cogeco



# Fit to Win, Today and Tomorrow

2026 Annual Report

## Cogeco Inc.

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

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# Fit to Win, Today and Tomorrow

**This past year marked an important chapter in Cogeco's nearly 70-year history, as we continued to transform into a modern, agile, and innovative company that is fit to win – today and tomorrow. Guided by our purpose – to build vibrant communities by powering the connections of everyday life – our North American operations have made important headways, cutting through external adversity.**

In Canada, we rolled out and scaled our new Mobile offering across our entire broadband network footprint. We continued to grow oxio, our digital offering which is now recognized as the most loved telecom brand in Québec by Protégez-Vous (July 2026) and across Canada by PlanHub (April 2026 PlanHub Awards). We also continued to upgrade our network, with 1 Gbps speed now available in most of our footprint and 2 Gbps speed available in more than half of our footprint.

In the United States, introducing welo, a digital-first challenger brand similar to oxio in Canada. We also expanded our reach by growing our wireless business, building new sales channels, and launching a new, highly attractive TV streaming solution.

In our media division, we continued to leverage our strong market presence with ongoing growth in digital advertising solutions.

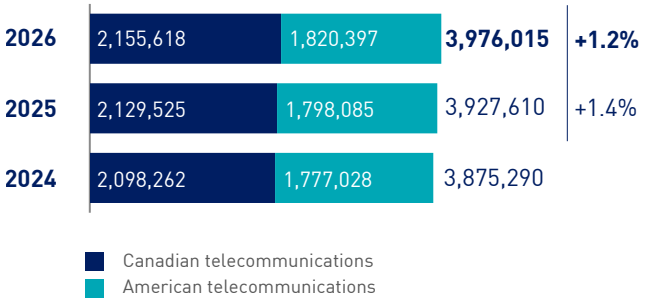
Across the company, we expanded our use of agile methodologies, grew our digital tools, and deployed a highly ambitious AI agenda. These advancements, and more, helped drive important operating efficiencies over the past three years.

As we enter the third year of our three-year transformation program, we could not be more excited about the evolution of our company. By bringing together our team's agility, operational efficiency, and a deep dedication to our local communities, Cogeco is building a stronger, faster, and more modern competitive force to be reckoned with. Today, and for generations to come, we dare to build what's next.

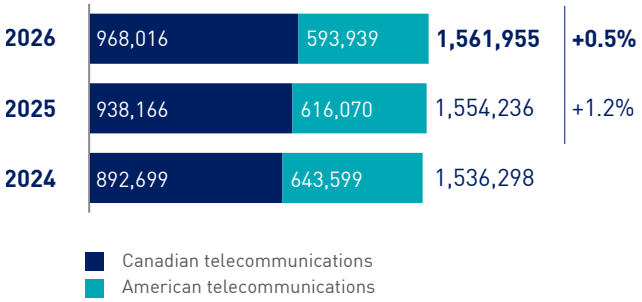
# Fiscal 2026 financial performance

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

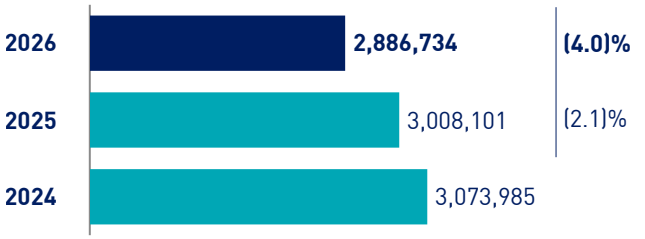
### Homes passed[1]



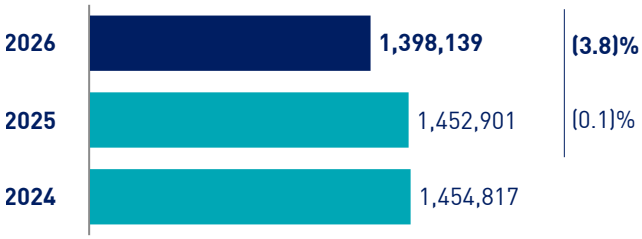

### Internet service subscribers



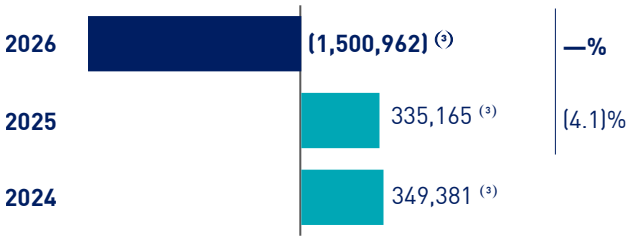

### Revenue




### Adjusted EBITDA[2]




### Profit (loss) for the year

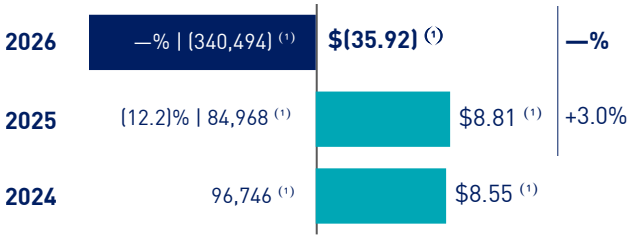



(1) During the fourth quarters of fiscal 2026 and 2025, homes passed were adjusted following a review of the calculation of American homes passed. These changes have been applied retrospectively to the comparative figures.

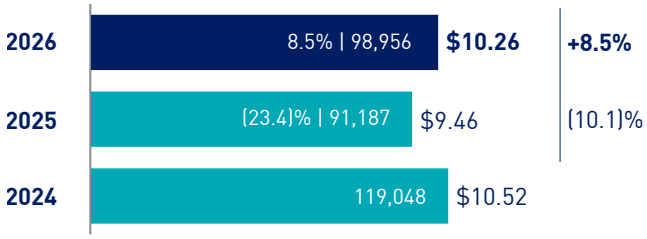
(2) Adjusted EBITDA is a total of segments measure. This indicated term does not have a standardized definition prescribed by IFRS® Accounting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and therefore, may not be comparable to similar measures presented by other companies. For more information on this financial measure, including references to the specific sections within the Management's discussion and analysis ("MD&A"), as applicable, for the reconciliations to the most directly comparable IFRS Accounting Standards measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section of the fiscal 2026 MD&A, available on SEDAR+ at www.sedarplus.ca. Fiscal 2024 reconciliation to the most directly comparable IFRS Accounting Standards measure has been incorporated by reference and can be found in the "Non-IFRS Accounting Standards and other financial measures" section of the Corporation's fiscal 2025 annual MD&A, available on SEDAR+ at www.sedarplus.ca.

(3) Loss for fiscal 2026 includes non-cash pre-tax impairment charges amounting to $2.2 billion, or US$1.6 billion ($1.8 billion, or US$1.3 billion, net of deferred income taxes) related to the American telecommunications segment and $25.6 million ($22.4 million net of deferred income taxes) related to Cogeco's radio operations, both recognized during the third quarter. Profit for fiscal 2025 and 2024 included reorganization costs related to the combination of the Canadian and U.S. management teams and other operational improvements.

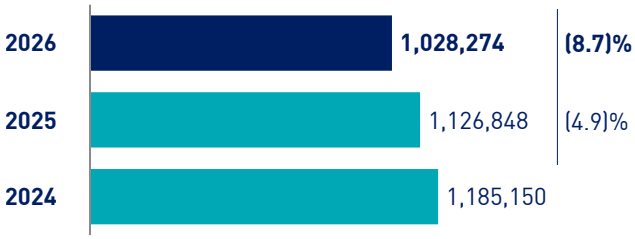
### Profit (loss) attributable to owners of the Corporation and diluted earnings (loss) per share



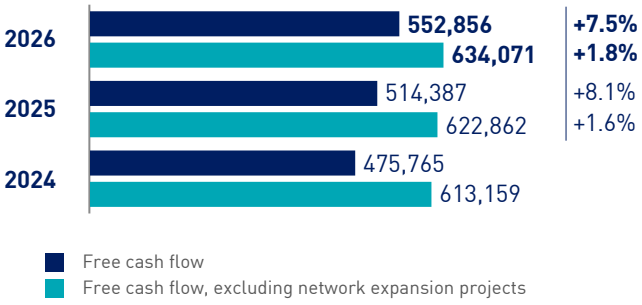

### Adjusted profit attributable to owners of the Corporation[2] and adjusted diluted earnings per share[2]



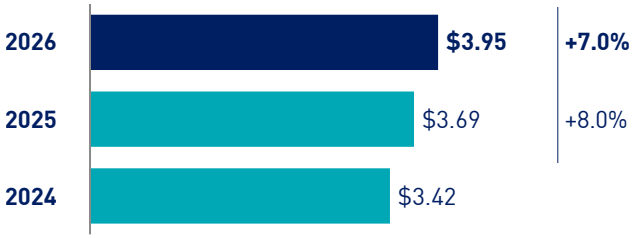

### Cash flows from operating activities




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




### Dividend per share




(1) Loss attributable to owners of the Corporation and diluted loss per share for fiscal 2026 include non-cash pre-tax impairment charges amounting to $2.2 billion, or US$1.6 billion ($1.8 billion, or US$1.3 billion, net of deferred income taxes) related to the American telecommunications segment and $25.6 million ($22.4 million net of deferred income taxes) related to Cogeco's radio operations, both recognized during the third quarter. For fiscal 2025 and 2024, profit attributable to owners of the Corporation and diluted earnings per share included reorganization costs related to the combination of the Canadian and U.S. management teams and other operational improvements.

(2) Free cash flow and free cash flow, excluding network expansion projects are non-IFRS Accounting Standards measures. Adjusted diluted earnings per share is a non-IFRS Accounting Standards ratio. Adjusted profit attributable to owners of the Corporation is a non-IFRS Accounting Standards measure and is a component of adjusted diluted earnings per share. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, including references to the specific sections within the MD&A, as applicable, for the reconciliations to the most directly comparable IFRS Accounting Standards measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section of the fiscal 2026 MD&A, available on SEDAR+ at www.sedarplus.ca. Additional fiscal 2024 reconciliations to the most directly comparable IFRS Accounting Standards measures have been incorporated by reference and can be found in the "Non-IFRS Accounting Standards and other financial measures" section of the Corporation's fiscal 2025 annual MD&A, available on SEDAR+ at www.sedarplus.ca.

# Financial highlights

| Years ended August 31 | 2026 | 2025 | Change | Change in constant currency [1][2] |
|---|---|---|---|---|
| *(In thousands of Canadian dollars, except % and per share data)* | $ | $ | % | % |
| **Operations** | | | | |
| Revenue | **2,886,734** | 3,008,101 | (4.0) | (3.7) |
| Adjusted EBITDA [2] | **1,398,139** | 1,452,901 | (3.8) | (3.5) |
| Acquisition, integration, restructuring and other costs [3] | **15,456** | 25,290 | (38.9) | |
| Impairment of assets | **2,254,622** | 2,433 | — | |
| Profit (loss) for the year | **(1,500,962)** | 335,165 | — | |
| Profit (loss) for the year attributable to owners of the Corporation | **(340,494)** | 84,968 | — | |
| Adjusted profit attributable to owners of the Corporation [2][4] | **98,956** | 91,187 | 8.5 | |
| **Cash flow** | | | | |
| Cash flows from operating activities | **1,028,274** | 1,126,848 | (8.7) | |
| Free cash flow [2] | **552,856** | 514,387 | 7.5 | 7.7 |
| Free cash flow, excluding network expansion projects [2] | **634,071** | 622,862 | 1.8 | 2.0 |
| Acquisition of property, plant and equipment | **566,305** | 599,294 | (5.5) | |
| Net capital expenditures [2][5] | **563,896** | 591,398 | (4.7) | (4.3) |
| Net capital expenditures, excluding network expansion projects [2] | **482,681** | 482,923 | (0.1) | 0.3 |
| **Per share data [6]** | | | | |
| Earnings (loss) per share | | | | |
| Basic | **(35.92)** | 8.94 | — | |
| Diluted [7] | **(35.92)** | 8.81 | — | |
| Adjusted diluted [2][4][7] | **10.26** | 9.46 | 8.5 | |
| Dividends per share | **3.948** | 3.688 | 7.0 | |

(1) Key performance indicators presented on a constant currency basis are obtained by translating financial results from the current period denominated in US dollars at the foreign exchange rate of the prior year. For the year ended August 31, 2025, the average foreign exchange rate used for translation was 1.3962 USD/CAD.

(2) Adjusted EBITDA and net capital expenditures are total of segments measures. Adjusted profit attributable to owners of the Corporation, free cash flow, free cash flow, excluding network expansion projects and net capital expenditures, excluding network expansion projects are non-IFRS Accounting Standards measures. Change in constant currency and adjusted diluted earnings per share are non-IFRS Accounting Standards ratios. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, including references to the specific sections within the MD&A, as applicable, for the reconciliations to the most directly comparable IFRS Accounting Standards measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section of the fiscal 2026 MD&A, available on SEDAR+ at www.sedarplus.ca.

(3) For the years ended August 31, 2026 and 2025, acquisition, integration, restructuring and other costs were mainly related to additional restructuring costs incurred in connection with the Corporation's transformation initiatives, and costs associated with the configuration and customization related to cloud computing and other arrangements. In addition, for the year ended August 31, 2025, these costs were partly offset by a $13.8 million non-cash gain recognized during the first quarter of fiscal 2025 in connection with a sale and leaseback transaction.

(4) Excludes the impact of non-cash impairment charges, acquisition, integration, restructuring and other costs, and gains/losses on debt modification and/or extinguishment, which include gains/losses on repurchase of debt (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.

(7) For the year ended August 31, 2026, the weighted average number of diluted multiple and subordinate voting shares used for the calculation of the adjusted diluted earnings per share included 168,561 share-based compensation units (comprising incentive share units and performance share units). As for the calculation of the diluted loss per share, these share-based compensation units were deemed to be anti-dilutive due to the loss incurred during the year and therefore were excluded from the calculation.

| As at | August 31, 2026 | August 31, 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | $ | $ |
| **Financial condition** | | |
| Cash | **89,487** | 75,577 |
| Total assets | **7,590,766** | 9,786,463 |
| Long-term debt | | |
| Current | **67,851** | 45,543 |
| Non-current | **4,433,895** | 4,664,731 |
| Net indebtedness [1] | **4,448,081** | 4,685,722 |
| Equity attributable to owners of the Corporation | **491,649** | 862,951 |

(1) Net indebtedness is a capital management measure. For more information on this financial measure, please consult the "Non-IFRS Accounting Standards and other financial measures" section of the Corporation's MD&A for the year ended August 31, 2026, available on SEDAR+ at www.sedarplus.ca.

## Message from the Chairman of the Board

> Cogeco continued to deliver on its strategic objectives and build long-term value for our customers, employees and shareholders.



**Louis Audet**
Chairman of the Board

**Fiscal 2026 was marked by strategic purpose and execution at Cogeco. With the completion of the second year of our three-year transformation program, we further increased our operational agility. In a landscape characterized by intense competition and evolving consumer trends, Cogeco continued to deliver on its strategic objectives and build long-term value for our customers, employees and shareholders.**

Following the initial launches of Breezeline Mobile and Cogeco Mobile, fiscal 2026 saw us scale these offerings, providing our wireline customers across Canada and the U.S. with a full suite of connectivity solutions.

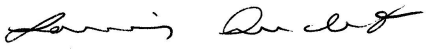
At Cogeco Media, our premier radio stations in Québec continued to adapt to the shifting advertising landscape, reinforcing their vital role in informing, entertaining, and connecting local communities.

More than ever, our speed, agility, entrepreneurial mindset, and deep connections with the communities we serve set us apart.

I extend my sincere gratitude to Frédéric Perron, the senior leadership team, and the thousands of dedicated Cogeco employees across Canada and the U.S. Your talent, adaptability, and unwavering commitment to a customer-first mindset are the true drivers of our momentum.

My appreciation also goes to my colleagues on the Board of Directors, whose strategic oversight and robust governance continue to guide Cogeco through this transformative journey.

To our customers, employees and shareholders: your continued trust is the bedrock of our business. Guided by a clear strategy, we remain fully focused on delivering long-term value for you in the years ahead.



**Louis Audet**
**Chairman of the Board**

## Message from the President and CEO

> By combining operational discipline, bold execution and a deep commitment to customers, we are building a strong and agile organization.



**Frédéric Perron**
President &
Chief Executive Officer

**Fiscal 2026 was a year where we executed with resolve and continued to build a company that's fit to win – today and tomorrow. As we enter the third year of our transformation program, we are seeing the tangible benefits of the strategies we set in motion as we build an increasingly fierce and agile competitive force within the telecommunications and media sectors.**

Our progress puts us in a strong position to tackle our objectives for the years to come by leveraging our mid-size scale, entrepreneurial spirit, and rapid advancements in digital and AI that bring more choice and seamless experiences to local consumers.

## Driving our strategic pillars

Our ambition is guided by six key priorities, and this year we delivered important advancements across each:

**1. Drive synergies**
We continued to consolidate systems, vendors, and platforms, further optimized our organization, and showed tight capital allocation discipline – all of which contributed to growing our free cash flow.

**2. Increase digitization**
We rapidly scaled our digital-first brands. Building on the success of oxio in Canada, we introduced a similar digital challenger brand, welo, to the U.S. market in February 2026. Operating alongside Breezeline, this standalone brand offers digital-native customers an intuitive experience, backed by a lean operating model.

**3. Accelerate advanced analytics**
We leveraged data analytics, in addition to an ambitious artificial intelligence agenda, to drive continuous improvement. From network optimization, to personalized customer offers and retention in competitive markets, these capabilities are starting to yield promising results that make us increasingly optimistic about the coming years.

**4. Complete network expansion**
We added over 48,000 new homes passed in Canada and the U.S. in fiscal 2026, mostly via government partnerships, bringing fibre-powered high-speed Internet to previously unserved and underserved communities.

**5. Ramp-up wireless**
We expanded Cogeco Mobile to cover more than 99% of our Canadian broadband network footprint during the year. Sales of mobile to our wireline base continues to perform ahead of target, and will serve as a powerful tool to lower customer churn and drive loyalty.

**6. Transform our radio business**
Cogeco Media continued to execute its digital transformation strategy. Despite broader market pressures on traditional broadcast advertising, our team maintained a market-leading 4.6 million weekly listeners (Spring 2026) and successfully grew digital advertising revenue.

## Fit for the future

Our fiscal 2026 accomplishments reflect the ingenuity and grit of our teams. By combining operational discipline, bold execution and a deep commitment to customers, we are building a strong and agile organization capable of seizing new market opportunities.

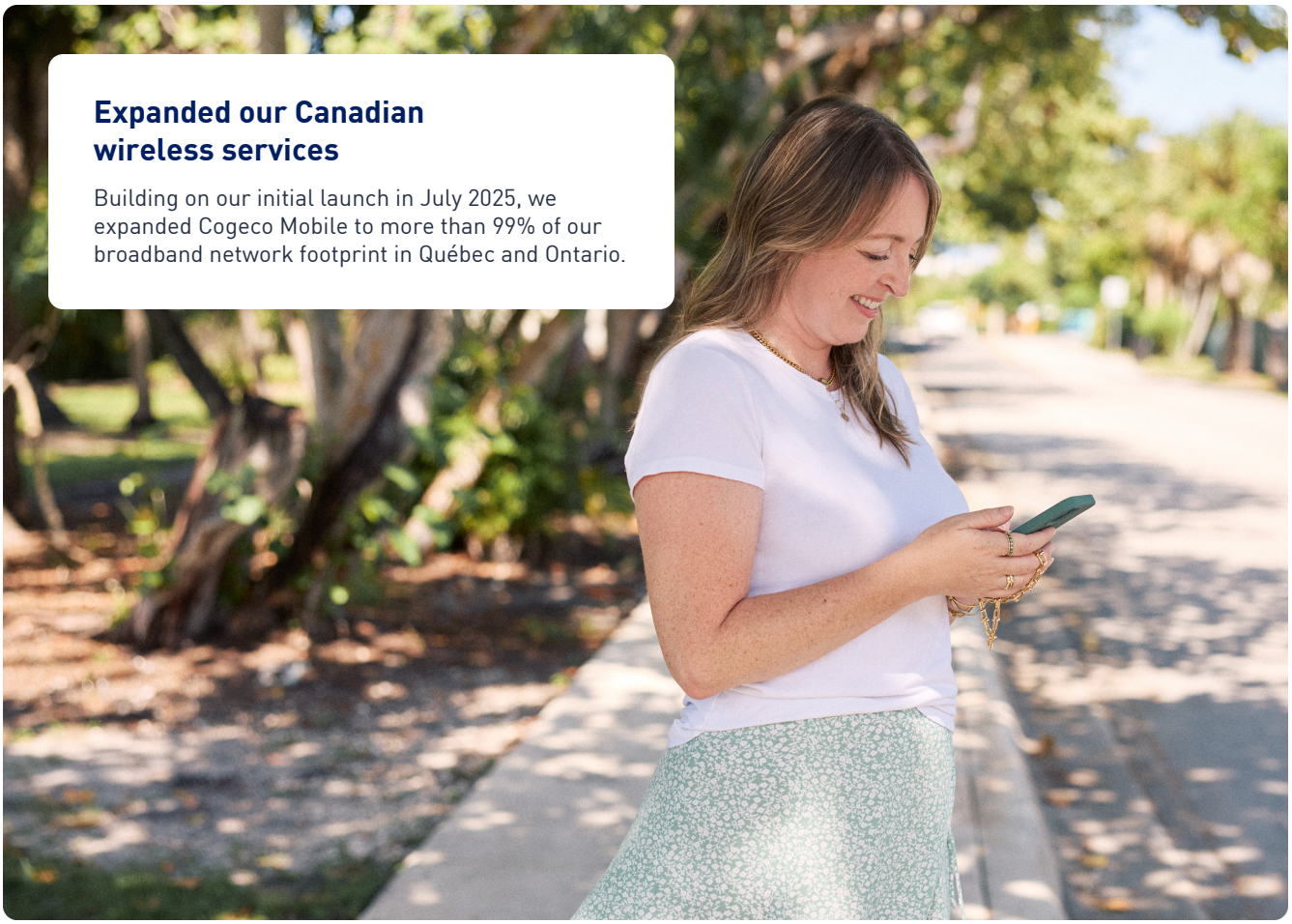
We remain dedicated to building vibrant communities by powering the connections of everyday life. Guided by this purpose, we will continue to deliver sustainable, long-term value for all customers, employees and shareholders.

Thank you for your continued trust and partnership. We look forward to sharing our progress in the year ahead.



**Frédéric Perron**
**President & Chief Executive Officer**

# Fiscal 2026 in review



## Expanded our Canadian wireless services

Building on our initial launch in July 2025, we expanded Cogeco Mobile to more than 99% of our broadband network footprint in Québec and Ontario.



