

Cogeco Communications Releases its Financial Results for the Third Quarter of Fiscal 2023

- In the context of its network expansion strategy, Cogeco Communications added 30,922 homes passed in Canada and the United States, totalling 101,000 homes passed over the past nine months;
- The acquisition of oxio expanded Cogeco Connexion's value proposition by adding a second brand to serve the telecommunication needs of Canadians;
- Revenue grew by 1.9% compared to the same period of the prior year to \$741.8 million;
- Adjusted EBITDA⁽¹⁾ of \$351.3 million increased 1.1% over last year;
- Profit for the period amounted to \$101.5 million, a decrease of 3.7%, of which \$95.9 million was attributable to owners of the Corporation, a decrease of 4.3%. Adjusted profit attributable to owners of the Corporation⁽¹⁾⁽³⁾ rose by 2.1% to \$103.8 million;
- Earnings per share on a diluted basis was \$2.16, comparable to the same quarter of fiscal 2022. Adjusted diluted earnings per share⁽¹⁾⁽³⁾ rose by 6.8% to \$2.34;
- Net capital expenditures⁽¹⁾⁽²⁾ amounted to \$169.8 million, a 6.8% reduction versus last year. Acquisition of property, plant and equipment amounted to \$189.7 million, a decrease of 3.9%;
- Free cash flow⁽¹⁾ of \$104.4 million remained comparable to last year, while cash flows from operating activities decreased by 19.4% to \$284.4 million; and
- Declared a quarterly eligible dividend of \$0.776 per share, representing a 10.1% increase over last year.

Montréal, July 13, 2023 – Today, Cogeco Communications Inc. (TSX: CCA) ("Cogeco Communications" or the "Corporation") announced its financial results for the third quarter ended May 31, 2023.

"This quarter, we continued to demonstrate our strong and consistent execution in our fibre network expansion projects while remaining focused on delivering high quality product offerings and distinctive customer service," said Philippe Jetté, President and Chief Executive Officer of Cogeco Communications Inc.

"We are pleased with the performance of our Canadian telecommunications business again this quarter, where Internet customer additions are being driven by solid growth across our traditional and newly served footprints, as well as from our recently acquired oxio brand," continued Mr. Jetté.

"Although our U.S. telecommunications business, Breezeline, continues to face headwinds from the macroeconomic and nationwide competitive environments, our higher value product mix combined with cost efficiency initiatives led to a higher adjusted EBITDA margin over last year and compared to last quarter," concluded Mr. Jetté.

Consolidated Financial Highlights

Three months ended May 31	2023	2022	Change	Change in constant currency ⁽¹⁾
<i>(In thousands of Canadian dollars, except % and per share data) (unaudited)</i>	\$	\$	%	%
Revenue	741,785	728,118	1.9	(1.3)
Adjusted EBITDA ⁽¹⁾	351,328	347,614	1.1	(1.8)
Profit for the period	101,538	105,406	(3.7)	
Profit for the period attributable to owners of the Corporation	95,892	100,250	(4.3)	
Adjusted profit attributable to owners of the Corporation ⁽¹⁾⁽³⁾	103,826	101,717	2.1	
Cash flows from operating activities	284,377	353,001	(19.4)	
Free cash flow ⁽¹⁾	104,422	104,795	(0.4)	—
Free cash flow, excluding network expansion projects ⁽¹⁾	136,253	143,454	(5.0)	(5.4)
Acquisition of property, plant and equipment	189,656	197,345	(3.9)	
Net capital expenditures ⁽¹⁾	169,793	182,181	(6.8)	(10.5)
Net capital expenditures, excluding network expansion projects ⁽¹⁾	137,962	143,522	(3.9)	(7.9)
Capital intensity ⁽¹⁾	22.9 %	25.0 %		
Capital intensity, excluding network expansion projects ⁽¹⁾	18.6 %	19.7 %		
Diluted earnings per share	2.16	2.16	—	
Adjusted diluted earnings per share ⁽¹⁾⁽³⁾	2.34	2.19	6.8	

