest on lease liabilities	**771**	539	**1,513**	981
Loss on debt extinguishment [1]	**—**	—	**—**	16,880
Net foreign exchange gain	**(2,935)**	(1,828)	**(939)**	(3,409)
Interest and other income	**(2,801)**	(1,810)	**(5,528)**	(3,994)
Capitalized borrowing costs [2]	**(4,879)**	(538)	**(10,209)**	(1,004)
Other	**1,425**	641	**2,076**	1,285
	63,003	68,163	**128,492**	151,457

(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 and six-month periods ended February 28, 2025, the weighted average interest rate used for the capitalization of borrowing costs was 5.4% and 5.7% respectively (6.9% for the comparative periods of the prior year).

9. Income taxes

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Current	**9,670**	9,189	**24,298**	16,417
Deferred	**13,234**	8,631	**25,231**	19,501
	22,904	17,820	**49,529**	35,918

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		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Profit before income taxes	**102,541**	114,382	**236,326**	228,232
Combined Canadian income tax rate	**26.5 %**	26.5 %	**26.5 %**	26.5 %
Income taxes at combined Canadian income tax rate	**27,173**	30,311	**62,626**	60,481
Difference in operations' statutory income tax rates	**(150)**	281	**(317)**	126
Recognition of previously unrecognized capital losses	**—**	—	**(2,338)**	—
Impact on income taxes arising from non-deductible expenses and non-taxable profit	**202**	211	**(1,749)**	778
Pillar Two global minimum tax	**3,171**	—	**5,689**	—
Tax impacts related to foreign operations	**(7,888)**	(12,813)	**(15,159)**	(25,495)
Other	**396**	(170)	**777**	28
Income taxes at effective income tax rate	**22,904**	17,820	**49,529**	35,918
Effective income tax rate	**22.3 %**	15.6 %	**21.0 %**	15.7 %

10. Earnings per share

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Profit for the period attributable to owners of the Corporation	**74,674**	93,681	**175,262**	183,174
Weighted average number of multiple and subordinate voting shares outstanding	**42,110,728**	42,353,944	**42,079,120**	43,329,105
Effect of dilutive stock options [1]	**21,381**	—	**30,539**	204
Effect of dilutive incentive share units	**72,925**	65,923	**68,860**	63,129
Effect of dilutive performance share units	**302,815**	96,455	**225,560**	92,669
Weighted average number of diluted multiple and subordinate voting shares outstanding	**42,507,849**	42,516,322	**42,404,079**	43,485,107

(1) For the three and six-month periods ended February 28, 2025, 800,847 and 799,047 stock options (1,085,232 for the same periods of the prior year) were excluded from the calculation of diluted earnings per share due to the exercise price of the options being greater than the average share price of the subordinate voting shares.

11. 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)*.

12. Long-term debt

	February 28, 2025	August 31, 2024
	$	$
Notes and credit facilities	**4,958,522**	4,735,520
Lease liabilities	**66,382**	57,455
Balance due on business combinations	**17,094**	17,094
	5,041,998	4,810,069
Less current portion	**353,486**	361,808
	4,688,512	4,448,261

A) Notes and credit facilities

	Maturity	Effective interest rate [1]	February 28, 2025	August 31, 2024
		%	$	$
Corporation				
Term Revolving Facility				
Revolving loan – US$23.0 million (US$237.5 million at August 31, 2024)	May 2029	4.32 [2]	**33,208**	320,411
Senior Secured Notes				
Series A - US$25 million	—	—	**—**	33,727
Series B - US$150 million	September 2026	4.29	**216,431**	202,181
Senior Secured Notes - US$215 million	June 2025	4.30	**310,364**	289,925
Senior Secured Notes - Series 1	September 2031	2.99	**497,744**	497,588
Senior Secured Notes - Series 2	February 2033	5.30	**298,375**	298,293
Senior Secured Notes - Series 3	February 2035	4.74	**323,431**	—
Senior Unsecured Notes	February 2029	6.13	**272,010**	271,677
Senior Unsecured Non-Revolving Facility	November 2042	—	**—**	—
U.S. subsidiaries				
First Lien Credit Facilities				
Senior Secured Term Loan B Facility				
Tranche 2 - US$873.0 million (US$877.5 million at August 31, 2024)	September 2028	4.14 [3]	**1,248,148**	1,170,893
Tranche 3 - US$767.3 million (US$771.1 million at August 31, 2024)	September 2030	7.32 [4]	**1,089,690**	1,023,005
Farm Credit - US$470.3 million (US$472.6 million at August 31, 2024)	September 2028	7.57 [5]	**669,121**	627,820
Senior Secured Revolving Facility	September 2028	—	**—**	—
			4,958,522	4,735,520
Less current portion			**341,406**	352,658
			4,617,116	4,382,862