## Capitalized on our radio leadership

Backed by our strong market position, we continue to drive ongoing growth in Cogeco Media's digital advertising solutions.




## Expanded our fibre reach

We further expanded our network, adding over 48,000 new homes passed in Canada and the U.S., mainly using fibre-to-the-home technology and mostly through government partnerships.




## Broadened our U.S. offering

We expanded our U.S. presence by launching welo, a digital-first Internet brand, as well as a compelling new TV streaming product.



## Strengthened our capabilities

We deepened our use of agile methodologies, launched an ambitious AI agenda, increased our company-wide training on AI tools, and continued to nurture an inclusive workplace.

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



## In this section


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# 1. Forward-looking statements

*Certain statements contained in this Management's Discussion and Analysis ("MD&A") constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco Inc.'s ("Cogeco" or the "Corporation") future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee"; "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements relating to the Corporation's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, purchase price allocation, tax rates, weighted average cost of capital, performance and business prospects and opportunities, which Cogeco believes are reasonable as of the current date. Refer in particular to the "Corporate objectives and strategy" section of the current MD&A for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements. While management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what Cogeco currently expects. These factors include risks such as general market conditions, competitive risks (including changing competitive and technology ecosystems and disruptive competitive strategies adopted by our competitors), business risks, regulatory risks (including changes in laws or government policies and the impact of regulatory decisions, such as those of the Canadian Radio-television and Telecommunications Commission ("CRTC") in Canada or of the Federal Communications Commission in the U.S.), tax risks, technology risks (including the evolution of technology, the rapid advancement of artificial intelligence technologies, and the threat of cybersecurity), financial risks (including the ability to execute debt refinancings, increasing interest rates and variations in currency), economic conditions (including inflation, 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, physical sabotage, and deliberate vandalism such as copper theft with the potential to disrupt operations), infrastructure and systems, sustainability and sustainability reporting risks, ethical behavior risks, ownership risks, litigation risks and public health and safety, many of which are beyond the Corporation's control. Moreover, the Corporation's radio operations are significantly exposed to advertising budgets from the retail industry, which can fluctuate due to increased competition and changing economic conditions. For more exhaustive information on these risks and uncertainties, the reader should refer to the "Uncertainties and main risk factors" section of the current MD&A. These factors are not intended to represent a complete list of the factors that could affect Cogeco and future events and results may vary significantly from what management currently foresees. If the market value of our assets or if management's estimates of forecasted results deteriorate, we may be required to recognize material non-cash charges relating to impairment of assets. The reader should not place undue importance on forward-looking information contained in this MD&A and the forward-looking statements contained in this MD&A represent Cogeco's expectations as of the date of this MD&A (or as of the date they are otherwise stated to be made) and are subject to change after such date. While management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.*

*All amounts are stated in Canadian dollars unless otherwise indicated. This report should be read in conjunction with the Corporation's consolidated financial statements and the notes thereto prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") for the year ended August 31, 2026.*

*In preparing this MD&A, the Corporation has taken into account information available up to October 28, 2026, the date of this MD&A, unless otherwise indicated. Additional information relating to the Corporation, including its Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on the Corporation's website at corpo.cogeco.com.*

# 2. Overview of the business

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

## 2.1 Canadian and American telecommunications segments

### Description of services

The Canadian telecommunications activities are carried out by Cogeco Connexion under the Cogeco and oxio brands in Canada, and the American telecommunications activities are carried out by Breezeline under the Breezeline and welo brands in the U.S.

The following services represent our core suite of offerings:

**Internet services:** We offer a wide range of Internet packages with top residential download speeds of up to 2 Gbps in Canada and up to 2.5 Gbps in the United States, as well as up to 10 Gbps for commercial subscribers in both countries. We offer advanced Wi-Fi solutions, including by integrating multiple devices as needed. These solutions improve the overall customer experience by providing expanded Wi-Fi coverage with enhanced reliability and consistent speed in every area of the home. Both Cogeco Connexion and Breezeline home Wi-Fi solutions include self-installation options.

**Video services:** We offer our subscribers a full array of video services and programming offerings, including through an Internet protocol television ("IPTV") service, branded EPICO in Canada. In the U.S., video services are delivered through an IPTV service, branded Breezeline Stream TV, as well as through a partnership with DIRECTV. Our subscribers have access to a basic service, various tier packages, video on demand services, advanced video services and pay-per-view channels for Canadian subscribers. Video services are available on our video devices, as well as on third-party devices such as Apple TV, Roku, Samsung, and Amazon Fire TV. Video services are also available on Android and Apple mobile phones and tablets, allowing subscribers great viewing flexibility.

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

**Wireless services**: In fiscal 2024, Breezeline launched wireless services across most of its United States wireline footprint. Breezeline Mobile is offered as a bundle to new and existing Breezeline residential Internet subscribers, through a mobile virtual network operator ("MVNO") agreement with a major wireless network operator and an agreement with a national technology service company. In Canada, Cogeco Connexion entered into two key supplier agreements in fiscal 2024, giving it access to wireless services across its Canadian footprint, through an MVNO agreement with a national wireless network operator and a technology agreement with another Canadian mobile operator. Combined with the use of its own spectrum, this enabled Cogeco Connexion to successfully launch its wireless service in 13 Canadian markets in fiscal 2025, followed by a full-scale launch across the majority of its operating footprint in Québec and Ontario during the first quarter of fiscal 2026. Cogeco Mobile is available to new and existing Canadian Cogeco Internet subscribers who bring their own device, on a bundled basis.

We actively bundle our services together, offering competitive prices, which promotes cross-selling within our subscriber base and attracts new customers.

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

**Customer support and digital platforms:** To complement our core suite of offerings, we leverage AI-powered customer-facing chatbot and voice technologies across our digital platforms through virtual assistants in Canada and in the United States, providing 24/7 support for billing inquiries and Internet technical support. The tools leverage third-party AI solutions, which are adapted to properly address customer enquiries based on the specific information technology systems and data sets used in the company.

### Networks and infrastructure

Cogeco Connexion and Breezeline provide residential Internet, video and wireline phone services as well as business services through advanced telecommunications distribution networks. Cogeco Connexion and Breezeline deliver these services mainly through their own long-distance fibre optic systems, advanced hybrid fibre-coaxial ("HFC") telecommunications distribution networks, point-to-point fibre networks and fibre-to-the-home ("FTTH") network technologies, as well as through leases or indefeasible right of use agreements with third parties for portions of the network.

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

We regularly invest in our network to increase bandwidth capacity to meet demand and to expand our network footprint. Capacity expansion is accomplished through upgrades to our fibre-based core network, and densification of local distribution nodes. HFC upgrades are done through a combination of equipment upgrades and more efficient use of in-wire spectrum. FTTH is the predominant technology for footprint expansion, with some HFC construction in locations that are immediately adjacent to established areas.

This combination of fibre optic and coaxial cable allows us to optimize the delivery of high quality networks through efficient capital investments. Cogeco Connexion's and Breezeline's current FTTH deployment utilizes Passive Optical Networking technology, as it is a robust solution offering subscribers symmetrical speeds, while HFC networks are based on CableLabs' DOCSIS 3.1 technology. DOCSIS provides a flexible and expandable platform to further increase IP transmission speeds and to provide other products such as symmetrical services, which are particularly well suited for commercial subscriber applications. Cogeco Connexion offers Internet download speeds of 1+ Gbps in approximately 95% of its broadband footprint, including speeds of up to 2 Gbps in approximately 50% of it. Breezeline offers 1+ Gbps Internet download speeds to approximately 99% of its footprint of serviceable homes and businesses, including speeds of up to 2.5 Gbps in more than 10% of it. Higher speed packages are available to businesses and on a bespoke basis.

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

## 2.2 Media activities

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

Cogeco Media's stations are leaders in their respective markets, reaching 4.6 million listeners each week by providing to a wide audience a varied and relevant programming. Cogeco Media also owns Cogeco Nouvelles, the largest private news agency in Québec.

## 2.3 Corporate objectives and strategy

Our purpose is to build vibrant communities by powering the connections of everyday life. We do this by rewriting the rules of our industry, blending the scale and experience of a North American powerhouse with the pulse of a local partner, to deliver on our vision to drive sustainable, long-term value for our shareholders and other stakeholders, including our customers, communities, and colleagues.

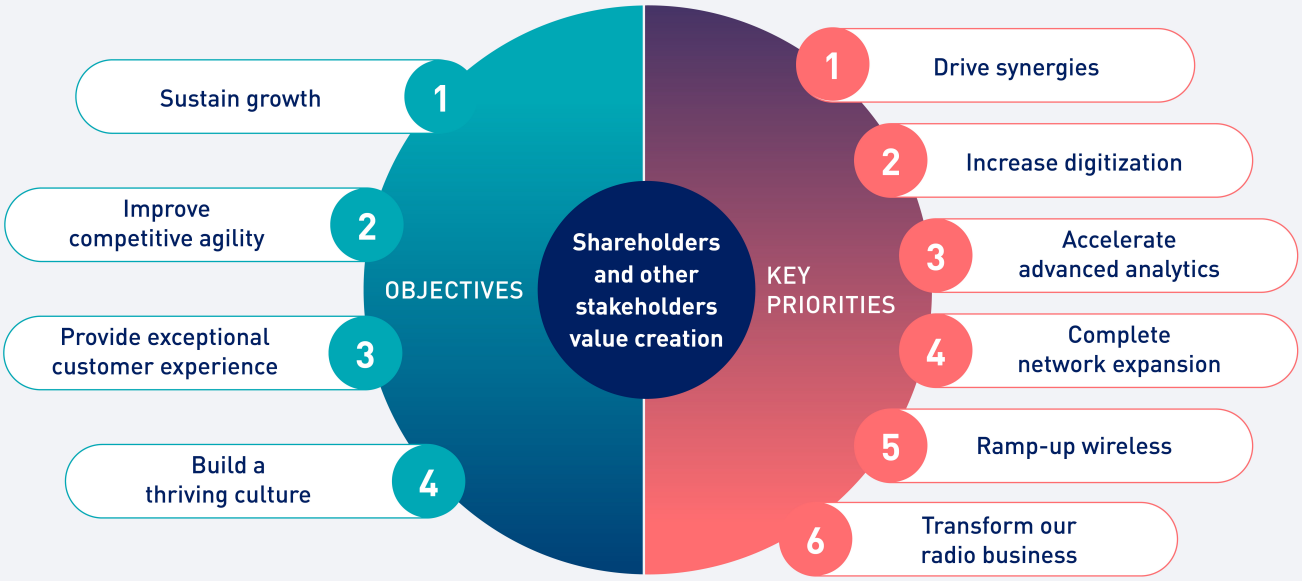
### Strategy for growth

We continue to drive business performance by leveraging our mid-size scale, our unique and unified North American platform, our entry into the Canadian and U.S. wireless sector, and our leadership position in radio broadcasting. Our growth strategy capitalizes on our fibre-powered networks, lean and increasingly digitized organization, strong multi-platform digital content offering, and innovative products and services. We are committed to offering a compelling customer experience and to maintaining deep connections with the communities we serve.

### Transforming to deliver sustainable growth

To ensure our continued success, we announced a three-year transformation program in fiscal 2024. Two years into that transformation, a faster, leaner, and more modern company is clearly starting to emerge.

**Shareholders and other stakeholders value creation** remains at the forefront of everything we do, including positioning our company for a sustainable growth trajectory by broadening our product offering, reaching new segments and markets, and accelerating our digital and analytics capabilities.



## Our key priorities are as follows:

| | Fiscal 2026 key achievements | Focus in fiscal 2027 |
|---|---|---|
| **1 Drive synergies**<br>**Further harmonize processes, technologies, systems, and platforms across the U.S. and Canada to simplify our operations, increase performance, and generate efficiencies.** | • Drove cost and performance synergies in management and support functions.<br>• Optimized information technology activities.<br>• Consolidated branding and marketing investment for greater impact.<br>• Optimized video content offering and launched a new video streaming platform for the U.S. | • Continue to seize opportunities in technology to simplify the systems that we use and leverage economies of scale across our operations. |
| **2 Increase digitization**<br>**Drive revenue growth, cost reductions, simplified customer experience, and enhanced customer satisfaction by increasing the share of our sales and service transactions that are done digitally.** | • Successfully launched welo, a new digital challenger brand in the United States.<br>• Accelerated the growth of oxio, a digital-only brand in Canada.<br>• Significantly evolved the use of automated tools, with several leveraging artificial intelligence, to handle a growing percentage of customer chat and voice interactions.<br>• Added new digital self-serve tools, which provide an elevated customer experience.<br>• Reduced our volume of service truck rolls through proactive issue prevention.<br>• Developed AI-based tools to support network technicians in their daily activities. | • Scale up digital-first interactions with customers across our sales, service and support functions. |
| **3 Accelerate advanced analytics**<br>**Elevate our use of analytics and artificial intelligence ("AI") to deploy more personalized customer offers, increase revenue, improve retention performance and optimize network management.** | • Established an AI Center of Excellence ("COE") to serve as a central catalyst in streamlining processes and removing friction points throughout the customer experience.<br>• Increased the number of AI models in production, primarily supporting the customer-facing chat and voice systems.<br>• Deployed Generative AI tools to every colleague across the entire organization.<br>• Developed and evolved the foundational principles of AI and Data governance, including guidelines, best practices, and policies. | • Significantly increase the AI models used to expand the customer resolution capabilities, to increase the efficiency of network maintenance operations, and to optimize revenue through enhanced analytics and decision-making capabilities.<br>• Further elevate AI adoption and deployment throughout the business. |
| **4 Complete network expansion**<br>**Selectively expand our wireline network into adjacent areas in a financially disciplined manner, including through government programs that subsidize broadband deployment in underserved regions.** | • Added over 48,000 homes passed across Canada and the U.S. to bring high-speed Internet to unserved and underserved rural areas.<br>• Pursued the upgrade of our networks using various technologies, ensuring that customers enjoy increasingly fast speeds and reliability. | • Continue the construction of network expansion projects, primarily focusing on the Ontario deployment done in conjunction with government programs.<br>• Continue to evolve network speeds and reliability, using various technologies. |

| | Fiscal 2026 key achievements | Focus in fiscal 2027 |
|---|---|---|
| **5 Ramp-up wireless**<br>**Enhance wireline customer acquisition and retention by growing penetration of our recently launched wireless offerings in both Canada and the U.S.** | • Expanded our Canadian wireless service across the majority of our operating footprint.<br>• Continued to ramp up Breezeline Mobile sales by bundling the products with broadband services. | • Grow wireless penetration in both Canada and the U.S. |
| **6 Transform our radio business**<br>**Strengthen our leadership in radio content and continue to grow distribution through both linear and digital platforms.** | • Launched new, innovative programming content across our stations.<br>• Continued to grow our digital content and associated revenue. | • Continue to strengthen radio content to increase listenership and revenue opportunities on both linear and digital platforms. |

During fiscal 2026, the Board of Directors of Cogeco Communications reviewed the previously stated intent of Cogeco Communications of investing up to $100 million of capital into longer-term opportunities with new growth prospects, and concluded that no further steps will be taken in this regard at this time. Cogeco Communications will instead focus on driving business performance and delivering its growth strategy.

## 2.4 Business developments

**Partnership with DIRECTV to enhance video offering in the U.S.**

In August 2026, Breezeline expanded its range of video products by entering into a strategic partnership with DIRECTV in the United States. By adding DIRECTV's entertainment packages, Breezeline now offers two video platforms which can be bundled with Internet services.

**Launch of welo, a new digital challenger brand in the United States**

On February 26, 2026, Cogeco Communications successfully launched welo, a new digital challenger brand in the United States. The welo brand was initially launched in Columbus, Ohio, with plans for further rollouts throughout fiscal 2027.

With this launch, Cogeco Communications now has a second brand to serve the telecommunications needs of the American market, operating alongside Breezeline to capture new market segments, and accelerate the digitization of its sales and service interactions.

**Full-scale launch of Cogeco Mobile's wireless service in Canada**

In October 2025, Cogeco Communications expanded Cogeco Mobile's wireless service in Canada across the majority of its operating footprint, providing more choice to Canadian customers.

Effective as of the first quarter of fiscal 2026, the Corporation changed the presentation of its reportable segments following the full-scale launch of its Canadian wireless service offering. The Canadian wireless operations are now reported within the Canadian telecommunications segment, instead of "Corporate and eliminations" as previously reported during the start-up phase. Comparative figures were restated to conform to the current presentation. Refer to the "Consolidated operating and financial results" and "Segmented operating and financial results", as well as the "Fourth-quarter operating and financial results" sections for additional details.

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

As part of its plan to extend its high-speed Internet coverage to underserved and unserved rural areas, the Corporation continued its Internet network expansion projects, mainly using fibre-to-the-home technology. The Corporation has added over 48,000 [i] homes passed during fiscal 2026 and in total, over 349,000 [i] organically since the beginning of fiscal 2022.

In Canada, over the past years, the Corporation has strategically invested in numerous fibre-to-the-home Internet network expansion projects in Québec and Ontario, bringing enhanced connectivity to a total of 258 Québec municipalities and 84 in Ontario at the end of fiscal 2026. An additional 15 high-speed Internet network expansion projects are currently underway in various regions of Ontario, set to benefit 33 municipalities. These initiatives, partially funded by provincial and federal government programs, aim to extend high-speed Internet access to underserved areas.

In the United States, during fiscal 2026, Breezeline completed a fibre-to-the-home network expansion in Maryland and continued network expansion projects in select areas of Virginia, leveraging government-subsidized broadband initiatives to bring high-speed Internet to underserved communities.

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

On June 4, 2024, the CRTC released Broadcasting Regulatory Policy 2024-121, *The Path Forward - Supporting Canadian and Indigenous content through base contributions*, which requires certain online streaming services to make financial contributions to the production of Canadian and Indigenous programming as of September 2024. Specifically, the Commission is requiring both audio-visual and audio online services that make $25 million or more in gross broadcasting revenues (excluding revenues generated from audiobook, podcast and video games services, and from user-generated content) and that are not affiliated with a Canadian broadcaster to contribute 5% of those revenues to certain funds. Audio streaming services subject to this requirement are required to direct at least 30% of their contributions to a new temporary fund to support news on commercial radio stations outside of the Montréal, Toronto, Vancouver, Calgary, Edmonton and Ottawa-Gatineau markets. Some of Cogeco Media's radio stations will be entitled to receive funding from this new fund, which will be administered by the Canadian Association of Broadcasters ("CAB"). On August 1, 2025, the CRTC approved the CAB's operational plan to administer the fund. Certain audio streaming services are challenging the requirement to make contributions and have submitted applications for leave to appeal, which were granted, and for judicial review of Broadcasting Regulatory Policy 2024-121 to the Federal Court of Appeal. These matters have been heard by the Federal Court of Appeal and are under reserve.

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[i] During the fourth quarter of fiscal 2026, homes passed were adjusted following a review of the calculation of American homes passed. This change has been applied retrospectively to the comparative figures.

## 2.5 Operating environment

The Corporation operates in an industry that provides essential services to residential and commercial consumers and is known for its resilience during various economic cycles. However, due to greater competitive intensity and changing video subscriber trends, the Corporation expects sustained pressure on its revenue. In addition, adverse macroeconomic conditions, driven by global geopolitical uncertainties and evolving trade policies, 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 reinvigorate growth, the Corporation embarked on a three-year transformation program in fiscal 2024 centered on synergies, digitization, advanced analytics, network expansion and wireless, as well as transforming its radio business. As part of its three-year transformation program, the Corporation has initiated several initiatives focused on revenue generation and operating efficiencies across the organization.

The Corporation's results discussed herein may not be indicative of future operational trends and financial performance. Please refer to the "Forward-looking statements" section.

## 2.6 Key performance indicators

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

| | Fiscal 2026 performance and results | | | | Fiscal 2026 financial guidelines (constant currency) [1] | |
|---|---|---|---|---|---|---|
| | Actuals | | In constant currency [1][2] | | April 9, 2026 Revised financial guidelines [3] | Achievement of the revised financial guidelines |
| *(In millions of Canadian dollars, except percentages)* | $ | % increase (decrease) [4] | $ | % increase (decrease) [4] | | |
| Revenue | **2,887** | **(4.0)** | **2,896** | **(3.7)** | **Decrease of 2% to 4%** | **Achieved** |
| Adjusted EBITDA [2] | **1,398** | **(3.8)** | **1,402** | **(3.5)** | **Decrease of 1.5% to 3.5%** | **Achieved** |
| Loss for the year [5] | **(1,501)** | **—** | **N/A** | **N/A** | **N/A** | **N/A** |
| Net capital expenditures [2][6] | **564** | **(4.7)** | **566** | **(4.3)** | **$565 to $605** | **Achieved** |
| Net capital expenditures in connection with network expansion projects | **81** | **(25.1)** | **81** | **(25.0)** | **$85 to $110** | **Surpassed** |
| Acquisition of property, plant and equipment [5] | **566** | **(5.5)** | **N/A** | **N/A** | **N/A** | **N/A** |
| Free cash flow [2] | **553** | **7.5** | **554** | **7.7** | **Increase of 0% to 10%** | **Achieved** |
| Free cash flow, excluding network expansion projects [2] | **634** | **1.8** | **635** | **2.0** | **Increase of 0% to 10%** | **Achieved** |
| Cash flows from operating activities [5] | **1,028** | **(8.7)** | **N/A** | **N/A** | **N/A** | **N/A** |

(1) Actual results and financial guidelines are presented in constant currency based on fiscal 2025 average foreign exchange rate of 1.3962 USD/CAD.

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

(3) As announced in the Corporation's press release issued on April 9, 2026, fiscal 2026 financial guidelines were revised at the time of issuing its fiscal 2026 second-quarter financial results. At that time, the Corporation had lowered its revenue and adjusted EBITDA financial guidelines, as it expected higher pressure on its revenue than initially anticipated in the United States due to the ongoing competitive environment. While financial guidelines for its net capital expenditures and free cash flow were maintained, the Corporation expected lower capital spending in connection with network expansion projects than initially planned due to the timing of certain initiatives. Accordingly, Cogeco also revised its financial guidelines for net capital expenditures in connection with network expansion projects, while maintaining its financial guidelines for free cash flow, excluding network expansion projects.

(4) Percentage of changes compared to fiscal 2025.

(5) These are presented as the most directly comparable IFRS Accounting Standards measures and are not presented as part of the Corporation's fiscal 2026 financial guidelines.

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

Despite continued revenue pressure from increased market competition and an ongoing competitive environment, particularly in the United States, the Corporation achieved its revenue and adjusted EBITDA financial guidelines on a constant currency basis, partially due to a three-year transformation program, cost reduction initiatives and operating efficiencies.