Operating results

For the third quarter of fiscal 2023:

- Revenue increased by 1.9% to reach \$741.8 million. On a constant currency basis, revenue decreased by 1.3%, driven by a decline in the American telecommunications segment partly offset by growth in the Canadian telecommunications segment, which is further explained as follows:
 - Canadian telecommunications' revenue increased by 3.2%, mainly driven by the cumulative effect of high-speed Internet service additions over the past year, higher revenue per customer and the oxio acquisition completed on March 3, 2023.
 - American telecommunications' revenue decreased by 5.7% on a constant currency basis (increase of 0.5% as reported), mainly due to a lower customer base in Ohio and an overall decline in video and phone service customers, offset in part by a higher revenue per customer and a better product mix.
- Adjusted EBITDA increased by 1.1% to reach \$351.3 million. On a constant currency basis, adjusted EBITDA decreased by 1.8%, due to a decline in the American telecommunications segment, while the Canadian telecommunications segment remained stable, as further explained below:
 - Canadian telecommunications adjusted EBITDA remained stable as its revenue growth was offset by higher operating expenses to drive customer growth.
 - American telecommunications adjusted EBITDA decreased by 2.8%, or 3.6% in constant currency, mainly resulting from lower revenue partly offset by reduced operating expenses.
- Profit for the period amounted to \$101.5 million, of which \$95.9 million, or \$2.16 per diluted share, was attributable to owners of the Corporation compared to \$105.4 million, \$100.3 million, and \$2.16 per diluted share, respectively, in the comparable period of fiscal 2022. The decreases in profit for the period and profit attributable to owners of the Corporation resulted mainly from higher financial expense and acquisition, integration, restructuring and other costs, partly offset by lower depreciation and amortization expense, income taxes and the appreciation of the US dollar.

- Adjusted profit attributable to owners of the Corporation⁽³⁾, was \$103.8 million, or \$2.34 per diluted share⁽³⁾, compared to \$101.7 million, or \$2.19 per diluted share, last year.
- Net capital expenditures, which account for network expansion subsidies, were \$169.8 million, a decrease of 6.8%, compared to \$182.2 million in the same period of the prior year. In constant currency, net capital expenditures were \$163.0 million, a decrease of 10.5% compared to last year, mainly due to lower capital expenditures following reduced spending, mostly in the Canadian telecommunications segment.
 - Excluding network expansion projects, net capital expenditures were \$138.0 million, a decrease of 3.9% compared to \$143.5 million in the same period of the prior year. In constant currency, net capital expenditures excluding network expansion projects⁽¹⁾ were \$132.2 million, a decrease of 7.9% compared to last year.
 - Fibre-to-the-home network expansion projects continued in both Canada and the United States, with unprecedented homes passed additions of more than 171,000 during fiscal 2022 and the first nine months of the current fiscal year. These fibre-to-the-home network expansion projects are increasing the Corporation's footprint in the provinces of Québec and Ontario and in several areas adjacent to Breezeline's network in the United States.
 - Capital intensity was 22.9% compared to 25.0% last year. Excluding network expansion projects, capital intensity was 18.6% compared to 19.7% in the same period of the prior year.
- Acquisition of property, plant and equipment decreased by 3.9% to \$189.7 million, mainly due to reduced capital spending, mostly in the Canadian telecommunications segment.
- Free cash flow remained comparable as reported and in constant currency, amounting to \$104.4 million. Free cash flow remained comparable in constant currency mainly due to higher financial expense, acquisition, integration, restructuring and other costs and lower adjusted EBITDA being offset by lower net capital expenditures and current income taxes.
 - Free cash flow, excluding network expansion projects decreased by 5.0%, or 5.4% in constant currency, and amounted to \$136.3 million.
- Cash flows from operating activities decreased by 19.4% to reach \$284.4 million, driven by a net inflow in non-cash operating activities of \$26.2 million compared to \$54.2 million in the comparative period, resulting mostly from the timing of trade and other payables, as well as an increase in income taxes and interest paid.
- Spectrum licences were acquired in the 2500 MHz and 3500 MHz bands in Québec in relation to our plan to offer mobility services within our operating footprint.
- Cogeco Communications reiterates its fiscal 2023 financial guidelines as issued on January 12, 2023. Furthermore, on June 8, 2023, Cogeco Communications announced that it will provide its fiscal 2024 financial guidelines when it reports its financial results for the fourth quarter of fiscal 2023, which is consistent with industry practice.
- At its July 13, 2023 meeting, the Board of Directors of Cogeco Communications declared a quarterly eligible dividend of \$0.776 per share, an increase of 10.1% compared to \$0.705 per share in the comparable quarter of fiscal 2022.