(1) Effective interest rate as of February 28, 2025, 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$23 million drawn under the Corporation's Term Revolving Facility was hedged until March 31, 2025, using a cross-currency swap agreement which sets the amount redeemable at maturity at $32.8 million.

(3) As of February 28, 2025, 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 February 28, 2025, a U.S. subsidiary had outstanding interest rate swap agreements to fix the interest rate on an amount of US$550 million of the Senior Secured Term Loan B Facility - Tranche 3. These agreements have the effect of converting the floating SOFR base rate into fixed rates ranging from 3.82% 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*.

Senior Secured Notes

On February 6, 2025, Cogeco Communications completed, pursuant to a private offering, the issuance of $325 million Senior Secured Notes - Series 3. Cogeco Communications used the net proceeds of the offering to repay existing indebtedness and for other general corporate purposes. The notes are direct and unsubordinated secured debt obligations of Cogeco Communications and rank equally and *pari passu*, with all other secured senior indebtedness of Cogeco Communications.

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

B) Other information

	February 28, 2025	August 31, 2024
Weighted average interest rate on all debt [1]	5.4 %	5.6 %
Weighted average term to maturity of long-term debt (in years)	4.7	4.8

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

13. Share capital

A) Issued and paid

	Multiple voting shares		Subordinate voting shares	
	Number of shares	Amount	Number of shares	Amount
		$		$
Issued and outstanding, August 31, 2024	12,000,871	75,217	30,224,750	779,545
Shares issued for cash under the Stock Option Plan	—	—	47,674	2,956
Share-based payment for stock options exercised	—	—	—	545
Issued and outstanding, February 28, 2025	12,000,871	75,217	30,272,424	783,046
Shares held in trust, August 31, 2024 [1]	—	—	(201,267)	(15,061)
Subordinate voting shares sold	—	—	5,926	409
Subordinate voting shares distributed to employees	—	—	33,110	2,478
Shares held in trust, February 28, 2025 [1]	—	—	(162,231)	(12,174)
Issued and outstanding, net of shares held in trust, February 28, 2025	12,000,871	75,217	30,110,193	770,872

(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 multiple and subordinate voting shares during the three and six-month periods ended February 28, 2025 and February 29, 2024:

Declaration date	Record date	Payment date	Dividend per share (in dollars)
October 31, 2024	**November 14, 2024**	**November 28, 2024**	**0.922**
January 13, 2025	**January 27, 2025**	**February 10, 2025**	**0.922**
			1.844
November 1, 2023	November 15, 2023	November 29, 2023	0.854
January 10, 2024	January 24, 2024	February 7, 2024	0.854
			1.708

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Dividends on multiple voting shares	**11,064**	10,249	**22,129**	23,649
Dividends on subordinate voting shares	**27,643**	25,581	**55,251**	49,972
	38,707	35,830	**77,380**	73,621

At its April 9, 2025 meeting, the Board of Directors of Cogeco Communications declared a quarterly dividend of $0.922 per share for multiple and subordinate voting shares, payable on May 7, 2025 to shareholders of record on April 23, 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 share-based payment plans:

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Stock options	**40**	149	**127**	336
SARs	**68**	34	**128**	34
ISUs	**193**	405	**460**	724
PSUs	**386**	374	**596**	728
DSUs	**(189)**	1,186	**912**	460
	498	2,148	**2,223**	2,282

Stock options and SARs

Stock Option Plan	The Corporation offers a Stock Option Plan for the benefit of its Canadian 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	The Corporation 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 the Corporation's subordinate voting shares. Upon vesting, SARs entitle a participant to receive a cash payment based on the increase in the market value of the Corporation's subordinate voting shares from the grant date to the exercise date.