On a constant currency basis, free cash flow and net capital expenditures were all in line with expectations, achieving the Corporation's financial guidelines for fiscal 2026. This was driven by the Corporation's transformation initiatives, operational efficiencies and the timing of certain initiatives. While not significantly impacting overall net capital expenditures and free cash flow, the Corporation's capital spending in connection with network expansion projects was lower than initially planned. This surpassed the Corporation's capital spending financial guidelines for network expansion projects, mainly due to the timing of certain initiatives.

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

## 2.7 Three-year annual financial highlights

| **Years ended August 31**<br>*(In thousands of Canadian dollars, except per share data)* | **2026**<br>**$** | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| **Operations** | | | |
| Revenue | **2,886,734** | 3,008,101 | 3,073,985 |
| Adjusted EBITDA [1] | **1,398,139** | 1,452,901 | 1,454,817 |
| Acquisition, integration, restructuring and other costs | **15,456** | 25,290 | 63,298 |
| Impairment of assets | **2,254,622** | 2,433 | 15,229 |
| Profit (loss) for the year | **(1,500,962)** | 335,165 | 349,381 |
| Profit (loss) for the year attributable to owners of the Corporation | **(340,494)** | 84,968 | 96,746 |
| **Cash flow** | | | |
| Cash flows from operating activities | **1,028,274** | 1,126,848 | 1,185,150 |
| Free cash flow [1] | **552,856** | 514,387 | 475,765 |
| Acquisition of property, plant and equipment | **566,305** | 599,294 | 664,004 |
| Net capital expenditures [1][2] | **563,896** | 591,398 | 642,747 |
| **Per share data [3]** | | | |
| Earnings (loss) per share | | | |
| Basic | **(35.92)** | 8.94 | 8.63 |
| Diluted | **(35.92)** | 8.81 | 8.55 |
| Dividends per share | **3.948** | 3.688 | 3.416 |

| **As at**<br>*(In thousands of Canadian dollars)* | **August 31, 2026**<br>**$** | August 31, 2025<br>$ | August 31, 2024<br>$ |
|---|---|---|---|
| **Financial condition** | | | |
| Cash | **89,487** | 75,577 | 77,746 |
| Total assets | **7,590,766** | 9,786,463 | 9,773,739 |
| Long-term debt | | | |
| Current | **67,851** | 45,543 | 370,108 |
| Non-current | **4,433,895** | 4,664,731 | 4,594,057 |
| Net indebtedness [1] | **4,448,081** | 4,685,722 | 4,957,594 |
| Long-term financial liabilities [4] | **4,436,877** | 4,686,228 | 4,603,891 |
| Equity attributable to owners of the Corporation | **491,649** | 862,951 | 810,437 |

(1) Adjusted EBITDA and net capital expenditures are total of segments measures. Free cash flow is a non-IFRS Accounting Standards measure. Net indebtedness is a capital management measure. 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.

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

(3) Per multiple and subordinate voting shares.

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

# 3. Consolidated operating and financial results

## 3.1 Consolidated performance

| Years ended August 31 | 2026 | | | 2025 | Change | |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **Actual** [1] **$** | Foreign exchange impact $ | **In constant currency** [2] **$** | Actual $ | **Actual %** | **In constant currency %** |
| Revenue | **2,886,734** | 9,093 | **2,895,827** | 3,008,101 | **(4.0)** | **(3.7)** |
| Operating expenses | **1,488,595** | 5,004 | **1,493,599** | 1,555,200 | **(4.3)** | **(4.0)** |
| Adjusted EBITDA | **1,398,139** | 4,089 | **1,402,228** | 1,452,901 | **(3.8)** | **(3.5)** |
| Net capital expenditures | **563,896** | 1,809 | **565,705** | 591,398 | **(4.7)** | **(4.3)** |

(1) For fiscal 2026, the average foreign exchange rate used for translation was 1.3865 USD/CAD.

(2) Fiscal 2026 in constant currency is translated at the average foreign exchange rate of fiscal 2025, which was 1.3962 USD/CAD.

### Revenue

| Years ended August 31 | 2026 | 2025 | Change | Change in constant currency | Foreign exchange impact [1] |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **$** | $ | % | % | $ |
| Canadian telecommunications | **1,502,128** | 1,495,308 | 0.5 | 0.5 | — |
| American telecommunications | **1,290,850** | 1,415,185 | (8.8) | (8.1) | 9,093 |
| **Cogeco Communications** | **2,792,978** | 2,910,493 | (4.0) | (3.7) | 9,093 |
| Other | **93,756** | 97,608 | (3.9) | (3.9) | — |
| **Consolidated** | **2,886,734** | 3,008,101 | (4.0) | (3.7) | 9,093 |

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

Fiscal 2026 revenue decreased by 4.0% (3.7% in constant currency). The decrease in constant currency is mainly due to:

- a lower subscriber base in the American telecommunications segment compared to the previous year, and a higher proportion of customers subscribing to Internet-only services, as well as a competitive environment; and
- lower revenue in the media activities as the traditional radio advertising market remains challenging; partly offset by
- higher revenue in the Canadian telecommunications segment, mainly resulting from the cumulative effect of high-speed Internet service additions over the past year. The increase was offset in part by a decline in video and wireline phone service subscribers, as an increasing proportion of customers subscribe to Internet-only services, especially for the oxio brand which only offers Internet services, as well as a competitive environment.

## Operating expenses

| Years ended August 31 | 2026 | 2025 [1] | Change | Change in constant currency | Foreign exchange impact |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % | % | $ |
| Canadian telecommunications [1] | **700,123** | 715,494 | (2.1) | (2.1) | 400 |
| American telecommunications | **652,860** | 711,775 | (8.3) | (7.6) | 4,606 |
| Corporate and eliminations [1] | **28,365** | 22,363 | 26.8 | 26.8 | (2) |
| **Cogeco Communications** | **1,381,348** | 1,449,632 | (4.7) | (4.4) | 5,004 |
| Other | **107,247** | 105,568 | 1.6 | 1.6 | — |
| **Consolidated** | **1,488,595** | 1,555,200 | (4.3) | (4.0) | 5,004 |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including $10.9 million of operating expenses for fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment. For fiscal 2024, "Corporate and eliminations" included $14.4 million of operating expenses related to the Canadian wireless operations.

Fiscal 2026 operating expenses decreased by 4.3% (4.0% 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 its ongoing three-year transformation program, in addition to:

- reduced video service costs resulting in part from a decline in TV subscriptions in both the American and Canadian telecommunications segments; partly offset by
- higher sales and other operating expenses, in part to drive subscriber growth; and
- $7.0 million of technology licensing costs related to Canadian wireless operations were recognized during fiscal 2026 within *Operating expenses* as the wireless technology system is now in operation, whereas these costs were previously recognized within *Acquisition, integration, restructuring and other costs* during the implementation phase (see sub-section 3.2 "Acquisition, integration, restructuring and other costs").

## Adjusted EBITDA

| Years ended August 31 | 2026 | 2025 [1] | Change | Change in constant currency | Foreign exchange impact |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % | % | $ |
| Canadian telecommunications [1] | **802,005** | 779,814 | 2.8 | 2.8 | (400) |
| American telecommunications | **637,990** | 703,410 | (9.3) | (8.7) | 4,487 |
| Corporate and eliminations [1] | **(52,079)** | (40,579) | (28.3) | (28.3) | 2 |
| **Cogeco Communications** | **1,387,916** | 1,442,645 | (3.8) | (3.5) | 4,089 |
| Other | **10,223** | 10,256 | (0.3) | (0.3) | — |
| **Consolidated** | **1,398,139** | 1,452,901 | (3.8) | (3.5) | 4,089 |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation.

Fiscal 2026 adjusted EBITDA decreased by 3.8% (3.5% in constant currency). The decrease in constant currency is primarily due to lower revenue in the American telecommunications segment, offset in part by cost reduction initiatives and operating efficiencies across the Corporation, as explained above.

## Net capital expenditures

| Years ended August 31 | | | 2026 | 2025 [1] | Change | |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | Actual | Foreign exchange impact | In constant currency | Actual | Actual | In constant currency |
| | $ | $ | $ | $ | % | % |
| Canadian telecommunications [1] | **339,715** | 701 | **340,416** | 310,233 | **9.5** | **9.7** |
| American telecommunications | **221,569** | 1,108 | **222,677** | 278,036 | **(20.3)** | **(19.9)** |
| Corporate and eliminations [1] | **—** | — | **—** | 7 | **—** | **—** |
| **Cogeco Communications - net capital expenditures [2]** | **561,284** | 1,809 | **563,093** | 588,276 | **(4.6)** | **(4.3)** |
| Capital intensity | **20.1 %** | | | 20.2 % | | |
| Other | **2,612** | — | **2,612** | 3,122 | **(16.3)** | **(16.3)** |
| **Consolidated - net capital expenditures [2]** | **563,896** | 1,809 | **565,705** | 591,398 | **(4.7)** | **(4.3)** |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation.

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

## Net capital expenditures, excluding network expansion projects

| Years ended August 31 | | | 2026 | 2025 | Change | |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | Actual | Foreign exchange impact | In constant currency | Actual | Actual | In constant currency |
| | $ | $ | $ | $ | % | % |
| Net capital expenditures | **561,284** | 1,809 | **563,093** | 588,276 | **(4.6)** | **(4.3)** |
| Net capital expenditures in connection with network expansion projects | **81,215** | 111 | **81,326** | 108,475 | **(25.1)** | **(25.0)** |
| **Cogeco Communications - net capital expenditures, excluding network expansion projects [1]** | **480,069** | 1,698 | **481,767** | 479,801 | **0.1** | **0.4** |
| Capital intensity, excluding network expansion projects [1] | **17.2 %** | | | 16.5 % | | |
| Other | **2,612** | — | **2,612** | 3,122 | **(16.3)** | **(16.3)** |
| **Consolidated - net capital expenditures, excluding network expansion projects [1]** | **482,681** | 1,698 | **484,379** | 482,923 | **(0.1)** | **0.3** |

(1) Net capital expenditures, excluding network expansion projects is a non-IFRS Accounting Standards measure. 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.

Fiscal 2026 net capital expenditures decreased by 4.7% (4.3% in constant currency), mostly due to lower capital spending related to customer premise equipment in the American telecommunications segment, and the timing of certain initiatives in the Canadian telecommunications segment, partly offset by higher capital spending related to customer premise equipment in the Canadian telecommunications segment.

Fiscal 2026 capital intensity of Cogeco Communications remained stable at 20.1% compared to 20.2% for the prior year, mainly due to overall lower capital spending, offset by lower revenue in the American telecommunications segment.

Excluding network expansion projects, fiscal 2026 net capital expenditures remained stable as reported and in constant currency, while capital intensity of Cogeco Communications was 17.2% compared to 16.5% for the prior year.

## 3.2 Acquisition, integration, restructuring and other costs

| Years ended August 31 | **2026** | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **$** | $ | % |
| Acquisition and integration costs | **—** | 154 | — |
| Restructuring costs | **11,569** | 24,328 | (52.4) |
| Configuration and customization costs related to cloud computing and other arrangements [1] | **3,887** | 11,006 | (64.7) |
| Gain on sale and leaseback transactions [2] | **—** | (13,844) | — |
| Other costs [3] | **—** | 3,646 | — |
| | **15,456** | 25,290 | (38.9) |

(1) Fiscal 2025 included $6.3 million of technology licensing costs related to the implementation of the Canadian wireless technology system, whereas these costs, amounting to $7.0 million for fiscal 2026, are now included within *Operating expenses* of the Canadian telecommunications segment, since the system is now in operation.

(2) In connection with a sale of a building and its leaseback for a period of two years, with an option to renew for an additional year, completed during the first quarter of fiscal 2025.

(3) Mainly consists of other costs incurred in connection with certain initiatives undertaken in fiscal 2025.

Fiscal 2026 acquisition, integration, restructuring and other costs decreased by 38.9%, resulting mainly from:

- lower restructuring costs related to the Corporation's transformation initiatives;
- lower configuration and customization costs related to cloud computing and other arrangements as the Canadian wireless technology system is now in operation (see section "Segmented operating and financial results" for additional details); and
- other costs incurred last year in connection with certain initiatives undertaken; partly offset by
- last year's $13.8 million non-cash gain recognized during the first quarter of fiscal 2025 in connection with a sale of a building, which was leased back for a period of two years, with an option to renew for an additional year.

## 3.3 Depreciation and amortization

| Years ended August 31 | **2026** | 2025 [1] | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **$** | $ | % |
| Canadian telecommunications [1] | **325,365** | 343,986 | (5.4) |
| American telecommunications | **330,057** | 369,469 | (10.7) |
| Corporate and eliminations [1] | **1,223** | 1,193 | 2.5 |
| **Cogeco Communications** | **656,645** | 714,648 | (8.1) |
| Other | **5,377** | 5,287 | 1.7 |
| **Consolidated** | **662,022** | 719,935 | (8.0) |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation.

Fiscal 2026 depreciation and amortization expense decreased by 8.0%, mainly due to:

- a change in the mix of assets in both the Canadian and American telecommunications segments;
- lower amortization of intangible assets related to fully amortized customer relationships in the American telecommunications segment; and
- the depreciation of the US dollar against the Canadian dollar since last year in the American telecommunications segment.

## 3.4 Impairment of assets

### Fiscal 2026

#### American telecommunication CGU

As the Corporation's American telecommunications segment continued to face revenue pressure due to the competitive environment, assumptions on projected earnings and cash flow for the American telecommunications CGU were revised during the third quarter of fiscal 2026. As a result, the Corporation recognized non-cash pre-tax impairment charges amounting to $2.2 billion, or US$1.6 billion ($1.8 billion, or US$1.3 billion, net of deferred income taxes), within its American telecommunications segment, during the third quarter of fiscal 2026. Out of the $2.2 billion non-cash pre-tax impairment charges, $1.9 billion was allocated to goodwill, $174.9 million to indefinite-life franchise rights and $127.6 million to property, plant and equipment.

Refer to Note 10 of the Corporation's consolidated financial statements for further details.

#### Radio broadcasting CGU

As the Corporation's radio operations continued to face revenue pressure due to an industry-wide reduction in radio advertising demand, assumptions on projected earnings and cash flow for the Radio broadcasting CGU were revised during the third quarter of fiscal 2026. As a result, the Corporation recognized non-cash pre-tax impairment charges amounting to $25.6 million ($22.4 million net of deferred income taxes) during the third quarter of fiscal 2026, allocated to indefinite-life broadcasting licences.

Refer to Note 10 of the Corporation's consolidated financial statements for further details.

#### Other impairment charges

During the third quarter of fiscal 2026, non-cash pre-tax impairment charges amounting to $3.4 million were recognized in connection with right-of-use assets following the consolidation of office spaces and other related assets no longer used, also within the American telecommunications segment.

In addition, during the fourth quarter of fiscal 2026, non-cash pre-tax impairment charges amounting to $5.2 million were recognized within the Canadian telecommunications segment in connection with asset write-offs following a change in strategy.

### Fiscal 2025

During fiscal 2025, non-cash pre-tax impairment charges amounting to $2.4 million, mostly related to assets under construction write-offs, were recognized in connection with cost optimization initiatives undertaken, as well as other initiatives in the Corporation's media activities.

## 3.5 Financial expense

| Years ended August 31 | 2026 | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % |
| Interest on long-term debt, excluding interest on lease liabilities | **271,474** | 289,752 | (6.3) |
| Interest on lease liabilities | **4,186** | 4,195 | (0.2) |
| Gain on repurchase of debt [1] | **(7,187)** | — | — |
| Change in fair value of forward contracts [2] | **—** | 14,940 | — |
| Net foreign exchange gain | **(6,705)** | (3,853) | 74.0 |
| Interest and other income | **(10,994)** | (9,973) | 10.2 |
| Capitalized borrowing costs [3] | **(16,060)** | (16,985) | (5.4) |
| Other | **5,256** | 4,457 | 17.9 |
| **Financial expense** | **239,970** | 282,533 | (15.1) |
| Gain on repurchase of debt [1] | **7,187** | — | — |
| **Adjusted financial expense [4]** | **247,157** | 282,533 | (12.5) |

(1) In connection with the repurchase of a portion of Tranches 2 and 3 of the Senior Secured Term Loan B Facility during fiscal 2026.

(2) In connection with foreign currency forward contracts entered into during the third quarter of fiscal 2025 to partially hedge Cogeco Communications' US exposure associated with the June 2025 repayment of its US$215 million Senior Secured Notes.

(3) Mainly in connection with debt incurred for the purchase of spectrum licences and the construction of certain networks.

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

Fiscal 2026 financial expense decreased by 15.1%, mostly due to:

- lower interest expense under the Senior Secured Term Loan B Facility resulting from lower debt outstanding and a decrease in the floating interest rates;
- last year's $14.9 million realized loss on foreign currency forward contracts entered into during the third quarter of fiscal 2025 to partially hedge Cogeco Communications' US exposure associated with the June 2025 repayment of the US$215 million Senior Secured Notes;
- lower interest expense following the repayment of the US$215 million Senior Secured Notes in June 2025; and
- a non-cash gain on repurchase of debt of $7.2 million recognized during fiscal 2026 following the repurchase of US$95.1 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility; partly offset by
- higher interest expense following the issuance of the $325 million Senior Secured Notes - Series 3 in February 2025.

Excluding the non-cash gain on repurchase of debt, financial expense for fiscal 2026 decreased by 12.5%.

## 3.6 Income taxes

| Years ended August 31 | 2026 | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % |
| Current | **32,391** | 47,743 | (32.2) |
| Deferred | **(305,360)** | 39,802 | — |
| Income taxes | **(272,969)** | 87,545 | — |
| Effective income tax rate | **15.4 %** | 20.7 % | (25.6) |

Fiscal 2026 income tax expense decreased by $360.5 million, mainly due to the deferred tax impact in connection with the $2.2 billion non-cash impairment charges related to the Corporation's American telecommunications segment and in connection with the $25.6 million non-cash impairment charges related to the Corporation's radio operations, both recognized during the third quarter of fiscal 2026.

Fiscal 2026 current income taxes were favorably impacted by a total retroactive adjustment of $14.3 million recognized following the introduction of accelerated tax depreciation measures in Canada, for which the legislation became substantively enacted on February 26, 2026.

## 3.7 Profit (loss) for the year

| Years ended August 31 | **2026** | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages and earnings (loss) per share)* | **$** | $ | % |
| Profit (loss) for the year | **(1,500,962)** | 335,165 | — |
| Profit (loss) for the year attributable to owners of the Corporation | **(340,494)** | 84,968 | — |
| Profit (loss) for the year attributable to non-controlling interest [1] | **(1,160,468)** | 250,197 | — |
| Adjusted profit attributable to owners of the Corporation [2] | **98,956** | 91,187 | 8.5 |
| Basic earnings (loss) per share | **(35.92)** | 8.94 | — |
| Diluted earnings (loss) per share [3] | **(35.92)** | 8.81 | — |
| Adjusted diluted earnings per share [2][3] | **10.26** | 9.46 | 8.5 |

(1) At August 31, 2026, the non-controlling interest relates to a participation of approximately 71.6% in the profit for the year attributable to owners of Cogeco Communications in addition to the 21% ownership of Caisse de dépôt et placement du Québec ("La Caisse") in a U.S. subsidiary of Cogeco Communications.

(2) Adjusted profit attributable to owners of the Corporation is a non-IFRS Accounting Standards measure. Adjusted diluted earnings per share is a non-IFRS Accounting Standards ratio. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

(3) For the year ended August 31, 2026, the weighted average number of diluted multiple and subordinate voting shares used for the calculation of the adjusted diluted earnings per share included 168,561 share-based compensation units (comprising 81,155 incentive share units and 87,406 performance share units). As for the calculation of the diluted loss per share, these share-based compensation units were deemed to be anti-dilutive due to the loss incurred during the year and therefore were excluded from the calculation.

Fiscal 2026 profit for the year and profit for the year attributable to owners of the Corporation decreased by $1.8 billion and $425.5 million, respectively, mainly due to:

- non-cash pre-tax impairment charges amounting to $2.2 billion ($1.8 billion net of deferred income taxes) related to the Corporation's American telecommunications segment and $25.6 million ($22.4 million net of deferred income taxes) related to the Corporation's radio operations, both recognized during the third quarter of fiscal 2026; and
- lower adjusted EBITDA; partly offset by
- lower depreciation and amortization expense; and
- lower financial expense.

Fiscal 2026 adjusted profit attributable to owners of the Corporation, which excludes the impact of non-cash impairment charges, as well as acquisition, integration, restructuring and other costs, and non-cash gain on repurchase of debt recognized (all net of tax and non-controlling interest), increased by 8.5% compared to last year.

# 4. Segmented operating and financial results

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

Following a full-scale launch of its Canadian wireless service offering across the majority of its operating footprint in Québec and Ontario during the first quarter of fiscal 2026, the Corporation changed the presentation of its reportable segments by including the Canadian wireless operations within its Canadian telecommunications segment. Cogeco Mobile's operations were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation.

## 4.1 Canadian telecommunications

### Operating and financial results

| Years ended August 31 | | | **2026** | 2025 | | **Change** |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **Actual** [1] | Foreign exchange impact | **In constant currency** [2] | Actual [3] | **Actual** | **In constant currency** |
| | **$** | $ | **$** | $ | **%** | **%** |
| Revenue | **1,502,128** | — | **1,502,128** | 1,495,308 | **0.5** | **0.5** |
| Operating expenses | **700,123** | 400 | **700,523** | 715,494 | **(2.1)** | **(2.1)** |
| Adjusted EBITDA | **802,005** | (400) | **801,605** | 779,814 | **2.8** | **2.8** |
| Adjusted EBITDA margin [4] | **53.4 %** | | | 52.2 % | | |
| Net capital expenditures | **339,715** | 701 | **340,416** | 310,233 | **9.5** | **9.7** |
| Capital intensity [4] | **22.6 %** | | | 20.7 % | | |

(1) For fiscal 2026, the average foreign exchange rate used for translation was 1.3865 USD/CAD.

(2) Fiscal 2026 in constant currency is translated at the average foreign exchange rate of fiscal 2025, which was 1.3962 USD/CAD.

(3) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including $10.9 million of operating expenses for fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

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

#### Revenue

Fiscal 2026 revenue increased by 0.5% as reported and in constant currency, mainly resulting from:

- a higher Internet service subscriber base; partly offset by
- a decline in video and wireline phone service subscribers, as an increasing proportion of customers subscribe to Internet-only services, especially for the oxio brand which only offers Internet services, as well as a competitive environment.