- (1) Adjusted EBITDA and net capital expenditures are total of segments measures. Capital intensity is a supplementary financial measure. Constant currency basis, adjusted profit attributable to owners of the Corporation, net capital expenditures, excluding network expansion projects, free cash flow and free cash flow, excluding network expansion projects are non-IFRS financial measures. Change in constant currency, capital intensity, excluding network expansion projects and adjusted diluted earnings per share are non-IFRS ratios. These indicated terms do not have standardized definitions prescribed by International Financial Reporting Standards ("IFRS") and, therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, please consult the "Non-IFRS and other financial measures" section of this press release.
- (2) Net capital expenditures are presented net of government subsidies, including the utilization of those received in advance.
- (3) Excludes the impact of acquisition, integration, restructuring and other costs, net of tax and non-controlling interest.

Financial highlights

Three and nine months ended May 31 <i>(In thousands of Canadian dollars, except % and per share data)</i>	2023 \$	2022 \$	Change %	Change in constant currency ⁽¹⁾ %	2023 \$	2022 \$	Change %	Change in constant currency ⁽¹⁾ %
Operations								
Revenue	741,785	728,118	1.9	(1.3)	2,240,731	2,175,208	3.0	(0.3)
Adjusted EBITDA ⁽²⁾	351,328	347,614	1.1	(1.8)	1,069,766	1,045,988	2.3	(0.7)
Adjusted EBITDA margin ⁽²⁾	47.4 %	47.7 %			47.7 %	48.1 %		
Acquisition, integration, restructuring and other costs ⁽³⁾	11,368	2,263	—		20,997	22,349	(6.0)	
Profit for the period	101,538	105,406	(3.7)		326,175	341,927	(4.6)	
Profit for the period attributable to owners of the Corporation	95,892	100,250	(4.3)		305,774	318,362	(4.0)	
Adjusted profit attributable to owners of the Corporation ⁽²⁾	103,826	101,717	2.1		320,785	331,741	(3.3)	
Cash flow								
Cash flows from operating activities	284,377	353,001	(19.4)		681,579	921,145	(26.0)	
Free cash flow ⁽²⁾	104,422	104,795	(0.4)	—	327,489	389,906	(16.0)	(15.4)
Free cash flow, excluding network expansion projects ⁽²⁾	136,253	143,454	(5.0)	(5.4)	467,396	485,563	(3.7)	(4.4)
Acquisition of property, plant and equipment	189,656	197,345	(3.9)		597,260	501,066	19.2	
Net capital expenditures ⁽²⁾	169,793	182,181	(6.8)	(10.5)	522,889	465,404	12.4	7.3
Net capital expenditures, excluding network expansion projects ⁽²⁾	137,962	143,522	(3.9)	(7.9)	382,982	369,747	3.6	(1.2)
Capital intensity⁽²⁾	22.9 %	25.0 %			23.3 %	21.4 %		
Capital intensity, excluding network expansion projects ⁽²⁾	18.6 %	19.7 %			17.1 %	17.0 %		
Per share data⁽⁴⁾								
Earnings per share								
Basic	2.17	2.17	—		6.83	6.87	(0.6)	
Diluted	2.16	2.16	—		6.80	6.81	(0.1)	
Adjusted diluted ⁽²⁾	2.34	2.19	6.8		7.13	7.10	0.4	
Dividends	0.776	0.705	10.1		2.328	2.115	10.1	

(1) Key performance indicators presented on a constant currency basis are obtained by translating financial results from the current periods denominated in US dollars at the foreign exchange rate of the comparable periods of the prior year. For the three and nine-month periods ended May 31, 2022, the average foreign exchange rates used for translation were 1.2713 USD/CDN and 1.2660 USD/CDN, respectively.