Changes in the outstanding number of stock options and SARs for the six-month period ended February 28, 2025 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 [1]	217,053	70.83	45,766	70.83
Exercised [2]	(47,674)	62.01	(3,181)	61.62
Cancelled	(28,866)	85.97	(11,091)	67.04
Outstanding at February 28, 2025	**1,157,729**	**79.01**	**64,101**	**67.26**
Exercisable at February 28, 2025	**648,818**	**85.87**	**3,340**	**61.62**

(1) The weighted average fair value for options and SARs granted during the six-month period was $10.15 and $6.59, respectively.
(2) The weighted average share price for options and SARs exercised during the six-month period was $69.84 and $71.39, respectively.

ISUs, PSUs and DSUs

ISU Plan	The Corporation offers to its executive officers and designated employees an Incentive Share Unit ("ISU") Plan. 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. A trust was created for the purpose of purchasing subordinate voting shares on the stock market for equity-settled ISUs, in order to protect against stock price fluctuation. The Corporation instructed the trustee to purchase subordinate voting shares of the Corporation on the stock market. These shares are purchased and are held in trust for the participants until they are fully vested. The trust, considered as a special purpose entity, is consolidated in the Corporation's consolidated financial statements with the value of the acquired subordinate voting shares held in trust under the ISU Plan presented in reduction of share capital.
PSU Plan	The Corporation offers a Performance Share Unit ("PSU") Plan for the benefit of its 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. A trust was created for the purpose of purchasing subordinate voting shares on the stock market for equity-settled PSUs, in order to protect against stock price fluctuation. The Corporation instructed the trustee to purchase subordinate voting shares of the Corporation on the stock market. These shares are purchased and are held in trust for the participants until they are fully vested. The trust, considered as a special purpose entity, is consolidated in the Corporation's consolidated financial statements with the value of the acquired subordinate voting shares held in trust under the PSU Plan presented in reduction of share capital.
DSU Plan	The Corporation offers a Deferred Share Unit ("DSU") Plan for members of the Board to assist in the attraction and retention of qualified individuals to serve on the Board of the Corporation. 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.

Changes in the outstanding number of ISUs, PSUs and DSUs for the six-month period ended February 28, 2025 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	**(13,070)**	**(20,040)**	**(17,992)**
Cancelled	**(5,307)**	**(11,694)**	**—**
Dividend equivalents	**—**	**8,520**	**3,284**
Outstanding at February 28, 2025	**70,764**	**299,761**	**108,474**

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

14. Accumulated other comprehensive income

	Cash flow hedge reserve	Foreign currency translation	Total
	$	$	$
Balance at August 31, 2023	78,018	97,887	175,905
Other comprehensive income (loss)	(13,028)	3,918	(9,110)
Balance at February 29, 2024	64,990	101,805	166,795
Balance at August 31, 2024	**29,999**	**92,402**	**122,401**
Other comprehensive income (loss)	**(5,988)**	**101,406**	**95,418**
Balance at February 28, 2025	**24,011**	**193,808**	**217,819**

15. Additional cash flows information

A) Changes in other non-cash operating activities

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Trade and other receivables	**(16,872)**	(4,908)	**(27,066)**	(339)
Prepaid expenses and other	**(3,385)**	4,582	**(9,599)**	(8,123)
Other assets	**(3,296)**	(5,200)	**(8,737)**	(13,046)
Trade and other payables	**(11,738)**	4,904	**(40,400)**	(25,624)
Provisions	**(2,962)**	(4,374)	**(17,626)**	(10,581)
Contract liabilities and other liabilities	**13,910**	2,743	**4,911**	2,525
	(24,343)	(2,253)	**(98,517)**	(55,188)