#### Operating expenses

Fiscal 2026 operating expenses decreased by 2.1% as reported and in constant currency, mainly resulting from:

- cost reduction initiatives and operating efficiencies; and
- reduced video service costs resulting in part from a decline in TV subscriptions; partly offset by
- higher sales and other operating expenses, in part to drive subscriber growth; and
- $7.0 million of technology licensing costs related to Canadian wireless operations were recognized during fiscal 2026 within *Operating expenses* as the wireless technology system is now in operation, whereas these costs were previously recognized within *Acquisition, integration, restructuring and other costs* during the implementation phase (see sub-section 3.2 "Acquisition, integration, restructuring and other costs").

#### Adjusted EBITDA

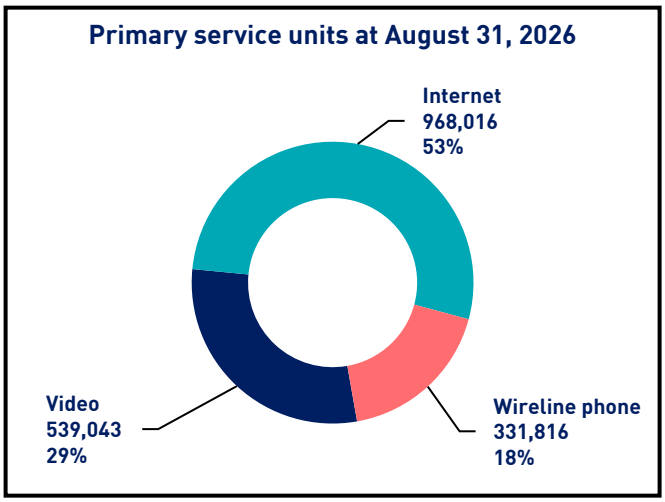
Fiscal 2026 adjusted EBITDA increased by 2.8% as reported and in constant currency, resulting from lower operating expenses and higher revenue.

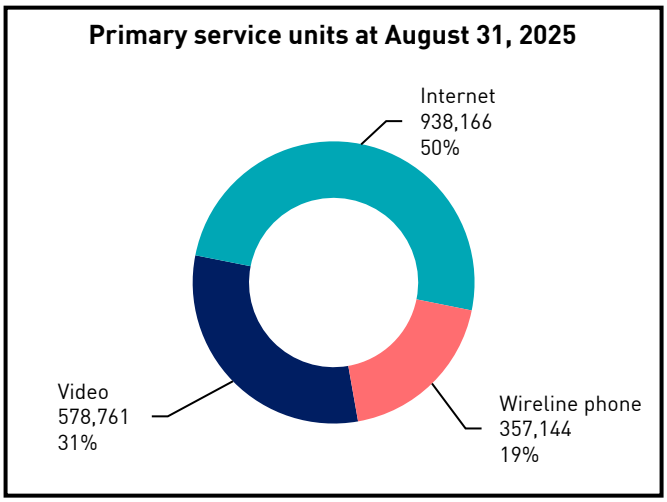
## Net capital expenditures and capital intensity

Fiscal 2026 net capital expenditures increased by 9.5% (9.7% in constant currency) and capital intensity was 22.6% compared to 20.7% last year, mainly due to higher capital spending related to customer premise equipment, partly offset by the timing of certain initiatives.

## Primary service units

Primary service units include only subscribers who have their services installed, operated and billed directly under the Cogeco and oxio brands. Primary service units exclude services sold under third-party brands, as well as mobile phone service subscribers due to wireless services' early stage of development.




| | | Net additions (losses) | |
|---|---|---|---|
| | | Years ended August 31 | |
| | **August 31, 2026** | **2026** | 2025 |
| **Primary service units** | **1,838,875** | **(35,196)** | 4,108 |
| Internet service subscribers | **968,016** | **29,850** | 45,467 |
| Video service subscribers | **539,043** | **(39,718)** | (26,063) |
| Wireline phone service subscribers | **331,816** | **(25,328)** | (15,296) |

### Internet

Fiscal 2026 Internet service subscribers increased by 29,850. The lower level of Internet service subscriber net additions compared to the prior year was mainly due to a slower market.

### Video

Fiscal 2026 video service subscriber net losses of 39,718 were mainly due to ongoing changes in video consumption trends, with an increasing proportion of customers subscribing to Internet-only services, especially for the oxio brand which only offers Internet services.

### Wireline phone

Fiscal 2026 wireline phone service subscriber net losses of 25,328 were mainly due to a lower proportion of customers subscribing to a home phone service, especially for the oxio brand which only offers Internet services.

## Homes passed

Fiscal 2026 homes passed increased by 26,093.

## 4.2 American telecommunications

### Operating and financial results

| Years ended August 31 | 2026 | | | 2025 | Change | |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **Actual** [1] | Foreign exchange impact | **In constant currency** [2] | Actual | **Actual** | **In constant currency** |
| | **$** | $ | **$** | $ | **%** | **%** |
| Revenue | **1,290,850** | 9,093 | **1,299,943** | 1,415,185 | **(8.8)** | **(8.1)** |
| Operating expenses | **652,860** | 4,606 | **657,466** | 711,775 | **(8.3)** | **(7.6)** |
| Adjusted EBITDA | **637,990** | 4,487 | **642,477** | 703,410 | **(9.3)** | **(8.7)** |
| Adjusted EBITDA margin [3] | **49.4 %** | | | 49.7 % | | |
| Net capital expenditures | **221,569** | 1,108 | **222,677** | 278,036 | **(20.3)** | **(19.9)** |
| Capital intensity [3] | **17.2 %** | | | 19.6 % | | |

(1) For fiscal 2026, the average foreign exchange rate used for translation was 1.3865 USD/CAD.

(2) Fiscal 2026 in constant currency is translated at the average foreign exchange rate of fiscal 2025, which was 1.3962 USD/CAD.

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

#### Revenue

Fiscal 2026 revenue decreased by 8.8% (8.1% in constant currency). The decrease in constant currency is mainly due to a lower subscriber base compared to the previous year, and to a higher proportion of customers subscribing to Internet-only services, as well as a competitive environment.

In local currency, revenue amounted to US$931.1 million compared to US$1,013.6 million for fiscal 2025.

#### Operating expenses

Fiscal 2026 operating expenses decreased by 8.3% (7.6% in constant currency). The decrease in constant currency is primarily due to:

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

#### Adjusted EBITDA

Fiscal 2026 adjusted EBITDA decreased by 9.3% (8.7% in constant currency). The decrease in constant currency is mainly due to lower revenue, offset in part by lower operating expenses.

In local currency, adjusted EBITDA amounted to US$460.2 million compared to US$503.8 million for fiscal 2025.

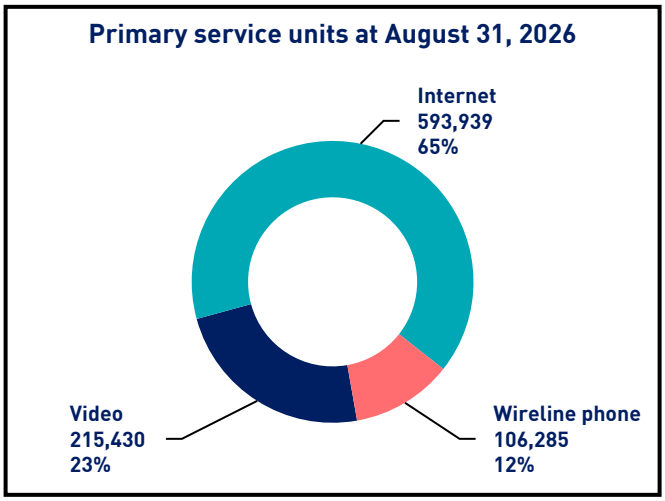
#### Net capital expenditures and capital intensity

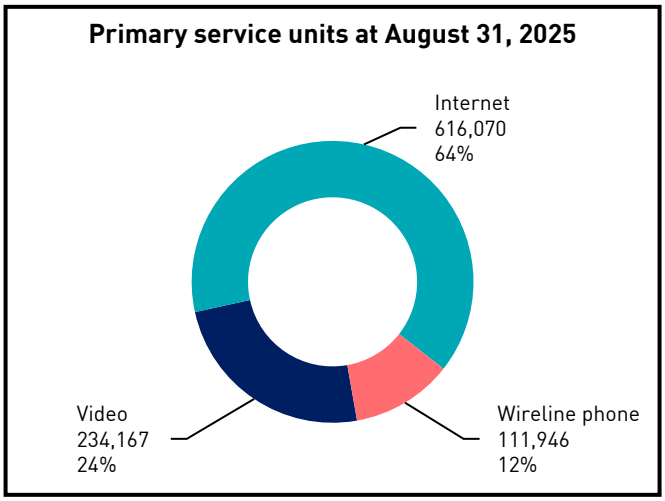
Fiscal 2026 net capital expenditures decreased by 20.3% (19.9% in constant currency) and capital intensity was 17.2% compared to 19.6% last year, mainly due to lower capital spending related to customer premise equipment.

In local currency, net capital expenditures amounted to US$159.7 million compared to US$199.2 million for fiscal 2025.

#### Primary service units

Primary service units include only subscribers who have their services installed, operated and billed directly under the Breezeline and welo brands. Primary service units exclude services sold under third-party brands, as well as mobile phone service subscribers due to wireless services' early stage of development.




| | | Net additions (losses) | |
|---|---|---|---|
| | | Years ended August 31 | |
| | **August 31, 2026** | **2026** | 2025 |
| **Primary service units** | **915,654** | **(46,529)** | (67,812) |
| Internet service subscribers | **593,939** | **(22,131)** | (27,529) |
| Video service subscribers | **215,430** | **(18,737)** | (27,144) |
| Wireline phone service subscribers | **106,285** | **(5,661)** | (13,139) |

### Internet

Fiscal 2026 Internet service subscriber net losses of 22,131 were mainly due to a highly competitive environment, notably for entry-level Internet services, as well as a reduction in our level of promotional activities aimed at balancing profitability and the volume of subscribers.

### Video

Fiscal 2026 video service subscriber net losses of 18,737 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 2026 wireline phone service subscriber net losses of 5,661 were mainly due to:

- the continued emphasis on offers that are Internet-led; and
- a lower proportion of customers subscribing to a home phone service.

## Homes passed

Fiscal 2026 homes passed increased by 22,312 [(i)].

[(i)] During the fourth quarter of fiscal 2026, homes passed were adjusted following a review of the calculation of American homes passed. This change has been applied retrospectively to the comparative figures.

# 5. Related party transactions

As of August 31, 2026, Cogeco held 28.4% of Cogeco Communications' equity shares, representing 79.8% of the votes attached to Cogeco Communications' voting shares.

Cogeco provides executive and administrative services to Cogeco Communications under a Management Services Agreement (the "Agreement"). The methodology used to establish the management fees is based on the costs incurred by Cogeco plus a reasonable mark-up. Provision is made for future adjustments upon the request of either Cogeco Communications or the Corporation from time to time during the term of the Agreement. The following table shows the management fees paid by Cogeco Communications:

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Management fees paid by Cogeco Communications | **23,714** | 18,216 |

Last year's lower fees were primarily attributable to reduced variable compensation, which partially normalized this year. In addition, the increase over last year reflects specific performance-based compensation included in long-term incentive plans. No direct remuneration is payable to Cogeco's executive officers by Cogeco Communications. The following table provides the number of stock options and performance share units ("PSUs") granted during fiscal 2026 and 2025 to these executive officers, as executive officers of Cogeco Communications, as well as deferred share units ("DSUs") issued to Board directors of Cogeco, the value of which was charged back to Cogeco:

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In number of units)* | | |
| Stock options | **189,845** | 143,978 |
| PSUs | **24,679** | 89,991 |
| DSUs | **—** | 5,011 |

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

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Stock options | **1,038** | 814 |
| ISUs | **84** | 136 |
| PSUs | **2,886** | 1,643 |
| DSUs | **110** | 269 |
| | **4,118** | 2,862 |

At August 31, 2026, the Corporation had a $0.2 million payable to Cogeco Communications ($1.9 million payable at August 31, 2025).

### Compensation of key management personnel

Key management personnel is comprised of the members of the Board and of the Management Committee of the Corporation. During fiscal 2025, the Corporation recognized $2.3 million of compensation expense within *Acquisition, integration, restructuring and other costs* in connection with the terms of the separation agreement of certain key management personnel. Further information on compensation of key management personnel can be found in Note 25 of the Corporation's consolidated financial statements.

# 6. Cash flow analysis

| Years ended August 31 | 2026 | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % |
| Cash flows from operating activities | **1,028,274** | 1,126,848 | (8.7) |
| Cash flows used in investing activities | **(577,932)** | (586,480) | (1.5) |
| Cash flows used in financing activities | **(436,125)** | (539,264) | (19.1) |
| Effect of exchange rate changes on cash denominated in a foreign currency | **(307)** | (3,273) | (90.6) |
| **Net change in cash** | **13,910** | (2,169) | — |
| Cash, beginning of the year | **75,577** | 77,746 | (2.8) |
| **Cash, end of the year** | **89,487** | 75,577 | 18.4 |

## 6.1 Operating activities

Fiscal 2026 cash flows from operating activities decreased by 8.7%, mainly due to:

- lower adjusted EBITDA;
- higher income taxes paid, mainly due to the final payment of income tax balances for fiscal 2025, reflecting changes in tax legislation; and
- higher cash outflows from working capital, primarily due to the timing of payments made to suppliers; partly offset by
- lower restructuring costs paid; and
- lower interest paid.

## 6.2 Investing activities

Fiscal 2026 cash flows used in investing activities decreased by 1.5%, mainly due to:

- the decrease in acquisition of property, plant and equipment; partly offset by
- last year's net proceeds amounting to $16.5 million received in connection with a sale and leaseback transaction 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 consolidated statements of cash flows, and the net capital expenditures, as well as the net capital expenditures, excluding network expansion projects, as presented in sub-section 3.1 "Consolidated performance".

| Years ended August 31 | | | 2026 | 2025 | Change | |
|---|---|---|---|---|---|---|
| | Actual | Foreign exchange impact | In constant currency | Actual | Actual | In constant currency |
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | $ | $ | % | % |
| **Acquisition of property, plant and equipment** | **566,305** | | | 599,294 | **(5.5)** | |
| Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the year | **(2,409)** | | | (7,896) | **(69.5)** | |
| **Net capital expenditures** | **563,896** | 1,809 | **565,705** | 591,398 | **(4.7)** | **(4.3)** |
| Net capital expenditures in connection with network expansion projects | **81,215** | 111 | **81,326** | 108,475 | **(25.1)** | **(25.0)** |
| **Net capital expenditures, excluding network expansion projects** | **482,681** | 1,698 | **484,379** | 482,923 | **(0.1)** | **0.3** |

## 6.3 Financing activities

### Issuance and repayment of debt

Fiscal 2026 changes in cash flows from the issuance and repayment of debt are mainly explained as follows:

| Years ended August 31 | **2026** | 2025 | Explanations |
|---|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ | |
| Decrease in bank indebtedness | **(1,780)** | (11,884) | Related to the timing of working capital needs. |
| Net decrease under revolving facilities | **(66,276)** | (119,590) | Related to the repayment of amounts drawn under the term revolving facilities during fiscal 2026. Last year's decrease was mainly related to the repayment of amounts drawn under Cogeco Communications' 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 transaction costs | **213,081** | 325,605 | Related to the issuance of an additional $200 million tranche of the Senior Secured Notes - Series 2 in August 2026, and the funds drawn under the Senior Unsecured Non-Revolving Facility during fiscal 2026. Last year's debt issuance was mainly related to the issuance of the $325 million Senior Secured Notes - Series 3 in February 2025. |
| Repayment and repurchase of notes and credit facilities | **(395,894)** | (559,070) | Mainly related to the redemption of the US$150 million Senior Secured Notes - Series B in August 2026, the repurchase of US$95.1 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility during fiscal 2026, as well as to the quarterly repayments. Last year's repayment was mainly related to the redemption of the US$215 million Senior Secured Notes upon maturity in June 2025 and the quarterly repayments of the Senior Secured Term Loan B Facility, as well as to the redemption of the US$25 million Senior Secured Notes Series A upon maturity in September 2024, and to the quarterly repayments of the Non-Revolving Term Credit Facility. |
| Payment on settlement of forward contracts | **—** | (14,940) | Last year's payment was related to the foreign currency forward contracts entered into during the third quarter of fiscal 2025 to partially hedge Cogeco Communications' US exposure associated with the June 2025 repayment of the US$215 million Senior Secured Notes. |
| Repayment of lease liabilities | **(17,356)** | (14,635) | Comparable. |
| Increase in deferred transaction costs | **(432)** | (498) | Related to the amendment of the term revolving facilities in June 2026, while last year's increase was related to the May 2025 amendment. |
| | **(268,657)** | (395,012) | |

### Dividends

During fiscal 2026, quarterly eligible dividends of $0.987 per share, totalling $3.948 per share, were paid to the holders of multiple and subordinate voting shares, for a total of $37.1 million. In fiscal 2025, quarterly eligible dividends of $0.922 per share, totalling $3.688 per share, were paid to the holders of multiple and subordinate voting shares, for a total of $34.7 million. In addition, dividends paid on subordinate voting shares by a subsidiary to non-controlling interest during fiscal 2026 amounted to $117.8 million compared to $110.5 million for the prior year.

The following tables provide a summary of the dividends declared for the Corporation's and Cogeco Communications' multiple and subordinate voting shares during fiscal 2026 and 2025:

| Declaration date | Record date | Payment date | Dividend per share (in dollars) | |
|---|---|---|---|---|
| | | | Cogeco | Cogeco Communications |
| **October 29, 2025** | **November 12, 2025** | **November 26, 2025** | **0.987** | **0.987** |
| **January 14, 2026** | **January 28, 2026** | **February 11, 2026** | **0.987** | **0.987** |
| **April 9, 2026** | **April 23, 2026** | **May 7, 2026** | **0.987** | **0.987** |
| **July 15, 2026** | **July 29, 2026** | **August 12, 2026** | **0.987** | **0.987** |
| | | | **3.948** | **3.948** |
| October 31, 2024 | November 14, 2024 | November 28, 2024 | 0.922 | 0.922 |
| January 13, 2025 | January 27, 2025 | February 10, 2025 | 0.922 | 0.922 |
| April 9, 2025 | April 23, 2025 | May 7, 2025 | 0.922 | 0.922 |
| July 15, 2025 | July 29, 2025 | August 12, 2025 | 0.922 | 0.922 |
| | | | 3.688 | 3.688 |

## 6.4 Free cash flow

| Years ended August 31 | **2026** [1] | 2025 | Change | Change in constant currency [2] | Foreign exchange impact [2] |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **$** | $ | % | % | $ |
| **Adjusted EBITDA** | **1,398,139** | 1,452,901 | (3.8) | (3.5) | 4,089 |
| Share-based payment | **9,375** | 7,046 | 33.1 | | |
| Proceeds from disposals of property, plant and equipment, including sale and leaseback transactions | **8,514** | 23,347 | (63.5) | | |
| Loss (gain) on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions [3] | **1,696** | (18,128) | — | | |
| Defined benefit plans expense, net of contributions | **568** | 1,703 | (66.6) | | |
| Acquisition, integration, restructuring and other costs [3] | **(15,456)** | (25,290) | (38.9) | | |
| Financial expense | **(239,970)** | (282,533) | (15.1) | | |
| Gain on repurchase of debt [4] | **(7,187)** | — | — | | |
| Amortization of deferred transaction costs and discounts on long-term debt [4] | **10,820** | 9,117 | 18.7 | | |
| Current income taxes | **(32,391)** | (47,743) | (32.2) | | |
| Net capital expenditures | **(563,896)** | (591,398) | (4.7) | | |
| Repayment of lease liabilities | **(17,356)** | (14,635) | 18.6 | | |
| **Free cash flow** | **552,856** | 514,387 | 7.5 | 7.7 | 1,074 |
| Net capital expenditures in connection with network expansion projects | **81,215** | 108,475 | (25.1) | (25.0) | 111 |
| **Free cash flow, excluding network expansion projects [5]** | **634,071** | 622,862 | 1.8 | 2.0 | 1,185 |

(1) For fiscal 2026, the average foreign exchange rate used for translation was 1.3865 USD/CAD.

(2) Fiscal 2026 in constant currency is translated at the average foreign exchange rate of fiscal 2025, which was 1.3962 USD/CAD.

(3) Fiscal 2025 included a $13.8 million non-cash gain recognized during the first quarter in connection with a sale of a building, 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.

(4) Included within financial expense.

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

Fiscal 2026 free cash flow increased by 7.5% (7.7% in constant currency). The variation in constant currency is mainly due to:

- lower financial expense, excluding the non-cash gain on repurchase of debt;
- lower net capital expenditures;
- lower restructuring and other costs related to the Corporation's transformation initiatives and in connection with certain initiatives undertaken; and
- lower current income taxes; partly offset by
- lower adjusted EBITDA; and
- lower net proceeds from disposals of property, plant and equipment, primarily resulting from last year's $16.5 million net proceeds received during the first quarter of fiscal 2025 in connection with a sale and leaseback transaction.

Excluding network expansion projects, fiscal 2026 free cash flow amounted to $634.1 million ($635.3 million in constant currency), an increase of 1.8% (2.0% in constant currency) compared to $622.9 million for the prior year.