(2) 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 financial measures. Change in constant currency, capital intensity, excluding network expansion projects and adjusted diluted earnings per share are non-IFRS ratios. These indicated terms do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, please consult the "Non-IFRS and other financial measures" section of this press release.

(3) For the three and nine-month periods ended May 31, 2023, acquisition, integration, restructuring and other costs resulted mostly from costs related to the ongoing integration of past acquisitions and from a retroactive adjustment of \$3.3 million recognized during the third quarter of fiscal 2023, in addition to a \$5.1 million adjustment recognized in the second quarter, both related to the Copyright Board preliminary conclusions of the 2016-2018 retransmission tariffs, impacting those years and estimated costs for the following years. For the three and nine-month periods ended May 31, 2022, acquisition, integration, restructuring and other costs resulted mostly from costs incurred in connection with the acquisition, completed on September 1, 2021, and integration of the Ohio broadband systems.

(4) Per multiple and subordinate voting share.

As at	May 31, 2023	August 31, 2022
<i>(In thousands of Canadian dollars)</i>	\$	\$
Financial condition		
Cash and cash equivalents	364,857	370,899
Total assets	9,776,770	9,278,509
Long-term debt		
Current	41,489	339,096
Non-current	5,038,941	4,334,373
Net indebtedness ⁽¹⁾	4,835,682	4,489,330
Equity attributable to owners of the Corporation	2,905,974	2,751,080

(1) Net indebtedness is a capital management measure. For more information on this financial measure, please consult the "Non-IFRS and other financial measures" section of the Corporation's MD&A for the three and nine-month periods ended May 31, 2023, available on SEDAR at www.sedar.com.

Forward-looking statements

Certain statements contained in this press release may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco 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 regarding the Corporation's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, purchase price allocation, tax rates, weighted average cost of capital, performance and business prospects and opportunities, which Cogeco Communications believes are reasonable as of the current date. Refer in particular to the "Corporate objectives and strategies" section of the Corporation's 2022 annual MD&A and of the fiscal 2023 third-quarter MD&A, the "Fiscal 2023 financial guidelines" section of the Corporation's 2022 annual MD&A and the "Fiscal 2023 revised financial guidelines" of the fiscal 2023 first-quarter 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 competitive risks (including changing competitive ecosystems and disruptive competitive strategies adopted by our competitors), business risks, regulatory risks, technology risks (including cybersecurity), financial risks (including variations in currency and interest rates), economic conditions (including inflation pressuring revenue, reduced consumer spending and increasing costs), human-caused and natural threats to our network (including increased frequency of extreme weather events with the potential to disrupt operations), infrastructure and systems, community acceptance risks, ethical behavior risks, ownership risks, litigation risks and public health and safety, many of which are beyond the Corporation's control. For more exhaustive information on these risks and uncertainties, the reader should refer to the "Uncertainties and main risk factors" sections of the Corporation's 2022 annual MD&A and of the fiscal 2023 third-quarter 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 press release which represent Cogeco Communications' expectations as of the date of this press release (or as of the date they are otherwise stated to be made) and are subject to change after such date. While management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

All amounts are stated in Canadian dollars unless otherwise indicated. This press release should be read in conjunction with the Corporation's MD&A for the three and nine-month periods ended May 31, 2023, the Corporation's condensed interim consolidated financial statements and the notes thereto for the same periods prepared in accordance with International Financial Reporting Standards ("IFRS") and the Corporation's 2022 Annual Report.

Non-IFRS and other financial measures

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

Reconciliations between non-IFRS and other financial measures to the most directly comparable IFRS financial measures are provided below. Certain additional disclosures for non-IFRS and other financial measures used in this press release have been incorporated by reference and can be found in the "Non-IFRS and other financial measures" section of the Corporation's MD&A for the three and nine-month periods ended May 31, 2023, available on SEDAR at www.sedar.com.