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		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Acquisition of property, plant and equipment	**159,371**	180,247	**312,614**	333,796
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	**(1,476)**	(9,478)	**(4,074)**	(16,600)
Net capital expenditures	**157,895**	170,769	**308,540**	317,196

C) Cash and cash equivalents

	February 28, 2025	August 31, 2024
	$	$
Cash	**136,019**	67,595
Cash with restrictions on use	**5,054**	8,740
	141,073	76,335

16. 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 February 28, 2025 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 its U.S. subsidiaries' revolving facilities at February 28, 2025:

	Total amount	Amount used	Remaining availability
Corporation			
Term Revolving Facility	$750.0 million	$47.8 million	$702.2 million
U.S. subsidiaries			
Senior Secured Revolving Facility	$361.0 million	$4.3 million	$356.7 million
	(US$250.0 million)	(US$3.0 million)	(US$247.0 million)

Interest rate risk

On February 28, 2025, all of the Corporation's long-term debt was at fixed rate, except for the amounts drawn under the 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, the Corporation's U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at February 28, 2025:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate [1]	Maturity	Hedged item
Cash flow [2]	US$550 million	Term SOFR	3.82% - 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, and in December 2024 new fixed interest rate swaps of the same amount 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 $11.3 million in the Corporation's annual financial expense, based on the outstanding debt and swap agreements at February 28, 2025.

Foreign exchange risk

Cogeco Communications faces exposure to foreign exchange risk associated with the June 2025 repayment of its US$215 million Senior Secured Notes. In order to mitigate such risk, subsequent to fiscal 2025 second-quarter, Cogeco Communications entered into foreign currency forward contracts to partially hedge its exposure.

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:

	February 28, 2025		August 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
	$	$	$	$
Notes and credit facilities	**4,958,522**	**4,978,994**	4,735,520	4,660,932

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 February 28, 2025 and August 31, 2024, the Corporation was in compliance with all of its debt covenants and was not subject to any other externally imposed capital requirements.

The following table summarizes certain key ratios used to monitor and manage the Corporation's capital structure:

As at, or for the 12-month periods ended	**February 28, 2025**	August 31, 2024
Components of debt and coverage ratios		
Net indebtedness [1]	**4,971,544**	4,803,629
Adjusted EBITDA [2]	**1,457,956**	1,442,314
Adjusted financial expense [2]	**254,725**	260,810
Debt and coverage ratios		
Net indebtedness / adjusted EBITDA	**3.4**	3.3
Adjusted EBITDA / adjusted financial expense	**5.7**	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.

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:

	February 28, 2025	August 31, 2024
Long-term debt, including the current portion	**5,041,998**	4,810,069
Discounts, transaction costs and other	**48,524**	46,771
Long-term debt before discounts, transaction costs and other	**5,090,522**	4,856,840
Bank indebtedness	**17,041**	14,384
Cash and cash equivalents, excluding cash with restrictions on use [1]	**(136,019)**	(67,595)
Net indebtedness	**4,971,544**	4,803,629

(1) See Note 15 C).

Adjusted financial expense is a measure used by management to calculate certain covenant ratios. The reconciliation of adjusted financial expense to financial expense is as follows:

For the 12-month periods ended	**February 28, 2025**	August 31, 2024
Financial expense	**254,725**	277,690
Loss on debt extinguishment [1]	**—**	(16,880)
Adjusted financial expense	**254,725**	260,810

(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.

17. Related party transactions

Management fees and other related party transactions

As of February 28, 2025, Cogeco held 28.4% of the Corporation's equity shares, representing 79.9% of the votes attached to the Corporation's voting shares.