# 7. Financial position

## 7.1 Working capital

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

| At August 31<br>*(In thousands of Canadian dollars)* | **2026**<br>**$** | 2025<br>$ | Change<br>$ | Explanations |
|---|---|---|---|---|
| **Current assets** | | | | |
| Cash | **89,487** | 75,577 | 13,910 | Refer to the "Cash flows analysis" section. |
| Trade and other receivables | **175,667** | 148,752 | 26,915 | Mainly related to the timing of collection of trade and other receivables, including grants receivable in connection with network expansion projects. |
| Income tax receivable | **17,784** | 5,664 | 12,120 | Mainly related to income tax receivable following the introduction of accelerated tax depreciation measures in Canada, for which the legislation became substantively enacted on February 26, 2026. |
| Prepaid expenses and other | **58,851** | 49,600 | 9,251 | Mainly related to the increase in prepayments for services agreements. |
| Derivative financial instruments | **8,277** | 2,947 | 5,330 | Related to the reclassification of interest swap tranches maturing in October 2026 and July 2027 as current, combined with changes in market interest rates, partly offset by the tranches that matured in October 2025. |
| | **350,066** | 282,540 | 67,526 | |
| **Current liabilities** | | | | |
| Bank indebtedness | **1,735** | 3,515 | (1,780) | Refer to the "Cash flows analysis" section. |
| Trade and other payables | **408,604** | 396,105 | 12,499 | Mainly related to the timing of payments made to suppliers. |
| Provisions | **29,953** | 41,562 | (11,609) | Mainly related to payments of restructuring costs and royalties payable for retransmission of distant television signals previously recognized, partly offset by additional restructuring and other provisions recognized during fiscal 2026. |
| Income tax liabilities | **11,246** | 30,197 | (18,951) | Mainly related to the final payment of income tax balances for fiscal 2025. |
| Contract liabilities and other liabilities | **60,020** | 59,023 | 997 | Not significant. |
| Derivative financial instruments | **3,120** | 3,109 | 11 | Not significant. |
| Current portion of long-term debt | **67,851** | 45,543 | 22,308 | Mainly related to the reclassification of the balance due in connection with a past acquisition and of an additional US$3.0 million of the Senior Secured Term Loan B Facility, which was subsequently settled on September 10, 2026, as current. |
| | **582,529** | 579,054 | 3,475 | |
| **Working capital deficiency** | **(232,463)** | (296,514) | 64,051 | |

## 7.2 Other significant changes

| At August 31<br>*(In thousands of Canadian dollars)* | **2026**<br>**$** | 2025<br>$ | Change<br>$ | Explanations |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Other assets | **218,762** | 166,173 | 52,589 | Mainly related to an increase in sales commissions. |
| Property, plant and equipment | **3,142,692** | 3,315,203 | (172,511) | Mainly related to the depreciation expense for the period and the non-cash impairment charges recognized during the third quarter of fiscal 2026 in the American telecommunications segment, of which $127.6 million was allocated to property, plant and equipment, partly offset by capital investments made during the period and the appreciation of the US dollar against the Canadian dollar. |
| Intangible assets | **3,624,298** | 3,834,417 | (210,119) | Mainly related to the non-cash impairment charges recognized during the third quarter of fiscal 2026 in the American telecommunications segment, of which $174.9 million was allocated to indefinite-life franchise rights, and the non-cash impairment charges of $25.6 million related to Corporation's radio operations' indefinite-life broadcasting licence, as well as to the amortization for the period, partly offset by the appreciation of the US dollar against the Canadian dollar in addition to the capitalized interest recognized in connection with previously acquired spectrum licences. |
| Goodwill | **246,054** | 2,166,652 | (1,920,598) | Mainly in connection with the non-cash impairment charges recognized during the third quarter of fiscal 2026 related to the Corporation's American telecommunications segment, of which $1.9 billion was allocated to goodwill. |
| Derivative financial instruments | **7,080** | 17,635 | (10,555) | Related to the reclassification of interest swap tranches maturing in October 2026 and July 2027 as current, partly offset by new interest rate swap agreements entered into in October 2025, combined with changes in market interest rates. |
| **Non-current liabilities** | | | | |
| Long-term debt | **4,433,895** | 4,664,731 | (230,836) | Mainly related to the redemption of the US$150 million Senior Secured Notes - Series B in August 2026, the repurchase of US$95.1 million of the Senior Secured Term Loan B Facility, the repayment of amounts drawn under the term revolving facilities and the reclassification of the balance due in connection with a past acquisition as current, partly offset by the issuance of an additional $200 million tranche of the Senior Secured Notes - Series 2 in August 2026, and the appreciation of the US dollar against the Canadian dollar. |
| Derivative financial instruments | **—** | 12,049 | (12,049) | Mainly related to changes in market interest rates. |
| Deferred tax liabilities | **602,264** | 905,199 | (302,935) | Mainly related to the tax impact in connection with the $2.2 billion non-cash impairment charges recognized during the third quarter of fiscal 2026 related to the Corporation's American telecommunications segment, partly offset by the timing of temporary differences, in part resulting from the introduction of accelerated tax depreciation measures in Canada. |

# 8. Capital resources and liquidity

## 8.1 Capital structure

The table below summarizes the Corporation's available liquidity:

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| **Cash** | **89,487** | 75,577 |
| Amounts available under revolving credit facilities [1] | **967,615** | 901,793 |
| **Available liquidity [2]** | **1,057,102** | 977,370 |

(1) Total amount available under the $750 million and $100 million term revolving facilities and the US$250 million Senior Secured Revolving Facility (see Note 24 A) of the Corporation's consolidated financial statements).

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

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

**Cogeco Communications**

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

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| Weighted average cost of indebtedness [1] | **5.5 %** | 5.3 % |
| Fixed-rate indebtedness [2][3] | **75 %** | 77 % |
| Weighted average term: long-term debt (in years) | **3.9** | 4.5 |
| Net indebtedness / adjusted EBITDA ratio [3][4] | **3.1** | 3.1 |

(1) Excludes the impact of deferred transaction costs and commitment fees, but includes the impact of interest rate swaps and cross-currency swaps, as applicable.

(2) Calculated as the principal on fixed-rate long-term debt divided by the principal on long-term debt. Includes the impact of interest rate swaps.

(3) Net indebtedness reflects the US denominated debt converted at the exchange rate at the end of the period, while adjusted EBITDA reflects the average exchange rate throughout the corresponding 12-month period.

(4) Fixed-rate indebtedness and net indebtedness to adjusted EBITDA ratio are Cogeco Communications' capital management measures. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

## 8.2 Outstanding share data

A description of Cogeco's share data at September 30, 2026 is presented in the table below. Additional details are provided in Note 20 of the consolidated financial statements.

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

## 8.3 Financing

### Senior Secured Notes

On August 28, 2026, Cogeco Communications redeemed the US$150 million Senior Secured Notes Series B due September 1, 2026.

On August 10, 2026, Cogeco Communications completed, pursuant to a private offering, the issuance of an additional $200 million tranche of its Senior Secured Notes - Series 2. The additional $200 million tranche has the same terms (stated interest rate of 5.30% and maturity date of February 16, 2033) and forms a single series with the initial $300 million tranche of the Senior Secured Notes - Series 2 issued on February 16, 2023. The additional tranche was issued at 103.97% of par value, for a yield of 4.57%. 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 senior secured indebtedness of Cogeco Communications.

### Term revolving facilities and Non-Revolving Term Credit Facility

On June 1, 2026, the Corporation amended its Term Revolving Facility and Non-Revolving Term Credit Facility by extending their maturity by an additional year until June 1, 2031 and June 1, 2029, respectively.

Also, on June 1, 2026, Cogeco Communications amended its $750 million Term Revolving Facility by extending its maturity by an additional year to June 1, 2031.

### Senior Unsecured Non-Revolving Facility

During fiscal 2026, Cogeco Communications drew $12.4 million from the Senior Unsecured Non-Revolving Facility, of which $5.8 million was recognized as a government grant. The credit facility, having an aggregate principal amount of up to $38.1 million, can only be drawn to finance the network expansion projects undertaken in connection with Ontario's Accelerated High Speed Internet Program. On August 31, 2026, the remaining availability under the facility amounted to $21.0 million.

### Senior Secured Term Loan B Facility

During fiscal 2026, Cogeco Communications repurchased US$95.1 million of its outstanding Tranches 2 and 3 of the Senior Secured Term Loan B Facility. In August 2026, Cogeco Communications entered into an agreement to repurchase an additional US$3.0 million of its Senior Secured Term Loan B Facility, which was subsequently settled on September 10, 2026.

## 8.4 Cogeco Communications' credit ratings

| At August 31, 2026 | 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+ (stable outlook)** | **BB (high) (stable)** | **NR** |
| **U.S. subsidiaries** | | | |
| First Lien Credit Facilities | **BB** | **NR** | **B1 (stable outlook)** |
| Corporate credit issuer rating | **BB (stable outlook)** | **NR** | **B1 (stable outlook)** |

**NR :** Not rated

## 8.5 Financial risk management

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

## Credit risk

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

Credit risk from derivative financial instruments arises from the possibility that the counterparties may default on their obligations in instances where these agreements have positive fair values for the Corporation. The Corporation reduces this risk by completing transactions with financial institutions that carry a high credit rating. The Corporation assesses the creditworthiness of the counterparties in order to minimize the risk of counterparties default under the agreements. At August 31, 2026, management believes that the credit risk relating to its derivative financial instruments is minimal, since the lowest credit rating of the counterparties to the agreements is "A" by Standard & Poor's rating services ("S&P"). Management monitors its exposure to financial institutions which is primarily in the form of deposits, derivatives and revolver commitments.

The Corporation has deposited the cash with reputable financial institutions, for which management believes the risk of loss to be remote.

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

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

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Trade accounts receivable | **113,088** | 100,768 |
| Allowance for doubtful accounts | **(7,142)** | (6,610) |
| | **105,946** | 94,158 |
| Other accounts receivable [1] | **69,721** | 54,594 |
| | **175,667** | 148,752 |

(1) Mainly related to receivables from government grants related to subsidized network expansions.

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

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

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Less than 30 days past due | **14,336** | 12,777 |
| 30 to 60 days past due | **3,491** | 5,252 |
| 60 to 90 days past due | **2,270** | 1,172 |
| More than 90 days past due | **1,489** | 1,287 |
| | **21,586** | 20,488 |

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

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Balance, beginning of the year | **6,610** | 5,279 |
| Provision for impaired receivables | **36,602** | 26,666 |
| Net use | **(36,096)** | (25,309) |
| Foreign currency translation adjustments | **26** | (26) |
| Balance, end of the year | **7,142** | 6,610 |

## Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk through the management of its capital structure and access to different capital markets. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure sufficient liquidity to meet its obligations when due.

The following table shows the amount used and remaining availability under the Corporation's and Cogeco Communications' revolving facilities at August 31, 2026:

| | **Total amount** | **Amount used** | **Remaining availability** |
|---|---|---|---|
| **Corporation** | | | |
| Term Revolving Facility | $100.0 million | $56.6 million | $43.4 million |
| **Cogeco Communications** | | | |
| Term Revolving Facility | $750.0 million | $169.5 million | $580.5 million |
| Senior Secured Revolving Facility - U.S. subsidiaries | $346.7 million<br>(US$250.0 million) | $2.9 million<br>(US$2.1 million) | $343.8 million<br>(US$247.9 million) |

The following table summarizes the contractual maturities of the financial liabilities and lease liabilities, and related capital amounts outstanding at August 31, 2026:

| | Contractual cash flows | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2027 | 2028 | 2029 | 2030 | 2031 | Thereafter | Total |
| *(In thousands of Canadian dollars)* | **$** | **$** | **$** | **$** | **$** | **$** | **$** |
| Bank indebtedness | **1,735** | **—** | **—** | **—** | **—** | **—** | **1,735** |
| Trade and other payables [1] | **398,296** | **—** | **—** | **—** | **—** | **—** | **398,296** |
| Notes and credit facilities [2] | **33,972** | **29,812** | **2,049,398** | **10,746** | **958,760** | **1,342,150** | **4,424,838** |
| Lease liabilities | **16,518** | **14,567** | **10,939** | **8,811** | **7,434** | **35,632** | **93,901** |
| Balance due on business combinations | **17,094** | **—** | **—** | **—** | **—** | **—** | **17,094** |
| Other liabilities [1] | **—** | **2,892** | **7** | **—** | **—** | **—** | **2,899** |
| | **467,615** | **47,271** | **2,060,344** | **19,557** | **966,194** | **1,377,782** | **4,938,763** |

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

(2) An amount of $293.5 million of these loan agreements contain debt covenants. Covenant calculations are performed quarterly at each reporting date, as well as on a pro-forma basis when a business combination or disposal takes place. The covenants relate to the maintenance of certain financial ratios primarily linked to adjusted EBITDA and net indebtedness. A future breach of covenants implies that the impacted loan agreements become payable on demand, and therefore are required to be repaid earlier than indicated in the above table. The covenants are monitored on a regular basis by the treasury department to ensure compliance with the loan agreements.

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

| *(In thousands of Canadian dollars)* | 2027<br>**$** | 2028<br>**$** | 2029<br>**$** | 2030<br>**$** | 2031<br>**$** | Thereafter<br>**$** | Total<br>**$** |
|---|---|---|---|---|---|---|---|
| Interest payments on notes and credit facilities [1] | **263,602** | **261,514** | **139,365** | **123,570** | **70,184** | **103,101** | **961,336** |
| Interest payments on lease liabilities | **3,746** | **3,105** | **2,536** | **2,124** | **1,769** | **7,883** | **21,163** |
| Interest payments on balance due on business combinations | **3,972** | **—** | **—** | **—** | **—** | **—** | **3,972** |
| Interest receipts on derivative financial instruments [1] | **(48,109)** | **(27,475)** | **(5,751)** | **—** | **—** | **—** | **(81,335)** |
| Interest payments on derivative financial instruments [1] | **41,506** | **27,322** | **6,084** | **—** | **—** | **—** | **74,912** |
| | **264,717** | **264,466** | **142,234** | **125,694** | **71,953** | **110,984** | **980,048** |

(1) Based on the principal amounts and interest rates prevailing on the outstanding debt at August 31, 2026 and their respective maturities.

## Interest rate risk

The Corporation and its subsidiary, Cogeco Communications, are exposed to interest rate risk on their floating interest rate instruments. Interest rate fluctuations will have an effect on the repayment of these instruments. At August 31, 2026, all of the Corporation's and Cogeco Communications' long-term debt was at a fixed rate, except for the amounts drawn under the Corporation's Term Revolving Facility and Non-Revolving Term Credit Facility, and under Cogeco Communications' Term Revolving Facility and First Lien Credit Facilities, which are subject to floating interest rates.

To reduce the risk on the floating interest rate instruments and mitigate the impact of interest rate variations, Cogeco Communications' U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at August 31, 2026:

| Type of hedge | Notional amount | Receive interest rate | Pay interest rate [1] | Maturity | Hedged item |
|---|---|---|---|---|---|
| Cash flow | US$550 million | Term SOFR | 3.82% - 4.18% | February 2027 - February 2029 | Senior Secured Term Loan B - Tranche 3 |
| Cash flow [2] | US$600 million | Term SOFR | 1.32% - 3.25% | October 2026 - August 2028 | 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) Out of the US$600 million swap balance, US$400 million is subject to a 39 bps interest rate floor.

The sensitivity of the Corporation's annual financial expense to a 1% increase (decrease) in the interest rate applicable to the unhedged portion of the floating interest rate facilities would represent an increase (decrease) of approximately $12.1 million based on the outstanding debt and swap agreements at August 31, 2026.

## Foreign exchange risk

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

The Corporation's exposure to foreign currency risk in relation to the Canadian operations' current financial assets and liabilities denominated in US dollars, is as follows:

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| **Financial assets (liabilities)** | | |
| Cash | **8,188** | 12,125 |
| Trade and other payables | **(13,006)** | (14,521) |
| | **(4,818)** | (2,396) |

The impact of a 10% increase (decrease) in the exchange rate of the US dollar to the Canadian dollar would affect the measurement of the financial assets and liabilities presented in the table above and therefore increase (decrease) financial expense by approximately $0.5 million based on the outstanding balances at August 31, 2026.

The Corporation is also exposed to foreign exchange risk with respect to the annual interest, amounting to $155.5 million, associated with the notes and credit facilities denominated in US dollars. The impact of a 10% increase (decrease) in the exchange rate of the US dollar to the Canadian dollar would increase (decrease) the annual financial expense by approximately $15.6 million based on the outstanding debt and swap agreements at August 31, 2026.

Furthermore, a foreign currency exposure arises from Cogeco Communications' net investment in its U.S. subsidiary, as a result of the translation of the net investment into the Corporation's functional currency. A portion of Cogeco Communications' net investment in its U.S. subsidiary was hedged by Cogeco Communications' US dollar denominated Senior Secured Notes - Series B, which were designated as hedges of the net investment, while a portion is economically hedged by the U.S. subsidiary's US dollar denominated First Lien Credit Facilities. Following the repayment of the US$150 million Senior Secured Notes - Series B in August 2026, the net investment hedge relationship was discontinued.

The following table shows the aggregate investment in foreign operations attributable to owners of Cogeco Communications and the notional amount of debt designated as a net investment hedge:

| At August 31 | **2026** | 2025 |
|---|---|---|
| | **$** | $ |
| Aggregate investment in foreign operations | **US$425 million** | US$1,433 million |
| Notional amount of debt, designated as a hedge of the foreign net investment | **—** | US$150 million |

The exchange rate used to translate the US dollar currency to the Canadian dollar for the consolidated statement of financial position accounts at August 31, 2026 was $1.3866 ($1.3742 at August 31, 2025) per US dollar. A 10% increase (decrease) in the exchange rate of the US dollar to the Canadian dollar would increase (decrease) other comprehensive income by approximately $58.9 million.

## Market price risk

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

The following table shows the Corporation's equity derivative contracts outstanding at August 31, 2026:

| Type of relationship | Notional | Maturity | Average share price | Hedged item |
|---|---|---|---|---|
| Economic hedge | 79,800 units | January 2027 | $71.59 | Equity price exposure - DSU Plan |

The following table shows Cogeco Communications' equity derivative contracts outstanding at August 31, 2026:

| Type of relationship | Notional | Maturity | Average share price | Hedged item |
|---|---|---|---|---|
| Economic hedge | 132,800 units | January 2027 | $73.19 | Equity price exposure - DSU Plan |
| Economic hedge | 55,300 units | November 2026 | $64.77 | Equity price exposure - ISU / PSU Plans |

At August 31, 2026, the fair value of the equity swaps was $2.9 million and recognized as a liability. As a result of the equity swaps, a 10% change in the market price of the subordinate voting shares would not have a material financial impact on the Corporation's results.

## 8.6 Foreign currency

For the years ended August 31, 2026 and 2025, the average rates prevailing used to convert the operating results of the American telecommunications segment were as follows:

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| | **$** | $ |
| US dollar vs Canadian dollar | **1.3865** | 1.3962 |

## 8.7 Contractual obligations, contingencies and guarantees

### A) Contractual obligations

The following table presents the Corporation's contractual obligations at August 31, 2026, which are due in each of the next five years and thereafter:

| Years ended August 31 | 2027 | 2028 | 2029 | 2030 | 2031 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | **$** | **$** | **$** | **$** | **$** | **$** |
| Acquisition of property, plant and equipment [1] | **83,599** | **2,258** | **477** | **352** | **—** | **—** | **86,686** |
| Other long-term contracts [2] | **81,683** | **74,778** | **70,751** | **42,893** | **43,198** | **38,672** | **351,975** |
| Leases committed not yet commenced | **604** | **53** | **54** | **55** | **56** | **—** | **822** |
| Financial liabilities and lease liabilities, and related capital amounts [3] | **467,615** | **47,271** | **2,060,344** | **19,557** | **966,194** | **1,377,782** | **4,938,763** |
| Interest payable on long-term debt, including the related derivative financial instruments [3] | **264,717** | **264,466** | **142,234** | **125,694** | **71,953** | **110,984** | **980,048** |
| | **898,218** | **388,826** | **2,273,860** | **188,551** | **1,081,401** | **1,527,438** | **6,358,294** |

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

(2) Includes long-term commitments under service and product contracts for operating expenditures, including under the strategic partnerships agreements entered into by the Corporation in order to facilitate the offering of wireless services under a capital-light operating model.

(3) Refer to sub-section 8.5 "Financial risk management" for additional details.

At August 31, 2026, the Corporation had $157.9 million of performance and payment bonds outstanding related to subsidized network expansion projects, issued in accordance with the rules established by Infrastructure Ontario in connection with Ontario's Accelerated High Speed Internet Program (AHSIP).

### B) Contingencies

**Final rates for aggregated wholesale Internet access services**

The CRTC has been in the process of reviewing wireline wholesale rates since 2023 through several costing and related processes. On April 24, 2026, the CRTC set final wholesale rates that competitors must pay for aggregated wholesale access to the fibre-to-the-premises ("FTTP") networks of Bell Canada ("Bell"), Telus Communications Inc. ("Telus") and SaskTel. Cable carriers, including Cogeco Communications, are not required to provide aggregated access to their FTTP facilities. However, they must provide access to their hybrid fibre-coaxial facilities. Wholesale rates for aggregated access to these facilities have been interim since March 2023, and the CRTC has not yet issued a decision establishing final rates. On June 5,

2026, the CRTC requested that cable carriers file new cost studies to establish aggregated wholesale high-speed access ("HSA") rates. A significant reduction in rates could have a material negative impact on the Corporation's revenue and market share, from a wholesale perspective as well as a retail perspective. The Corporation may also be required to reimburse its wholesale business customers retroactively back to 2023 if the final rates are lower than the interim rates and made retroactive.

**Class action proceedings**

On September 20, 2024, an application seeking authorization to commence a class action against Cogeco Connexion was filed before the Superior Court of Québec. The application alleges that Cogeco Connexion breached Québec's *Consumer Protection Act* by failing to properly notify Québec-based residential customers of rate increases since September 20, 2021, and seeks reimbursement of the rate increases and punitive damages. On December 5, 2025, the Superior Court of Québec authorized the class action and on September 25, 2026, the class action was suspended until January 6, 2027 to allow for a mediation process to take place. Due to the significant uncertainty surrounding the outcome and its financial implications, the Corporation has not recorded any liability as at August 31, 2026.

**Royalties payable for retransmission of distant television signals**

The Copyright Board has initiated a proceeding to set the quantum of royalties payable for the retransmission of distant Canadian and U.S. television over-the-air signals in Canada, for the 2019-2028 period. Any decision from the Copyright Board that would align with the copyright collectives' proposed tariff rates for this period could result in Cogeco Communications being subject to higher royalty rates. The Corporation has recognized a provision in connection with this matter in its consolidated statement of financial position as of August 31, 2026 (see Notes 17 and 26 B) of the Corporation's consolidated financial statements).

**Other**

The Corporation and its subsidiaries are involved in matters involving litigation, other regulatory decisions or potential claims from customers, suppliers or other third parties arising out of the ordinary course and conduct of its business. Although the outcome of such matters cannot be predicted with certainty, management does not consider these exposures to be significant to the consolidated financial statements. At August 31, 2026 and 2025, no liability has been recorded with respect to these litigations, other regulatory decisions and potential claims, except for those included in Note 17 of the consolidated financial statements.

## C) Guarantees

In the normal course of business, the Corporation provides indemnification in conjunction with certain transactions. While many of the agreements specify a maximum potential exposure, some do not specify a maximum amount. The overall maximum amount of an indemnification obligation will depend on future events and conditions and therefore cannot be reasonably estimated. As a result, the Corporation cannot determine how they could affect its future liquidity, capital resources or credit risk profile. At August 31, 2026 and 2025, no liability has been recorded with respect to these indemnifications, except for those disclosed in Note 17 of the consolidated financial statements.