Financial measures presented on a constant currency basis for the three and nine-month periods ended May 31, 2023 are translated at the average foreign exchange rate of the comparable periods of the prior year, which were 1.2713 USD/CDN and 1.2660 USD/CDN, respectively.

Constant currency basis and foreign exchange impact reconciliation

Consolidated

						Three months ended May 31
						Change
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	741,785	(23,039)	718,746	728,118	1.9	(1.3)
Operating expenses	386,373	(13,134)	373,239	374,930	3.1	(0.5)
Management fees – Cogeco Inc.	4,084	—	4,084	5,574	(26.7)	(26.7)
Adjusted EBITDA	351,328	(9,905)	341,423	347,614	1.1	(1.8)
Free cash flow	104,422	370	104,792	104,795	(0.4)	—
Net capital expenditures	169,793	(6,761)	163,032	182,181	(6.8)	(10.5)

						Nine months ended May 31
						Change
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	2,240,731	(71,231)	2,169,500	2,175,208	3.0	(0.3)
Operating expenses	1,156,081	(40,429)	1,115,652	1,112,495	3.9	0.3
Management fees – Cogeco Inc.	14,884	—	14,884	16,725	(11.0)	(11.0)
Adjusted EBITDA	1,069,766	(30,802)	1,038,964	1,045,988	2.3	(0.7)
Free cash flow	327,489	2,353	329,842	389,906	(16.0)	(15.4)
Net capital expenditures	522,889	(23,439)	499,450	465,404	12.4	7.3

Canadian telecommunications segment

						Three months ended May 31
						Change
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	373,743	—	373,743	362,072	3.2	3.2
Operating expenses	177,794	(722)	177,072	166,082	7.1	6.6
Adjusted EBITDA	195,949	722	196,671	195,990	—	0.3
Net capital expenditures	84,415	(1,566)	82,849	100,730	(16.2)	(17.8)

						Nine months ended May 31
						Change
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	1,114,161	—	1,114,161	1,079,442	3.2	3.2
Operating expenses	521,534	(2,058)	519,476	502,575	3.8	3.4
Adjusted EBITDA	592,627	2,058	594,685	576,867	2.7	3.1
Net capital expenditures	281,036	(8,477)	272,559	235,964	19.1	15.5

American telecommunications segment

						Three months ended May 31
						Change
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	368,042	(23,039)	345,003	366,046	0.5	(5.7)
Operating expenses	197,273	(12,412)	184,861	199,977	(1.4)	(7.6)
Adjusted EBITDA	170,769	(10,627)	160,142	166,069	2.8	(3.6)
Net capital expenditures	82,923	(5,195)	77,728	81,424	1.8	(4.5)

					Nine months ended May 31	
					Change	
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	1,126,570	(71,231)	1,055,339	1,095,766	2.8	(3.7)
Operating expenses	607,237	(38,371)	568,866	584,143	4.0	(2.6)
Adjusted EBITDA	519,333	(32,860)	486,473	511,623	1.5	(4.9)
Net capital expenditures	236,422	(14,962)	221,460	227,829	3.8	(2.8)

Adjusted profit attributable to owners of the Corporation

		Three months ended May 31		Nine months ended May 31	
		2023	2022	2023	2022
<i>(In thousands of Canadian dollars)</i>		\$	\$	\$	\$
Profit for the period attributable to owners of the Corporation		95,892	100,250	305,774	318,362
Acquisition, integration, restructuring and other costs		11,368	2,263	20,997	22,349
Tax impact for the above items		(2,989)	(588)	(5,541)	(5,744)
Non-controlling interest impact for the above items		(445)	(208)	(445)	(3,226)
Adjusted profit attributable to owners of the Corporation		103,826	101,717	320,785	331,741