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Management fees paid to Cogeco	**4,921**	5,238	**9,843**	10,476

No direct remuneration is payable to Cogeco's executive officers by the Corporation. The following table provides the number of stock options, ISUs and PSUs granted during the six-month periods ended February 28, 2025 and February 29, 2024 to these executive officers, as executive officers of Cogeco Communications, as well as DSUs issued to Board directors of Cogeco, the value of which was charged back to Cogeco:

	Six months ended	
(In number of units)	**February 28, 2025**	February 29, 2024
Stock options	**143,978**	169,799
ISUs	**—**	974
PSUs	**89,991**	26,444
DSUs	**—**	2,368

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
	$	$	**$**	$
Stock options	**189**	103	**387**	325
ISUs	**31**	2	**71**	2
PSUs	**473**	244	**728**	343
DSUs	**37**	—	**73**	—
	730	349	**1,259**	670

Share buyback transaction in fiscal 2024 - repurchases of Rogers holdings in Cogeco and Cogeco Communications

On December 13, 2023, Cogeco and Cogeco Communications entered into a series of transactions pursuant to the sale by Rogers Communications Inc. of its entire holdings in both companies to Caisse de dépôt et placement du Québec ("CDPQ"). Cogeco sold 2,266,537 subordinate voting shares of its holding in Cogeco Communications to Cogeco Communications for $116.5 million and 1,423,692 subordinate voting shares to CDPQ for $73.2 million, following the conversion and cancellation of an equivalent number of Cogeco Communications multiple voting shares. The 2,266,537 subordinate voting shares repurchased by Cogeco Communications were repurchased for cancellation.

18. Contingencies

Final rates for aggregated wholesale Internet access services

On May 27, 2021, the CRTC released Telecom Decision 2021-181, which ruled on applications by cable carriers (including the Corporation) and telecommunications carriers to review and vary Telecom Order 2019-288. In Telecom Order 2019-288, the CRTC had set final rates for Cogeco Connexion's aggregated wholesale high-speed Internet access service that were significantly lower than the interim rates set in October 2016, and had made them retroactive to March 31, 2016. In Telecom Decision 2021-181, the CRTC overturned the 2019 rate reductions and made the interim rates it had previously established in 2016, with certain adjustments, final. On July 28, 2021, an Internet wholesale-based provider sought leave to appeal Telecom Decision 2021-181 to the Federal Court of Appeal, which was granted on September 15, 2021. On July 22, 2024, the Federal Court of Appeal dismissed the appeal. On September 30, 2024, the same Internet wholesale-based provider sought leave to appeal the Federal Court of Appeal's decision to the Supreme Court of Canada. On March 27, 2025, the Supreme Court of Canada dismissed the application for leave to appeal.

Primary service units statistics

	February 28, 2025	November 30, 2024	August 31, 2024	May 31, 2024	February 29, 2024
CONSOLIDATED					
Homes passed [1]	3,879,821	3,873,115	3,863,637	3,849,846	3,838,038
Primary service units [1][2]	2,862,759	2,881,126	2,899,958	2,921,403	2,942,235
Internet service subscribers	1,544,585	1,541,263	1,536,298	1,535,322	1,537,340
Video service subscribers	835,941	849,625	866,135	881,448	893,646
Wireline phone service subscribers	482,233	490,238	497,525	504,633	511,249
CANADA					
Homes passed [1]	2,110,560	2,104,532	2,098,262	2,089,834	2,084,425
Primary service units [1][2]	1,865,624	1,868,636	1,869,963	1,872,290	1,875,388
Internet service subscribers	911,749	903,390	892,699	882,992	877,113
Video service subscribers	590,269	596,841	604,824	612,701	618,707
Wireline phone service subscribers	363,606	368,405	372,440	376,597	379,568
UNITED STATES					
Homes passed	1,769,261	1,768,583	1,765,375	1,760,012	1,753,613
Primary service units [2]	997,135	1,012,490	1,029,995	1,049,113	1,066,847
Internet service subscribers	632,836	637,873	643,599	652,330	660,227
Video service subscribers	245,672	252,784	261,311	268,747	274,939
Wireline phone service subscribers	118,627	121,833	125,085	128,036	131,681

(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.