**Sale of a business**

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

**Employees and contractual indemnification agreements**

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

**Sale of services**

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

**Purchase and development of assets**

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

# 9. Quarterly operating results

## 9.1 Quarterly financial highlights

| | | | Fiscal 2026 | | | | Fiscal 2025 | |
|---|---|---|---|---|---|---|---|---|
| Three months ended | **Nov. 30** | **Feb. 28** | **May 31** | **Aug. 31** | Nov. 30 | Feb. 28 | May 31 | Aug. 31 |
| *(In thousands of Canadian dollars, except per share data)* | **$** | **$** | **$** | **$** | $ | $ | $ | $ |
| **Operations** | | | | | | | | |
| Revenue | **735,641** | **713,035** | **724,171** | **713,887** | 764,960 | 753,247 | 758,527 | 731,367 |
| Adjusted EBITDA | **361,779** | **337,060** | **357,017** | **342,283** | 371,084 | 356,905 | 367,828 | 357,084 |
| Acquisition, integration, restructuring and other costs (gains) | **1,961** | **7,130** | **1,207** | **5,158** | (9,648) | 8,644 | 8,996 | 17,298 |
| Impairment of assets | **—** | **—** | **2,249,426** | **5,196** | — | — | 2,565 | (132) |
| Profit (loss) for the period | **96,136** | **79,844** | **(1,758,450)** | **81,508** | 108,396 | 76,610 | 73,962 | 76,197 |
| Profit (loss) for the period attributable to owners of the Corporation | **28,212** | **18,964** | **(405,673)** | **18,003** | 29,809 | 18,172 | 20,504 | 16,483 |
| Adjusted profit attributable to owners of the Corporation | **28,944** | **20,460** | **29,909** | **19,643** | 27,221 | 20,329 | 23,146 | 20,491 |
| **Cash flow** | | | | | | | | |
| Cash flows from operating activities | **174,632** | **168,734** | **323,608** | **361,300** | 208,655 | 250,080 | 401,375 | 266,738 |
| Free cash flow | **130,883** | **152,874** | **170,702** | **98,397** | 152,451 | 112,805 | 147,535 | 101,596 |
| Acquisition of property, plant and equipment | **157,368** | **124,113** | **121,706** | **163,118** | 153,514 | 160,335 | 126,223 | 159,222 |
| Net capital expenditures | **157,180** | **122,265** | **121,521** | **162,930** | 150,916 | 158,859 | 125,752 | 155,871 |
| **Per share data [1] and related information** | | | | | | | | |
| Earnings (loss) per share | | | | | | | | |
| Basic | **2.97** | **2.00** | **(42.84)** | **1.90** | 3.13 | 1.91 | 2.16 | 1.74 |
| Diluted [2] | **2.92** | **1.97** | **(42.84)** | **1.87** | 3.09 | 1.88 | 2.13 | 1.71 |
| Adjusted diluted [2] | **3.00** | **2.12** | **3.10** | **2.04** | 2.82 | 2.11 | 2.40 | 2.12 |
| Weighted average number of shares outstanding - diluted (in thousands) | **9,653** | **9,644** | **9,470** | **9,646** | 9,648 | 9,643 | 9,643 | 9,643 |
| Dividends per share | **0.987** | **0.987** | **0.987** | **0.987** | 0.922 | 0.922 | 0.922 | 0.922 |

(1) Per multiple and subordinate voting share.

(2) For the third quarter of fiscal 2026, the weighted average number of diluted multiple and subordinate voting shares used for the calculation of the adjusted diluted earnings per share included 174,223 share-based compensation units (comprising 83,417 incentive share units and 90,806 performance share units). As for the calculation of the diluted loss per share, these share-based compensation units were deemed to be anti-dilutive due to the loss incurred during the period and therefore were excluded from the calculation.

## 9.2 Seasonal variations

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

## 9.3 Fourth-quarter operating and financial results

### Consolidated performance

| Three months ended August 31 | | | 2026 | 2025 | Change | |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | Actual [1] | Foreign exchange impact | In constant currency [2] | Actual | Actual | In constant currency |
| | $ | $ | $ | $ | % | % |
| Revenue | **713,887** | (6,728) | **707,159** | 731,367 | **(2.4)** | **(3.3)** |
| Operating expenses | **371,604** | (3,705) | **367,899** | 374,283 | **(0.7)** | **(1.7)** |
| Adjusted EBITDA | **342,283** | (3,023) | **339,260** | 357,084 | **(4.1)** | **(5.0)** |
| Net capital expenditures | **162,930** | (1,616) | **161,314** | 155,871 | **4.5** | **3.5** |

(1) For the fourth quarter of fiscal 2026, the average foreign exchange rate used for translation was 1.4015 USD/CAD.

(2) Fiscal 2026 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.3722 USD/CAD.

### Revenue

| Three months ended August 31 | 2026 | 2025 | Change | Change in constant currency | Foreign exchange impact |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % | % | $ |
| Canadian telecommunications | **375,045** | 372,931 | 0.6 | 0.6 | — |
| American telecommunications | **320,445** | 335,762 | (4.6) | (6.6) | (6,728) |
| **Cogeco Communications** | **695,490** | 708,693 | (1.9) | (2.8) | (6,728) |
| Other | **18,397** | 22,674 | (18.9) | (18.9) | — |
| **Consolidated** | **713,887** | 731,367 | (2.4) | (3.3) | (6,728) |

For the fourth quarter of fiscal 2026, revenue decreased by 2.4% (3.3% in constant currency). The decrease in constant currency is mainly due to:

- a lower subscriber base in the American telecommunications segment compared to the previous year, and a higher proportion of customers subscribing to Internet-only services, as well as a competitive environment; and
- lower revenue in the media activities as the traditional radio advertising market remains challenging; partly offset by
- higher revenue in the Canadian telecommunications segment, mainly resulting from the cumulative effect of high-speed Internet service additions over the past year. The increase was offset in part by a decline in video and wireline phone service subscribers, as an increasing proportion of customers subscribe to Internet-only services, especially for the oxio brand which only offers Internet services, as well as a competitive environment.

## Operating expenses

| Three months ended August 31 | 2026 | 2025 [1] | Change | Change in constant currency | Foreign exchange impact |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % | % | $ |
| Canadian telecommunications [1] | **172,243** | 176,569 | (2.5) | (2.6) | (274) |
| American telecommunications | **164,049** | 166,327 | (1.4) | (3.4) | (3,427) |
| Corporate and eliminations [1] | **8,699** | 3,792 | — | — | (4) |
| **Cogeco Communications** | **344,991** | 346,688 | (0.5) | (1.6) | (3,705) |
| Other | **26,613** | 27,595 | (3.6) | (3.6) | — |
| **Consolidated** | **371,604** | 374,283 | (0.7) | (1.7) | (3,705) |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including $3.8 million of operating expenses for the fourth quarter of fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

For the fourth quarter of fiscal 2026, operating expenses decreased by 0.7% (1.7% 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 its ongoing three-year transformation program, in addition to:

- reduced video service costs resulting in part from a decline in TV subscriptions in the American telecommunications segment; partly offset by
- higher sales and other operating expenses, in part to drive subscriber growth.

## Adjusted EBITDA

| Three months ended August 31 | 2026 | 2025 [1] | Change | Change in constant currency | Foreign exchange impact |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % | % | $ |
| Canadian telecommunications [1] | **202,802** | 196,362 | 3.3 | 3.4 | 274 |
| American telecommunications | **156,396** | 169,435 | (7.7) | (9.6) | (3,301) |
| Corporate and eliminations [1] | **(14,371)** | (7,243) | (98.4) | (98.4) | 4 |
| **Cogeco Communications** | **344,827** | 358,554 | (3.8) | (4.7) | (3,023) |
| Other | **(2,544)** | (1,470) | (73.1) | (73.1) | — |
| **Consolidated** | **342,283** | 357,084 | (4.1) | (5.0) | (3,023) |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation.

For the fourth quarter of fiscal 2026, adjusted EBITDA decreased by 4.1% (5.0% in constant currency). The decrease in constant currency is mainly due to lower revenue in the American telecommunications segment, offset in part by cost reduction initiatives and operating efficiencies across the Corporation, as explained above.

## Net capital expenditures

| Three months ended August 31 | | | 2026 | 2025 [1] | Change | |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | Actual | Foreign exchange impact | In constant currency | Actual | Actual | In constant currency |
| | $ | $ | $ | $ | % | % |
| Canadian telecommunications [1] | **94,386** | (284) | **94,102** | 87,979 | **7.3** | **7.0** |
| American telecommunications | **67,304** | (1,332) | **65,972** | 66,295 | **1.5** | **(0.5)** |
| **Cogeco Communications - net capital expenditures [2]** | **161,690** | (1,616) | **160,074** | 154,274 | **4.8** | **3.8** |
| Capital intensity | **23.2 %** | | | 21.8 % | | |
| Other | **1,240** | — | **1,240** | 1,597 | **(22.4)** | **(22.4)** |
| **Consolidated - net capital expenditures [2]** | **162,930** | (1,616) | **161,314** | 155,871 | **4.5** | **3.5** |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation.

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

## Net capital expenditures and capital intensity, excluding network expansion projects

| Three months ended August 31 | | | 2026 | 2025 | Change | |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | Actual | Foreign exchange impact | In constant currency | Actual | Actual | In constant currency |
| | $ | $ | $ | $ | % | % |
| Net capital expenditures | **161,690** | (1,616) | **160,074** | 154,274 | **4.8** | **3.8** |
| Net capital expenditures in connection with network expansion projects | **26,831** | (155) | **26,676** | 57,818 | **(53.6)** | **(53.9)** |
| **Cogeco Communications - net capital expenditures, excluding network expansion projects** | **134,859** | (1,461) | **133,398** | 96,456 | **39.8** | **38.3** |
| Capital intensity, excluding network expansion projects | **19.4 %** | | | 13.6 % | | |
| Other | **1,240** | — | **1,240** | 1,597 | **(22.4)** | **(22.4)** |
| **Consolidated - net capital expenditures, excluding network expansion projects** | **136,099** | (1,461) | **134,638** | 98,053 | **38.8** | **37.3** |

For the fourth quarter of fiscal 2026, net capital expenditures increased by 4.5% (3.5% in constant currency). The increase in constant currency is mainly due to higher capital spending related to customer premise equipment, partly offset by the timing of certain initiatives, both in the Canadian telecommunications segment, while net capital expenditures in the American telecommunications segment remained stable.

For the fourth quarter of fiscal 2026, capital intensity of Cogeco Communications was 23.2% compared to 21.8% for the same period of the prior year. The capital intensity increase is mainly due to higher capital spending in the Canadian telecommunications segment, combined with lower revenue in the American telecommunications segment.

Excluding network expansion projects, net capital expenditures for the fourth quarter of fiscal 2026 increased by 38.8% (37.3% in constant currency), while capital intensity of Cogeco Communications was 19.4% compared to 13.6% for the same period of the prior year.

## Acquisition, integration, restructuring and other costs

| Three months ended August 31 | 2026 | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % |
| Restructuring costs | 3,839 | 14,704 | (73.9) |
| Configuration and customization costs related to cloud computing and other arrangements [1] | 1,319 | 2,333 | (43.5) |
| Other costs | — | 261 | — |
| | 5,158 | 17,298 | (70.2) |

(1) Fiscal 2025 fourth-quarter included $0.9 million of technology licensing costs related to the implementation of the Canadian wireless technology system, whereas these costs, amounting to $1.8 million for the same period of fiscal 2026, are now included within *Operating expenses* of the Canadian telecommunications segment, since the system is now in operation.

For the fourth quarter of fiscal 2026, acquisition, integration, restructuring and other costs decreased by 70.2%, mostly due to lower restructuring costs related to the Corporation's transformation initiatives.

## Depreciation and amortization

| Three months ended August 31 | 2026 | 2025 [1] | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % |
| Canadian telecommunications [1] | 80,526 | 85,306 | (5.6) |
| American telecommunications | 78,775 | 87,966 | (10.4) |
| Corporate and eliminations [1] | 305 | 306 | (0.3) |
| **Cogeco Communications** | 159,606 | 173,578 | (8.0) |
| Other | 1,383 | 1,363 | 1.5 |
| **Consolidated** | 160,989 | 174,941 | (8.0) |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation.

For the fourth quarter of fiscal 2026, depreciation and amortization expense decreased by 8.0%, mainly due to:

- a change in the mix of assets in both the Canadian and American telecommunications segments; and
- lower amortization of intangible assets related to fully amortized customer relationships in the American telecommunications segment; partly offset by
- the appreciation of the US dollar against the Canadian dollar compared to the same period of the prior year in the American telecommunications segment.

## Impairment of assets

During the fourth quarter of fiscal 2026, non-cash pre-tax impairment charges amounting to $5.2 million were recognized within the Canadian telecommunications segment in connection with asset write-offs following a change in strategy.

## Financial expense

| Three months ended August 31 | 2026 | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % |
| Interest on long-term debt, excluding interest on lease liabilities | **66,856** | 71,070 | (5.9) |
| Interest on lease liabilities | **1,114** | 1,054 | 5.7 |
| Gain on repurchase of debt [1] | **(4,289)** | — | — |
| Change in fair value of forward contracts [2] | **—** | 4,144 | — |
| Net foreign exchange gain | **(1,799)** | (1,645) | 9.4 |
| Interest and other income | **(2,327)** | (2,636) | (11.7) |
| Capitalized borrowing costs [3] | **(3,785)** | (1,890) | — |
| Other | **2,898** | 1,409 | — |
| **Financial expense** | **58,668** | 71,506 | (18.0) |
| Gain on repurchase of debt [1] | **4,289** | — | — |
| **Adjusted financial expense** | **62,957** | 71,506 | (12.0) |

(1) In connection with the repurchase of a portion of Tranches 2 and 3 of the Senior Secured Term Loan B Facility during the fourth quarter of fiscal 2026.

(2) In connection with foreign currency forward contracts entered into during the third quarter of fiscal 2025 to partially hedge Cogeco Communications' US exposure associated with the June 2025 repayment of its US$215 million Senior Secured Notes.

(3) Mainly in connection with debt incurred for the purchase of spectrum licences and the construction of certain networks.

For the fourth quarter of fiscal 2026, financial expense decreased by 18.0%, mainly due to:

- a non-cash gain on repurchase of debt of $4.3 million recognized during the fourth quarter of fiscal 2026 following the repurchase of US$46.2 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility;
- last year's $4.1 million realized loss on foreign currency forward contracts entered into during the third quarter of fiscal 2025 to partially hedge Cogeco Communications' US exposure associated with the June 2025 repayment of the US$215 million Senior Secured Notes;
- lower interest expense under the Senior Secured Term Loan B Facility resulting from lower debt outstanding and a decrease in the floating interest rates; and
- higher capitalized interest.

Excluding the non-cash gain on repurchase of debt, financial expense for the fourth quarter of fiscal 2026 decreased by 12.0%.

## Income taxes

| Three months ended August 31 | 2026 | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % |
| Current | **16,152** | 11,861 | 36.2 |
| Deferred | **14,612** | 5,413 | — |
| Income taxes | **30,764** | 17,274 | 78.1 |
| Effective income tax rate | **27.4 %** | 18.5 % | 48.1 |

For the fourth quarter of fiscal 2026, income tax expense increased by 78.1%, mainly due to higher profit before income taxes and a favorable tax adjustment which was recognized in the prior year, as well as a higher impact of the Pillar Two global minimum tax and other tax legislation compared to the prior year.

For the fourth quarter of fiscal 2026, current income taxes were higher compared to the same period of the prior year, mainly for the same reasons as for the total income tax expense, offset in part by the variation in temporary differences.

### Profit for the period

| Three months ended August 31 | 2026 | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages and earnings per share)* | $ | $ | % |
| Profit for the period | **81,508** | 76,197 | 7.0 |
| Profit for the period attributable to owners of the Corporation | **18,003** | 16,483 | 9.2 |
| Profit for the period attributable to non-controlling interest [1] | **63,505** | 59,714 | 6.3 |
| Adjusted profit attributable to owners of the Corporation | **19,643** | 20,491 | (4.1) |
| Basic earnings per share | **1.90** | 1.74 | 9.2 |
| Diluted earnings per share | **1.87** | 1.71 | 9.4 |
| Adjusted diluted earnings per share | **2.04** | 2.12 | (3.8) |

(1) At August 31, 2026, the non-controlling interest relates to a participation of approximately 71.6% in the profit for the period attributable to owners of Cogeco Communications in addition to the 21% ownership of La Caisse in a U.S. subsidiary of Cogeco Communications.

For the fourth quarter of fiscal 2026, profit for the period and profit for the period attributable to owners of the Corporation increased by 7.0% and 9.2%, respectively, mainly as a result of:

- lower depreciation and amortization expense;
- lower financial expense; and
- lower restructuring costs related to the Corporation's transformation initiatives; partly offset by
- lower adjusted EBITDA;
- higher income tax expense; and
- non-cash pre-tax impairment charges amounting to $5.2 million recognized in the fourth quarter of fiscal 2026 in connection with asset write-offs following a change in strategy.

For the fourth quarter of fiscal 2026, adjusted profit attributable to owners of the Corporation, which excludes the impact of non-cash impairment charges, as well as acquisition, integration, restructuring and other costs, and non-cash gain on repurchase of debt recognized (all net of tax and non-controlling interest), decreased by 4.1% compared to the same period of the prior year.

## Canadian telecommunications

### Operating and financial results

| Three months ended August 31 | | | 2026 | 2025 | | Change |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | Actual [1] | Foreign exchange impact | In constant currency [2] | Actual [3] | Actual | In constant currency |
| | $ | $ | $ | $ | % | % |
| Revenue | **375,045** | — | **375,045** | 372,931 | **0.6** | **0.6** |
| Operating expenses | **172,243** | (274) | **171,969** | 176,569 | **(2.5)** | **(2.6)** |
| Adjusted EBITDA | **202,802** | 274 | **203,076** | 196,362 | **3.3** | **3.4** |
| Adjusted EBITDA margin | **54.1 %** | | | 52.7 % | | |
| Net capital expenditures | **94,386** | (284) | **94,102** | 87,979 | **7.3** | **7.0** |
| Capital intensity | **25.2 %** | | | 23.6 % | | |

(1) For the fourth quarter of fiscal 2026, the average foreign exchange rate used for translation was 1.4015 USD/CAD.

(2) Fiscal 2026 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.3722 USD/CAD.

(3) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including $3.8 million of operating expenses for the fourth quarter of fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

### Revenue

For the fourth quarter of fiscal 2026, revenue increased by 0.6% as reported and in constant currency, mainly resulting from:

- a higher Internet service subscriber base; partly offset by
- a decline in video and wireline phone service subscribers, as an increasing proportion of customers subscribe to Internet-only services, especially for the oxio brand which only offers Internet services, as well as a competitive environment.

### Operating expenses

For the fourth quarter of fiscal 2026, operating expenses decreased by 2.5% (2.6% in constant currency), mainly resulting from:

- cost reduction initiatives and operating efficiencies; partly offset by
- higher sales and other operating expenses, in part to drive subscriber growth.

### Adjusted EBITDA

For the fourth quarter of fiscal 2026, adjusted EBITDA increased by 3.3% (3.4% in constant currency), resulting from lower operating expenses and higher revenue.

### Net capital expenditures and capital intensity

For the fourth quarter of fiscal 2026, net capital expenditures increased by 7.3% (7.0% in constant currency) and capital intensity was 25.2% compared to 23.6% for the same period of the prior year, mainly due to higher capital spending related to customer premise equipment, partly offset by the timing of certain initiatives.

### Primary service units

Primary service units include only subscribers who have their services installed, operated and billed directly under the Cogeco and oxio brands. Primary service units exclude services sold under third-party brands, as well as mobile phone service subscribers due to wireless services' early stage of development.

| | | Net additions (losses) | |
|---|---|---|---|
| | | Three months ended August 31 | |
| | **August 31, 2026** | **2026** | 2025 |
| **Primary service units** | **1,838,875** | **(3,533)** | 6,096 |
| Internet service subscribers | **968,016** | **11,510** | 16,988 |
| Video service subscribers | **539,043** | **(8,601)** | (7,308) |
| Wireline phone service subscribers | **331,816** | **(6,442)** | (3,584) |

#### Internet

Fiscal 2026 fourth-quarter Internet service subscribers increased by 11,510. The lower level of Internet service subscriber net additions compared to the prior year was mainly due to a slower market.

#### Video

Fiscal 2026 fourth-quarter video service subscriber net losses of 8,601 were mainly due to ongoing changes in video consumption trends, with an increasing proportion of customers subscribing to Internet-only services, especially for the oxio brand which only offers Internet services.

#### Wireline phone

Fiscal 2026 fourth-quarter wireline phone service subscriber net losses of 6,442 were mainly due to a lower proportion of customers subscribing to a home phone service, especially for the oxio brand which only offers Internet services.

### Homes passed

Fiscal 2026 fourth-quarter homes passed increased by 5,943.

## American telecommunications

### Operating and financial results

| Three months ended August 31 | | | 2026 | 2025 | Change | |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | Actual [1] | Foreign exchange impact | In constant currency [2] | Actual | Actual | In constant currency |
| | $ | $ | $ | $ | % | % |
| Revenue | **320,445** | (6,728) | **313,717** | 335,762 | **(4.6)** | **(6.6)** |
| Operating expenses | **164,049** | (3,427) | **160,622** | 166,327 | **(1.4)** | **(3.4)** |
| Adjusted EBITDA | **156,396** | (3,301) | **153,095** | 169,435 | **(7.7)** | **(9.6)** |
| Adjusted EBITDA margin | **48.8 %** | | | 50.5 % | | |
| Net capital expenditures | **67,304** | (1,332) | **65,972** | 66,295 | **1.5** | **(0.5)** |
| Capital intensity | **21.0 %** | | | 19.7 % | | |

(1) For the fourth quarter of fiscal 2026, the average foreign exchange rate used for translation was 1.4015 USD/CAD.

(2) Fiscal 2026 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.3722 USD/CAD.

### Revenue

For the fourth quarter of fiscal 2026, revenue decreased by 4.6% (6.6% in constant currency). The decrease in constant currency is mainly due to a lower subscriber base compared to the previous year, and to a higher proportion of customers subscribing to Internet-only services, as well as a competitive environment.

In local currency, revenue amounted to US$228.6 million compared to US$244.7 million for the same period of fiscal 2025.

### Operating expenses

For the fourth quarter of fiscal 2026, operating expenses decreased by 1.4% (3.4% in constant currency). The decrease in constant currency is primarily due to:

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

### Adjusted EBITDA

For the fourth quarter of fiscal 2026, adjusted EBITDA decreased by 7.7% (9.6% in constant currency). The decrease in constant currency is mainly due to lower revenue, offset in part by lower operating expenses.

In local currency, adjusted EBITDA amounted to US$111.6 million compared to US$123.4 million for the same period of fiscal 2025.

### Net capital expenditures and capital intensity

For the fourth quarter of fiscal 2026, net capital expenditures increased by 1.5% as reported and remained stable in constant currency.

In local currency, net capital expenditures amounted to US$48.0 million compared to US$48.3 million for the same period of fiscal 2025.

For the fourth quarter of fiscal 2026, capital intensity was 21.0% compared to 19.7% for the same period of the prior year, mainly due to lower revenue.