Free cash flow reconciliation

		Three months ended May 31		Nine months ended May 31	
		2023	2022	2023	2022
<i>(In thousands of Canadian dollars)</i>		\$	\$	\$	\$
Cash flows from operating activities		284,377	353,001	681,579	921,145
Amortization of deferred transaction costs and discounts on long-term debt ⁽¹⁾		3,334	2,926	9,406	8,841
Changes in other non-cash operating activities		(26,238)	(54,184)	107,797	(44,814)
Income taxes paid (received)		20,170	(369)	89,648	29,692
Current income taxes		(5,944)	(16,734)	(26,359)	(42,083)
Interest paid		63,335	48,984	174,159	121,137
Financial expense		(63,385)	(45,334)	(181,420)	(135,268)
Net capital expenditures		(169,793)	(182,181)	(522,889)	(465,404)
Repayment of lease liabilities		(1,434)	(1,314)	(4,432)	(3,340)
Free cash flow		104,422	104,795	327,489	389,906

(1) Included within financial expense.

Net capital expenditures reconciliation

	Three months ended May 31		Nine months ended May 31	
	2023	2022	2023	2022
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Acquisition of property, plant and equipment	189,656	197,345	597,260	501,066
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(19,863)	(15,164)	(74,371)	(35,662)
Net capital expenditures	169,793	182,181	522,889	465,404

Adjusted EBITDA reconciliation

	Three months ended May 31		Nine months ended May 31	
	2023	2022	2023	2022
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Profit for the period	101,538	105,406	326,175	341,927
Income taxes	19,996	28,202	76,642	78,373
Financial expense	63,385	45,334	181,420	135,268
Depreciation and amortization	155,041	166,409	464,532	468,071
Acquisition, integration, restructuring and other costs	11,368	2,263	20,997	22,349
Adjusted EBITDA	351,328	347,614	1,069,766	1,045,988

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

Net capital expenditures

	Three months ended May 31					
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	Change In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Net capital expenditures	169,793	(6,761)	163,032	182,181	(6.8)	(10.5)
Net capital expenditures in connection with network expansion projects	31,831	(976)	30,855	38,659	(17.7)	(20.2)
Net capital expenditures, excluding network expansion projects	137,962	(5,785)	132,177	143,522	(3.9)	(7.9)

					Nine months ended May 31	
					Change	
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Net capital expenditures	522,889	(23,439)	499,450	465,404	12.4	7.3
Net capital expenditures in connection with network expansion projects	139,907	(5,660)	134,247	95,657	46.3	40.3
Net capital expenditures, excluding network expansion projects	382,982	(17,779)	365,203	369,747	3.6	(1.2)

Free cash flow

					Three months ended May 31	
					Change	
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Free cash flow	104,422	370	104,792	104,795	(0.4)	—
Net capital expenditures in connection with network expansion projects	31,831	(976)	30,855	38,659	(17.7)	(20.2)
Free cash flow, excluding network expansion projects	136,253	(606)	135,647	143,454	(5.0)	(5.4)

					Nine months ended May 31	
					Change	
	2023	Foreign exchange impact	2023 in constant currency	2022	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Free cash flow	327,489	2,353	329,842	389,906	(16.0)	(15.4)
Net capital expenditures in connection with network expansion projects	139,907	(5,660)	134,247	95,657	46.3	40.3
Free cash flow, excluding network expansion projects	467,396	(3,307)	464,089	485,563	(3.7)	(4.4)

Additional information

Additional information relating to the Corporation is available on the SEDAR website at www.sedar.com and on the Corporation's website at corpo.cogeco.com.

About Cogeco Communications Inc.

Rooted in the communities it serves, Cogeco Communications Inc. is a growing competitive force in the North American telecommunications sector, serving 1.6 million residential and business customers. Through its business units Cogeco Connexion and Breezeline, Cogeco Communications provides Internet, video and phone services in the provinces of Québec and Ontario as well as in thirteen states in the United States. Cogeco Communications Inc.'s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA).

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For information:

Investors

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Conference Call: Friday, July 14, 2023 at 11:00 a.m. (EDT)

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

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

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

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