## Primary service units

Primary service units include only subscribers who have their services installed, operated and billed directly under the Breezeline and welo brands. Primary service units exclude services sold under third-party brands, as well as mobile phone service subscribers due to wireless services' early stage of development.

| | | Net additions (losses) | |
|---|---|---|---|
| | | Three months ended August 31 | |
| | **August 31, 2026** | **2026** | 2025 |
| **Primary service units** | **915,654** | **(18,400)** | (15,498) |
| Internet service subscribers | **593,939** | **(11,340)** | (6,341) |
| Video service subscribers | **215,430** | **(4,924)** | (6,092) |
| Wireline phone service subscribers | **106,285** | **(2,136)** | (3,065) |

### Internet

Fiscal 2026 fourth-quarter Internet service subscriber net losses of 11,340, of which 1,914 were in Ohio, were mainly due to a highly competitive environment, notably for entry-level Internet services, as well as a reduction in our level of promotional activities aimed at balancing profitability and the volume of subscribers.

### Video

Fiscal 2026 fourth-quarter video service subscriber net losses of 4,924 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 2026 fourth-quarter wireline phone service subscriber net losses of 2,136 were mainly due to:

- the continued emphasis on offers that are Internet-led; and
- a lower proportion of customers subscribing to a home phone service.

## Homes passed

Fiscal 2026 fourth-quarter homes passed increased by 3,896 [(i)].

[(i)] During the fourth quarter of fiscal 2026, homes passed were adjusted following a review of the calculation of American homes passed. This change has been applied retrospectively to the comparative figures.

## Cash flow analysis

| Three months ended August 31 | 2026 | 2025 | Change |
|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % |
| Cash flows from operating activities | **361,300** | 266,738 | 35.5 |
| Cash flows used in investing activities | **(162,916)** | (161,327) | 1.0 |
| Cash flows used in financing activities | **(186,427)** | (275,212) | (32.3) |
| Effect of exchange rate changes on cash denominated in a foreign currency | **108** | (330) | — |
| **Net change in cash** | **12,065** | (170,131) | — |
| Cash, beginning of the period | **77,422** | 245,708 | (68.5) |
| **Cash, end of the period** | **89,487** | 75,577 | 18.4 |

### Operating activities

For the fourth quarter of fiscal 2026, cash flows from operating activities increased by 35.5%, mainly due to higher cash inflows from working capital, primarily due to the timing of payments made to suppliers and the collection of trade and other receivables.

### Investing activities

For the fourth quarter of fiscal 2026, cash flows used in investing activities increased by 1.0%, mainly due to:

- the increase in acquisition of property, plant and equipment; partly offset by
- higher proceeds from disposals of property, plant and equipment.

### Acquisition of property, plant and equipment

The following table shows the reconciliation between the cash payments for acquisition of property, plant and equipment and the net capital expenditures, as well as the net capital expenditures, excluding network expansion projects, as presented in the "Consolidated performance" sub-section above.

| Three months ended August 31 | | | 2026 | 2025 | | Change |
|---|---|---|---|---|---|---|
| | Actual | Foreign exchange impact | In constant currency | Actual | Actual | In constant currency |
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | $ | $ | % | % |
| **Acquisition of property, plant and equipment** | **163,118** | | | 159,222 | **2.4** | |
| Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period | **(188)** | | | (3,351) | **(94.4)** | |
| **Net capital expenditures** | **162,930** | (1,616) | **161,314** | 155,871 | **4.5** | **3.5** |
| Net capital expenditures in connection with network expansion projects | **26,831** | (155) | **26,676** | 57,818 | **(53.6)** | **(53.9)** |
| **Net capital expenditures, excluding network expansion projects** | **136,099** | (1,461) | **134,638** | 98,053 | **38.8** | **37.3** |

## Financing activities

### Issuance and repayment of debt

For the fourth quarter of fiscal 2026, changes in cash flows from the issuance and repayment of debt are mainly explained as follows:

| Three months ended August 31 | **2026** | 2025 | Explanations |
|---|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ | |
| Increase (decrease) in bank indebtedness | **(5,392)** | 2,401 | Related to the timing of working capital needs. |
| Net increase (decrease) under revolving facilities | **(67,680)** | 213,484 | Related to the repayment of amounts drawn under the term revolving facilities, while last year's increase was mainly related to funds drawn under Cogeco Communications' Term Revolving Facility during the fourth quarter of fiscal 2025. |
| Issuance of long-term debt, net of transaction costs | **206,897** | 1,694 | Mainly related to the issuance of an additional $200 million tranche of the Senior Secured Notes - Series 2 in August 2026. Last year's debt issuance was related to funds drawn under the Senior Unsecured Non-Revolving Facility. |
| Repayment and repurchase of notes and credit facilities | **(276,280)** | (437,932) | Mainly related to the redemption of the US$150 million Senior Secured Notes Series B in August 2026, the repurchase of US$46.2 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility during the fourth quarter of fiscal 2026, as well as to the quarterly repayments. Last year's repayment was mainly related to the redemption of the US$215 million Senior Secured Notes upon maturity in June 2025 and the quarterly repayments of the Senior Secured Term Loan B Facility. |
| Payment on settlement of forward contracts | **—** | (14,940) | Last year's payment was related to the foreign currency forward contracts entered into during the third quarter of fiscal 2025 to partially hedge Cogeco Communications' US exposure associated with the June 2025 repayment of the US$215 million Senior Secured Notes. |
| Repayment of lease liabilities | **(4,832)** | (3,900) | Comparable. |
| Increase in deferred transaction costs | **(432)** | (95) | Related to the amendment of the term revolving facilities in June 2026. |
| | **(147,719)** | (239,288) | |

### Dividends

During the fourth quarter of fiscal 2026, a quarterly eligible dividend of $0.987 per share was paid to the holders of multiple and subordinate voting shares, totalling $9.3 million, compared to a quarterly eligible dividend paid of $0.922 per share, or $8.7 million, in the fourth quarter of fiscal 2025. In addition, dividends paid on subordinate voting shares by a subsidiary to non-controlling interest during the fourth quarter of fiscal 2026 amounted to $29.4 million compared to $27.6 million for the same period of the prior year.

### Free cash flow

| Three months ended August 31 | 2026 [1] | 2025 | Change | Change in constant currency [2] | Foreign exchange impact [2] |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | $ | $ | % | % | $ |
| **Adjusted EBITDA** | **342,283** | 357,084 | (4.1) | (5.0) | (3,023) |
| Share-based payment | **2,163** | 1,371 | 57.8 | | |
| Proceeds from disposals of property, plant and equipment | **2,920** | 606 | — | | |
| Loss (gain) on disposals and write-offs of property, plant and equipment | **240** | (39) | — | | |
| Defined benefit plans expense, net of contributions | **92** | 396 | (76.8) | | |
| Acquisition, integration, restructuring and other costs | **(5,158)** | (17,298) | (70.2) | | |
| Financial expense | **(58,668)** | (71,506) | (18.0) | | |
| Gain on repurchase of debt [3] | **(4,289)** | — | — | | |
| Amortization of deferred transaction costs and discounts on long-term debt [3] | **2,728** | 2,614 | 4.4 | | |
| Current income taxes | **(16,152)** | (11,861) | 36.2 | | |
| Net capital expenditures | **(162,930)** | (155,871) | 4.5 | | |
| Repayment of lease liabilities | **(4,832)** | (3,900) | 23.9 | | |
| **Free cash flow** | **98,397** | 101,596 | (3.1) | (3.6) | (495) |
| Net capital expenditures in connection with network expansion projects | **26,831** | 57,818 | (53.6) | (53.9) | (155) |
| **Free cash flow, excluding network expansion projects** | **125,228** | 159,414 | (21.4) | (21.9) | (650) |

(1) For the fourth quarter of fiscal 2026, the average foreign exchange rate used for translation was 1.4015 USD/CAD.

(2) Fiscal 2026 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.3722 USD/CAD.

(3) Included within financial expense.

For the fourth quarter of fiscal 2026, free cash flow decreased by 3.1% (3.6% in constant currency). The variation in constant currency is mainly due to:

- lower adjusted EBITDA;
- higher net capital expenditures in the Canadian telecommunications segment; and
- higher current income taxes; partly offset by
- lower acquisition, integration, restructuring and other costs, mostly due to lower restructuring costs related to the Corporation's transformation initiatives;
- lower financial expense, excluding the non-cash gain on repurchase of debt; and
- higher proceeds from disposals of property, plant and equipment.

Excluding network expansion projects, free cash flow for the fourth quarter of fiscal 2026 amounted to $125.2 million ($124.6 million in constant currency), a decrease of 21.4% (21.9% in constant currency) compared to $159.4 million for the same period of the prior year.

## 10. Sustainability strategy

At Cogeco, we take pride in our long-standing tradition of environmental action, social engagement and community involvement. Our sustainability strategy is an integral part of the Corporation's business strategy as we recognize the fundamental role that corporations must play in addressing the most pressing environmental, social and economic challenges of our time, as well as our responsibility towards effective monitoring and management of our sustainability-related risks and opportunities to ensure long-term and resilient value creation.

Cogeco's most recent Sustainability Report and the Sustainability Data Supplement are available on the Corporation's website at corpo.cogeco.com, under "Sustainability - Sustainability Practices".

# 11. Uncertainties and main risk factors

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

### Enterprise risk management

The Corporation strives to continually strengthen its risk management practices to safeguard and increase shareholder value. The objective of risk management is not to eliminate risk entirely but to balance risk and return effectively in order to maximize value to the organization. As such, the Corporation has a formal integrated enterprise-wide risk management ("ERM") program structured and governed based on the widely adopted *Committee of Sponsoring Organizations of the Treadway Commission* ("COSO") ERM integrated framework. This framework establishes a strong connection between risk, strategy and enterprise performance.

Risk oversight is exercised at the Board of Directors level, with primary oversight delegated across its committees. The Audit Committee oversees the ERM framework, principal business risks, financial reporting integrity, internal controls, cybersecurity, and insurance coverage. The Human Resources Committee oversees talent management, executive succession planning, and compensation-related risks. The Corporate Governance Committee oversees corporate governance practices, compliance with the Code of Ethics, and sustainability matters. Within management, operational and functional leaders are responsible in the first instance for identifying and managing risk within their operations, corporate functions establish governance policies, and Internal Audit provides independent assurance to the Audit Committee.

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

While the Corporation's risk management framework is designed in alignment with recognized practices, there can be no assurance that it will identify all risks to which the Corporation is exposed or that it will be sufficient to prevent the occurrence of events that could have a material adverse effect on the Corporation's business, financial condition, prospects, results of operations or reputation.

## 11.1 Competitive environment

The Corporation operates in a highly competitive environment. Competition in the telecommunications industry is expected to remain strong for the foreseeable future due to traditional and non-traditional competitors seeking market share and competitive trends evolving with customer demands, regulatory developments and emerging technologies. This can lead competitors to adopt more aggressive strategies to protect and grow market share, revenue and profit.

In the radio industry, listener habits are shifting towards digital platforms and advertisers are increasingly reallocating their budgets to these channels, intensifying our competition with a broader range of rivals, including global technology and streaming giants.

To mitigate competitive risks across its business segments, the Corporation prioritizes offering high quality products, superior customer service and compelling value.

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

***Internet competition***

Our Internet services face competition from existing competitors and new entrants in both Canada and the United States. This includes large traditional phone companies, cable operators and new entrants that have built and continue to invest in fibre-to-the-home ("FTTH") network infrastructure in portions of our footprint; wireless companies that offer Internet services using fixed-wireless access ("FWA") technology; and low Earth orbit ("LEO") satellite technology providers. LEO providers are currently expanding their high-throughput capacities to offer download speeds increasingly comparable to terrestrial networks. While currently concentrated on rural and underserved regions, these operators are positioned to compete more broadly as they secure additional satellite capacity.

In Canada, competition is driven by both facilities-based operators and providers leveraging the CRTC's mandated wholesale high-speed access service regime to compete in the Corporation's service areas. The regulated wholesale regime does not require that the providers who use it must invest in network construction. While resale-based providers are primarily focused on Internet services, some are also providing video and phone services and growing their offering. In recent years, larger, integrated phone, cable and mobile providers have, through the acquisition of Internet wholesale-based providers and through their own brands, become users of mandated wholesale high-speed access services in our serving territories, which they have the ability to bundle with wireless, video and other services.

In the U.S., the Corporation is also facing elevated competition from traditional cable and telco competitors, as well as new fibre builders overbuilding its facilities, and fixed wireless and satellite broadband providers - some federally funded to expand into unserved areas. Additionally, broader availability of federal, state, and local funding allows local utility companies and other small competitors to build networks within our footprint.

Both the Canadian and U.S. markets have been experiencing heightened competition in recent years.

***Video competition***

The Corporation faces ongoing competition in Canada and the U.S. from a number of companies offering video services, including other traditional video distributors (broadcasting distribution undertakings ("BDUs") in Canada and multichannel video programming distributors ("MVPDs") in the U.S.). Some of these traditional distributors are vertically integrated and own programming services, and are increasingly enhancing their offerings with exclusive direct-to-consumer video content. Competition also stems from over-the-top ("OTT") providers, including subscription-based streaming services such as Netflix, Disney+, virtual multichannel video providers such as YouTube TV and fuboTV that offer streamed linear television networks traditionally exclusively offered by BDUs, and free ad-supported television services. Global technology and streaming giants continue to increase their presence in various content markets, expanding media choices for consumers and increasing the risk of higher customer churn and accelerated video cord-cutting.

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

***Wireline phone competition***

Our wireline phone services compete with wireless and wireline phone providers across our footprint, as well as other forms of communication. As mobile phone and smartphone adoption grows, an increasing number of wireline phone subscribers are disconnecting fixed lines. An accelerated erosion of the Corporation's wireline phone subscriber base could have a material adverse effect on the Corporation's business, financial condition, prospects and results of operations.

***Wireless competition***

We compete with national and regional wireless service providers both in Canada and the United States, as well as other mobile virtual network operators (MVNOs) in the United States.

In Canada, our wireless services are principally provided pursuant to two key supplier agreements: a five-year MVNO agreement starting in 2025 with a national wireless network operator giving Cogeco Communications access to its wireless network, pursuant to the terms of the CRTC's MVNO access regime established in Telecom Regulatory Policy CRTC 2021-130; and a separate five-year agreement for the delivery of wireless technology platforms, including business support systems, core network and operation systems.

Launching a mobile operation in Canada as an MVNO requires significant investments, including the acquisition and deployment of spectrum, the expansion and maintenance of a mobile network, the attraction and retention of customers and the implementation of marketing strategies and other commercial efforts. Further, the CRTC's MVNO access regime established in Telecom Regulatory Policy CRTC 2021-130 requires incumbent wireless carriers to provide MVNO access

services to regional wireless carriers for a period of seven years to May 2030. Should the Corporation fail to adequately expand its own wireless network or enter into a commercial MVNO agreement before the end of the 7-year term, it could run the risk of no longer being in a position to serve its wireless customers.

In the United States, the Corporation has been providing wireless services since May 2024, through a commercially negotiated MVNO arrangement. This arrangement carries operating risks similar to those in Canada, even though the U.S. MVNO agreement is purely commercial and is not tied to a regulatory framework.

***Competition in the radio business***

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

## 11.2 Business risks

### Economic conditions

The Corporation's performance is impacted by general economic conditions, consumer confidence and spending, and the demand for its products and services. Adverse economic conditions, such as heightened inflation, high housing support costs relative to income, lower levels of employment and increased household debt, could impact residential disposable incomes. The imposition of trade tariffs, other trade conditions or protective government measures may also adversely impact the greater macroeconomic environment. In addition, persistent interest rate volatility and elevated borrowing costs may restrict overall capital availability, while geopolitical conditions and trade friction could exacerbate inflationary pressures, further compressing customers' disposable income, as well as lead to increased supplier, energy and other input costs, supply chain disruptions and instability in financial markets. Such conditions could cause customers to reduce or delay discretionary spending, impacting new service purchases or volumes of use, and consider substitution by lower-priced alternatives. This could have a negative impact on the demand for the Corporation's products and services, and could lead to increased cord cutting and lower ARPUs, while a decline in the creditworthiness of its customers could increase its bad debt expense.

### Strategic planning

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

### Programming and content

The financial performance and margin stability of the Corporation's video services depends in large part on its ability to manage operating expenses. One of the largest drivers of such operating expenses is the programming licence fees the Corporation pays to television programming service suppliers. The programming licence fees of certain television programming services have increased significantly in Canada and in the U.S. in recent years, particularly for sports programming in both countries and retransmission consent in the U.S. Future increases in programming licence fees could have a material adverse effect on the Corporation's business and results of operations. As part of its risk mitigation efforts, the Corporation has a removal strategy for high-cost, low viewership content. In August 2026, the Corporation also launched a new TV streaming product in the U.S., for which it is paid a distribution fee and which does not expose it to content costs.

In Canada, the market for video content services is characterized by high levels of supplier concentration and vertical integration. Some of the large integrated communications service providers with whom the Corporation competes in Canada own broadcast television and digital content assets, including sports content. This vertical integration could result in content being withheld from the Corporation or being made available at inflated prices or unattractive terms. In order to limit the power of vertically integrated entities on the public's access to diverse and quality programming services, the CRTC adopted the Wholesale Code in 2015, which applies to all BDUs and licensed programming undertakings. The Code prohibits a number of commercially unreasonable practices and sets out a dispute resolution mechanism for the renewal of affiliation

agreements in situations where both the BDU and the programming undertaking intend to renew the agreement but are unable to agree on terms. The relevant CRTC framework was reviewed at public hearings in 2025, and a decision is pending (refer to sub-section 11.3 "Regulatory matters"). While the Corporation has generally been able to obtain satisfactory distribution agreements with programming service suppliers in Canada to date, it may not be able to maintain its current arrangements, or conclude new arrangements that are economically viable; therefore the number of video channels may change from year to year, which may lead to higher customer churn.

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

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

To address these industry pressures, a core tenet of the Corporation's strategy is disciplined investment in its content portfolio. The Corporation is actively avoiding unsustainable partnership models, particularly those that leverage "must have" content to force the bundling of entire channel portfolios or have diminished value because of direct-to-consumer offerings.

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

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

## Access to support structures and municipal rights-of-way

The Corporation's business requires the execution of contracts with utilities and telephone companies in order to obtain access to support structures (such as utility poles) and with municipalities to obtain access to public rights-of-way. Access to the support structures of telephone companies in Canada is provided on a tariff basis approved by the CRTC. In the case of Canadian provincial and municipal electric utilities, access to those support structures is subject to provincial and municipal requirements. Where access to municipal rights-of-way in the Corporation's Canadian footprint cannot be secured, the Corporation may apply to the CRTC to obtain a right of access under the *Telecommunications Act*.

In the U.S., the Corporation is required to obtain franchises from municipalities or states to access the public rights-of-way to install a cable system and provide video services. The *Communications Act of 1934* in the U.S. requires telephone companies and other utilities (other than those owned by municipalities or cooperatives) to provide cable systems with non-discriminatory access to any pole or rights-of-way controlled by the utility. The rates that utilities may charge, together with certain terms and conditions for such access are regulated by the Federal Communications Commission ("FCC"), or, alternatively, by states that certify to the FCC that they regulate pole attachments.

Make-ready work, which is the strengthening of the poles and/or relocation of other facilities on the poles to accommodate additional attachments, often takes several months to years to complete, which can delay the Corporation's network expansion. Failure to secure reasonable access to support structures for our broadband network expansion plans, or an

inability to accelerate make-ready work, could adversely affect our business strategies and operations, financial condition, reputation and prospects.

## Access to mobile network infrastructure sites

To fulfill spectrum deployment obligations in Canada, the Corporation must deploy radio access infrastructure. This rollout is critically dependent on timely site acquisition, which requires securing favorable leases with tower companies, property owners (e.g., rooftops), and various municipal authorities to host radio equipment, antennas, and towers. This process is susceptible to delays or increased costs due to difficulties in obtaining timely municipal permits and zoning approvals for the construction, installation, or modification of sites. A further challenge is the successful coordination and management of the costs and delays associated with make-ready work for attaching small-cell and other radio equipment to existing utility poles, streetlights, or other public structures. Delays or increased costs in any of these areas—site acquisition, permitting, zoning, or make-ready work—could slow our network deployment, increase capital expenditure, and, ultimately, hinder our ability to offer high-quality, competitive wireless services over the long term, which could materially and adversely affect our financial condition and prospects.

## Customer relationship management

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

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

## Customer expectations

To meet rising customer expectations and increasing needs for digital connectivity, the Corporation is putting broadband connectivity at the center of the customer experience by offering an advanced managed Wi-Fi solution to its Internet subscribers in Canada and the United States, in addition to continuing to upgrade its network to provide even faster Internet speeds in both countries.

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

## Supply chain and third parties

The Corporation serves its Canadian and American customers by utilizing equipment and services from various suppliers, secured through robust long-term agreements. Some of these suppliers may experience business difficulties, restructure their operations, discontinue products or sell their operations to other suppliers, which could affect the availability and future development of the Corporation's products and services. In addition, the Corporation is increasingly exposed to commercial shifts by key technology vendors, including transitions from perpetual software licensing to recurring subscription models, which can result in cost inflation upon contract renewals. Furthermore, the Corporation is exposed to vendor and platform concentration risk due to its reliance on a consolidated group of critical third-party suppliers, cloud computing hosts, Software-as-a-Service (SaaS) providers, and network infrastructure partners for core business operations. Accelerating global demand for high-performance computing hardware and AI infrastructure has also constrained component availability (such as GPUs), extended lead times, and elevated acquisition costs. The inability to obtain critical equipment, software, services or other items, in a timely manner and at an acceptable cost, may limit our ability to offer products and services at competitive pricing that meet customer demands, and deliver our network expansion projects while

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

Furthermore, the unpredictable nature of tariffs between the United States and Canada is having a growing impact on the cost of equipment and network construction materials, such as steel and aluminum. Network hardware suppliers are increasingly including provisions in their renewal contracts allowing them to increase prices due to new tariffs or changes to shipping terms. This practice shifts the entire burden of tariff-related costs onto the Corporation, potentially resulting in higher prices for customers.

## Mergers, acquisitions and divestitures

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

Any failure by the Corporation to achieve growth targets due to increasing competition, to identify potential targets, and to successfully integrate or address the risks associated with acquisitions or to take advantage of future strategic opportunities could materially adversely affect its financial position, financial performance, cash flows or business. Unsuccessful acquisitions or misaligned strategic combinations can also trigger negative market and stakeholder perceptions, eroding brand trust and reputation and leading to the potential write down of goodwill and other assets recorded on acquisition. To mitigate its risk, the Corporation follows a proactive and structured mergers and acquisitions process and enhances its integration procedures, as needed.

As part of its strategy, the Corporation may engage in divestitures of certain assets. The Corporation may not achieve the anticipated financial return if market conditions fluctuate, if non monetary sale proceeds lose value, if the divestiture is not executed efficiently, or if the levels of post-divestiture services or liabilities are understated. This could result in a loss on investment, negatively impacting its financial performance and shareholder value. The Corporation may also face reputational risk, particularly if its stakeholders negatively perceive the divestiture. To address this risk, the Corporation is committed to maintaining, to the extent possible, clear communication with investors, employees and other stakeholders.

## Insurance coverage

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

## Foreign operations

The Corporation's American telecommunications activities, conducted under the Breezeline and welo brands in the U.S., represent 44.7% of its consolidated revenue. Failure to carry out foreign operations in line with geographical, political, legal and regulatory specificities and taxation regimes exposes the Corporation to material adverse operational, reputational and financial impacts. In addition, these operations are subject to cross-border trade policies, bilateral government relations, and U.S. regulatory oversight governing foreign ownership and critical telecommunications infrastructure. Escalations in

protectionist measures, changes in bilateral trade frameworks, or heightened regulatory scrutiny on foreign-owned entities operating in the U.S. could limit operational flexibility, increase regulatory compliance burdens, or impact capital deployment. Furthermore, these activities expose the Corporation to currency risk as most of them are carried out in US dollars. These factors could have a material adverse effect on the Corporation's operating and financial results.

### Talent management and succession planning

The Corporation's success is substantially dependent on its capacity to attract new talent and its ability to retain existing talent and foster continued performance of its employees and executive officers. The fast pace of technological advancements and the digitization within the industry and the workplace have created a highly competitive market for digitally skilled employees, particularly in specialized domains such as data engineering, cloud infrastructure and artificial intelligence. In addition, many of the Corporation's employees and executive officers are uniquely qualified in their areas of expertise, making it difficult to replace their services. Beyond executive retention, the departure of senior technical personnel may create operational risks surrounding the loss of uncodified institutional knowledge, which can delay network evolution and compound technical debt. Furthermore, rapid digital transformation demands that technical specialists continuously adapt to broader cross-functional capabilities, while intensified competition for advanced AI engineering talent increases turnover exposure among core operational teams. In addition, reorganizations, cost reductions and staff reductions may impact employee morale and engagement. For these reasons, the Corporation is focused on creating an engaging employee experience and culture through continued focus on talent and total rewards programs. This includes annual market benchmarking of executive officer compensation to ensure market competitiveness, expanded opportunities for continuous professional growth, as well as digital investments designed to drive employee proficiency. A failure to acquire, reskill, develop and retain key talent needed to deliver our strategic plan and achieve growth objectives could have an adverse material effect on the Corporation's growth, business and profitability.

### Labour relations

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

## 11.3 Regulatory matters

### Regulatory risks - Canadian and American telecommunications

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

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

## Canada

### *Wholesale High-Speed Access Framework*

On April 20, 2026, the federal Cabinet issued an Order in Council declining to vary Telecom Decision CRTC 2025-154 ("TD 2025-154"), in response to a petition filed by Cogeco Communications, together with Eastlink and SaskTel, requesting that Bell, Rogers Communications Inc. ("Rogers") and Telus be disqualified from using wholesale HSA services. Cogeco Communications and Eastlink were subsequently granted leave to appeal TD 2025-154 by the Federal Court of Appeal. The appeal was heard in October 2026 and a decision is pending.

On April 24, 2026, the CRTC set final wholesale rates that competitors must pay for aggregated wholesale access to the FTTP networks of Bell, Telus and SaskTel. Cable carriers, like Cogeco Communications, are not required to provide aggregated access to their FTTP facilities. However, they must provide access to their hybrid fibre-coaxial facilities. Wholesale rates for aggregated access to these facilities have been interim since March 2023, and the CRTC has not yet issued a decision establishing final rates. In October 2026, Cogeco Communications and other cable carriers filed new cost studies to establish their aggregated wholesale HSA rates, following a CRTC directive in June 2026 to do so, on the basis that the costing information submitted in studies filed in 2023 and 2024 (which were under review by the CRTC) may no longer be current.

The use of wholesale HSA by Canada's largest telecommunications carriers, as well as the eventual implementation of final, and possibly retroactive, aggregated wholesale HSA rates that are excessively low or below the Corporation's costs, could have a material adverse effect on the Corporation's business and financial performance, including as a result of intensifying competition from bundles and other services enabled by regulatory levers.

### *CRTC Consultation on Broadcasting Market Dynamics*

In June 2025, the CRTC held public hearings in connection with its Notice of Consultation CRTC 2025-2, *The Path Forward - Working towards a sustainable Canadian broadcasting system*. This proceeding examines the market dynamics between programming undertakings, BDUs and online services to ensure the sustainability and growth of Canada's broadcasting system. It also looks at the effectiveness of existing regulatory tools, including the Wholesale Code and the CRTC's dispute resolution processes, used by BDUs (including Cogeco Communications) and programming undertakings in negotiations for the carriage and distribution of programming services. A weakening or removal of the CRTC's existing regulatory safeguards designed to limit the power of vertically integrated entities in content negotiations could hinder the Corporation's ability to obtain satisfactory distribution agreements with Canadian programming services or reasonable access to content, and adversely affect its growth, business and profitability.

On May 21, 2026, the CRTC issued Broadcasting Regulatory Policies CRTC 2026-95 and 2026-96, representing the first (in what is expected to be a series of) major decision from the market dynamics consultation and another consultation on supporting the creation and distribution of Canadian programming, respectively. These policies aim to improve the funding and discoverability of Canadian content. For BDUs, the most significant outcome of these decisions is the establishment of a "Services of Exceptional Importance Fund" to support news, Indigenous programming, and minority language content. This fund is designed to replace the existing model, in which services of exceptional importance rely largely on subscriber-based wholesale fees from BDUs, with a dedicated fund requiring contributions from both BDUs and online undertakings, including foreign streaming services. However, the Minister of Canadian Heritage subsequently directed the CRTC to review this decision due to concerns regarding potential consumer price increases and intends to issue a new policy direction under the *Broadcasting Act*, though it has not yet been released.

### *CRTC Consultation on the Modernization of Policies for Radio and Audio Streaming*

In September 2025, the CRTC held public hearings in connection with its Notice of Consultation CRTC 2025-52, *The Path Forward - Supporting Canadian and Indigenous audio content*. This proceeding seeks to update the definition of a Canadian musical selection and to provide a definition of French-language vocal music. The CRTC will also review Canadian and French-language content requirements for traditional radio undertakings (including Cogeco Media's 21 radio stations), and determine whether any new measures to support the airplay of emerging artists and Indigenous artists should be implemented, including potential new exhibition and expenditure requirements. The CRTC, among other things, is of the preliminary view that all existing Canadian and French-language content requirements should be maintained for traditional radio undertakings. The CRTC's failure to grant traditional radio broadcasters with greater regulatory flexibility to compete with largely deregulated online audio platforms, or worse, the imposition of new stringent requirements, could have a material adverse effect on the business, financial condition and results of operations for the Cogeco Media business.

***Royalties Payable for Retransmission of Distant Television Signals***

In Canada, BDUs are allowed to retransmit programming within distant over-the-air television signals as part of a compulsory licensing regime established under the *Copyright Act*. Under this regime, BDUs pay royalties for the broadcast of audio and audiovisual works that are set by the Copyright Board of Canada. On July 22, 2021, the Federal Court of Appeal issued a decision in response to two applications for judicial review filed by six BDUs (including Cogeco Communications) and nine collective societies challenging a decision by the Copyright Board setting the quantum of royalties payable for the retransmission of distant Canadian and U.S. television over-the-air signals in Canada, for the 2014-2018 period. The Federal Court of Appeal identified errors made in the Copyright Board's initial rate decision and directed the Copyright Board to correct these errors. On January 12, 2024, the Copyright Board issued its decision on the redetermination of the 2014-2018 royalty rates, which resulted in a reduction of these rates for the years 2015-2018 on a retroactive basis. On February 9, 2024, the copyright collectives made an application seeking judicial review of the Copyright Board's redetermination decision. On May 8, 2025, the Federal Court of Appeal granted the appeal of the copyright collectives. On August 6, 2025, six BDUs (including Cogeco Communications) sought leave to appeal the Federal Court of Appeal's decision before the Supreme Court of Canada. On May 7, 2026, the Supreme Court denied the application for leave. As a result, Cogeco Communications was subject to higher royalty rates for 2014-2018 on a retroactive basis.

The Copyright Board has initiated a new proceeding to set the rates for the subsequent tariff period (2019-2028). Any decision from the Copyright Board that would align with the copyright collectives' proposed tariff rates for this period could result in Cogeco Communications being subject to higher royalty rates, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

***Bill C-8, an Act Respecting Cyber Security, Amending the Telecommunications Act and Making Consequential Amendments to other Acts***

On June 15, 2026, Bill C-8 received Royal Assent. The legislation establishes a statutory framework to enhance the resilience and security of Canada's digital infrastructure. The legislation grants the federal government broad and discretionary authority to issue classified orders and compel the removal of telecommunications equipment or services from designated high-risk vendors. Because it explicitly prohibits compensation for compliance-related losses and imposes severe administrative monetary penalties—extending liability to officers and directors—the law could create significant financial and governance burdens for the Corporation. Many specific obligations will be defined through future regulatory processes.

***Spectrum***

On March 31, 2023, the Minister of Innovation, Science and Industry announced a moratorium on high-impact transfers of spectrum licences in commercial mobile bands. Pursuant to this moratorium, Innovation, Science and Economic Development Canada ("ISED") will not approve any transaction involving the transfer of 10 percent or more of the total spectrum holdings of any company holding more than 100 million MHz-pop of commercial mobile spectrum. The Corporation's spectrum portfolio is subject to this moratorium. The Minister also directed ISED to conduct a comprehensive review of Canada's spectrum transfer framework. The moratorium will expire once a revised spectrum transfer framework comes into effect, though ISED has not yet initiated the review. Depending on its duration, this moratorium could have a material adverse effect on the Corporation's business, financial condition and results of operations. Furthermore, the adoption of more restrictive spectrum transfer rules by ISED that compromise the Corporation's ability to enter into secondary market transactions could similarly have a material adverse effect on the Corporation's business, financial condition and results of operations.

***Bill C-22, the Lawful Access Act***

On March 12, 2026, the federal government tabled Bill C-22, the *Lawful Access Act*, which revisits lawful access provisions from Bill C-2, the *Strong Borders Act*, tabled in June 2025. Bill C-22 expands lawful access provisions in the Criminal Code, allowing law enforcement agencies to obtain preliminary information from Internet service providers without a warrant. While Bill C-22 narrows the new law enforcement powers proposed in Bill C-2 to telecommunications providers and limits demands to service confirmation, it still imposes tight response deadlines and broad obligations to assist the Minister of Public Safety and Emergency Preparedness that could require expensive surveillance equipment. Bill C-22 also introduces a new power to enact metadata retention regulations, potentially requiring telecom providers to retain metadata for up to a year. The adoption of Bill C-22 in its current form could increase our costs and have an adverse effect on our business.

***Privacy and AI***

***Bill C-36, the Protecting Privacy and Consumer Data Act***

On June 15, 2026, the federal government tabled Bill C-36, the *Protecting Privacy and Consumer Data Act*, which is intended to replace the *Personal Information Protection and Electronic Documents Act* ("PIPEDA") and modernize Canada's private-sector privacy framework. This proposed legislation, which follows several attempts to modernize Canada's privacy framework, introduces new requirements regarding consumer consent, data retention, privacy programs, and transparency in the use of artificial intelligence and automated decision systems. Additionally, Bill C-36 grants broad enforcement powers to a newly created Digital Safety and Data Protection Commission, including the authority to impose administrative monetary penalties for non-compliance, which could reach up to the greater of $25 million or 5% of gross global revenue. Bill C-36 also introduces a private right of action, potentially increasing exposure to litigation. While the timeline for implementation is not yet fixed, the adoption of these requirements could increase our costs and operational burden.

***Consumer Protection***

***Prohibition of Certain Fees by the CRTC***

On March 12, 2026, the CRTC issued Telecom Regulatory Policy CRTC 2026-43, *Prohibition of fees that are a barrier to switching cellphone and Internet plans*. This decision implements 2024 amendments to the *Telecommunications Act* by prohibiting certain fees related to activation, carrier switching, or the modification of service arrangements. Specifically, the CRTC established that fees for the activation or modification of a telecommunications service plan are not permitted, with exceptions made for reasonable fees related to the physical installation of a telecommunications service at a customer's home or fees for optional services requested by a customer. Furthermore, the decision prohibits wireless providers from charging early cancellation fees when a subsidized device is not part of the service contract. These changes took effect on June 12, 2026, and were reflected in amendments to the Internet Code and Wireless Code.

***Enhanced Customer Notifications***

On April 13, 2026, the CRTC issued Telecom Regulatory Policy CRTC 2026-67, *Enhancing customer notifications*. This decision implements 2024 amendments to the *Telecommunications Act* by imposing new notification requirements on wireless and Internet providers, effective April 13, 2027. Specifically, 90-day notices prior to the expiry of fixed-term contracts must include a hyperlink to all available plans (including "bring your own device" and device financing options), information regarding device rental plans, and instructions for accessing self-service mechanisms. Additionally, carriers are required to notify customers 90 days prior to the expiry of time-limited discounts or promotions exceeding three months and to notify wireless customers when international roaming data usage reaches $50. Service providers must also retain copies of all such notifications for compliance purposes.

***Self-Service Mechanisms***

On April 24, 2026, the CRTC issued Telecom Regulatory Policy CRTC 2026-78, *Enhancing self-service mechanisms*. This decision requires wireless and Internet service providers to ensure that customers can modify or cancel their service plans through self-service channels, such as an app, online portal, or email, without the necessity of interacting with a live agent. Effective April 26, 2027, providers must implement these mechanisms at no cost to the customer and ensure the immediate delivery of on-platform confirmation upon the execution of a change, followed by a system-generated email notification. These requirements are complemented by recent legislative amendments to Québec's *Consumer Protection Act*, which require merchants who enter into online contracts involving sequential performance to make available to consumers an easily identifiable online button allowing them to unsubscribe from online services.

***New Pre-Sale Marketing Requirements***

On September 10, 2026, the CRTC issued Telecom Regulatory Policy CRTC 2026-238, *Making it easier for consumers to shop for Internet services*, implementing 2024 amendments to the *Telecommunications Act*. Effective March 10, 2027, Internet service providers must disclose "typical" rather than "up to" peak speeds and latency using approved methodologies, prominently feature full post-discount rates and equipment fees, integrate performance details into customer contracts, maintain permanent online document accessibility, and publish structured, machine-readable offering files to support third-party comparison tools.

***Harmonization of Consumer Protection Codes***

On June 12, 2026, the CRTC launched Broadcasting and Telecom Notice of Consultation 2026-134, *Harmonizing the consumer protection codes*, which proposes to consolidate the Wireless Code, the Television Service Provider Code, the Internet Code

and the Deposit and Disconnection Code into a single, unified consumer protection code. This initiative seeks to streamline existing protections, enhance clarity for consumers, and reduce administrative compliance burdens for providers and the Commissioner for Complaints for Telecom-television Services. Cogeco Communications is participating in this consultation, which will include a public hearing starting on November 30, 2026.

***CRTC Consultation on Increasing Awareness of the Commission for Complaints for Telecom-television Services***

On October 17, 2025, the CRTC issued Broadcasting and Telecommunications Notice of Consultation 2025-274, *Call for comments – Improving customer awareness of the Commission for Complaints for Telecom-television Services Inc*. In this proceeding, the CRTC sets out the preliminary view that its consumer protection codes (Internet Code, Wireless Code and Television Service Provider Code) should be amended to require communications service providers to inform customers of the Commission for Complaints for Telecom-television Services earlier than they currently do, and specifically, right after the service providers offers a solution to a customer with an unresolved complaint. If, at the conclusion of this proceeding, the CRTC imposes burdensome new customer service requirements that are inconsistent with our current practices and necessitate significant changes to our business support systems, this could have an adverse material effect on the Corporation's growth, business and profitability.

***Network Outage Requirements***

On September 4, 2025, the CRTC issued Telecom Decision CRTC 2025-225 ("TD 2025-225"), which established a mandatory reporting regime for major network outages affecting all Canadian telecommunications service providers. This new regime, effective November 4, 2025, replaced interim requirements adopted in March 2023, with lower reporting thresholds that will capture a greater number of network outages. In October 2025, Cogeco Communications, along with other telecommunications service providers, brought an application to the CRTC to review and vary TD 2025-225. Among other things, the application asked the CRTC to extend the November 2025 implementation deadline, adopt a higher threshold for outage notifications, and allow all outage notifications to be submitted in confidence. On October 31, 2025, the CRTC suspended the November 4, 2025 implementation deadline, in order to consider our request for higher reporting thresholds. In addition, the CRTC has concurrently launched two new consultations: one focusing on consumer protection measures for customers affected by outages and another on a new regulatory framework to enhance network resiliency in Canada. If, at the conclusion of these proceedings, the CRTC imposes new burdensome requirements, this could increase our costs, affect how we design and manage our networks, and have an adverse effect on our business.

**United States**

***Cable Franchises and Competitive Overbuilds***

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

***Spectrum***

On July 3, 2025, the United States Congress passed a budget reconciliation bill known as the "One Big Beautiful Bill", which was signed into law by President Trump on July 4, 2025. This legislation restores the FCC spectrum auction authority and mandates the identification and auctioning of 800 MHz of spectrum exclusively for licensed commercial use. Building on this authority, the FCC adopted, in July 2026, a plan to auction 160 MHz of spectrum in the Upper-C band (3.98-4.14 GHz) in July 2027 for 5G services. Additional commercial spectrum could impact market dynamics and enhance the ability of mobile and fixed wireless providers to compete with our services. Further, if the FCC reallocates unlicensed spectrum that currently supports Wi-Fi, this could disrupt our services.

***Internet Regulation***

Currently, Internet service providers must publicly disclose detailed information regarding their service offerings and Internet traffic management practices, but are not otherwise subject to "net neutrality" laws or rate regulation. Since April

2024, broadband service providers must display, at the point of sale, labels that disclose certain information about broadband prices, introductory rates, data allowances, broadband speeds and latency. On April 25, 2024, the FCC voted to reclassify broadband Internet services as telecommunications services under Title II of the *Communications Act of 1934*. A group of Internet service providers challenged the rules in the Court of Appeals for the Sixth Circuit, and, in January 2025, the court invalidated the reclassification and the rules contained in the FCC's Order and ruled that the FCC does not have the authority to impose "net neutrality" rules or subject broadband services to utility-style regulations such as rate regulation.

States where Breezeline has operations have in the past enacted and may in the future consider broadband regulations, including with respect to net neutrality and broadband affordability. In January 2025, the state of New York started enforcing the *Affordable Broadband Act*, which requires service providers to offer broadband services to low-income households for no more than US$20 per month. In May 2025, the state of Connecticut passed broadband affordability legislation that requires state agencies contracting for the purchase of broadband services to give preference to providers that offer affordable broadband to eligible households. The proliferation of broadband regulations at the state level could have the effect of creating a patchwork of, and potentially inconsistent, federal and state regulatory regimes. New broadband affordability regulations, if adopted, could have an adverse effect on the Corporation's business.

***FTC's "Click-to-Cancel" Rule***

On October 16, 2024, the Federal Trade Commission ("FTC") adopted rules that would 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. On May 9, 2025, the FTC voted to extend the May 14, 2025 compliance deadline by 60 days, on the basis that the initial deferral period insufficiently accounted for the complexity of compliance. These rules were challenged in federal court by various industry associations and businesses. On July 8, 2025, the Court of Appeal for the Eighth Circuit vacated the rules, stating that the FTC failed to perform a required preliminary analysis of the rules' costs and benefits. On March 11, 2026, the FTC released an Advance Notice of Proposed Rulemaking to solicit comments on strengthening its existing regulations for negative option marketing and reissuing these rules. The application of these rules could make it easier and faster for consumers to terminate subscription services.

***Proposed FCC Order on Call Center Onshoring***

On March 26, 2026, the FCC adopted a notice of proposed rulemaking that proposes a new regulatory framework for foreign call centers used by FCC-regulated service providers. The notice proposes a range of requirements, including: establishing English proficiency standards for customer service representatives located outside of the United States; imposing a cap on the percentage of calls that service providers can make from or answer at foreign call centers; requiring service providers to inform customers if calls are being handled outside of the United States; creating a consumer right to have calls transferred from a foreign call center to a U.S.-based call center; and prohibiting the use of foreign call centers to handle certain transactions, such as communications that involve access to or transmission of sensitive customer information. New rules limiting our ability to maintain offshore customer service functions, if adopted, could increase our costs and have an adverse effect on our business.

***FCC Prohibition on Foreign-Made Routers***

On March 23, 2026, the FCC added all foreign-made, consumer-grade routers to its "Covered List" of unacceptable national security risks. This action, grounded in a formal national security determination, reflects concerns that vulnerabilities in widely deployed routers have been exploited in cyber campaigns targeting U.S. infrastructure and consumers. Products on the Covered List cannot receive FCC authorizations; therefore, new foreign-produced routers cannot be marketed or sold in the U.S. without a conditional waiver from the Department of Defense or Department of Homeland Security. Existing authorized models are protected until 2029. Depending on how this rule, and its exemptions, are enforced, this new prohibition could increase the cost or reduce the availability of customer premise equipment.

***FCC Satellite Policies and Decisions***

The competitive landscape for LEO satellite broadband and direct-to-device ("D2D") services has been significantly advanced by key FCC regulatory policies and decisions. On April 30, 2026, the FCC revised spectrum sharing rules in the Ku and Ka bands to grant expanded operational flexibility. This decision has the effect of allowing LEO operators freer access, removing prior power limits and geostationary priorities. This was followed by the introduction of a streamlined satellite application process in July 2026 to expedite commercial satellite deployments and the October 2026 approval for SpaceX to deploy 15,000 next-generation satellites for D2D services. These combined measures elevate LEO and D2D satellite capacity and enable these technologies to be more competitive in providing broadband and wireless services.

***Pole Attachments***

The *Communications Act of 1934* mandates that investor-owned utilities grant cable systems access to their poles and conduits. This access must be offered under reasonable, non-discriminatory conditions, and the rates for such access are subject to either federal or state oversight. In three of the states in which we operate, federal regulations establish cost-based rental rates applicable for cable or telecommunications services, including those bundled with Internet service. These regulations can also impose deadlines for processing pole access requests and limit the "make-ready" costs that pole owners can charge to prepare their poles for new attachments. In the 10 other states we operate in, the FCC's approach does not directly influence rates, although many of these states have adopted similar pole attachment rules. Federal pole attachment rules do not apply to poles owned by municipal governments or electric cooperatives, though states retain the authority to regulate them. On July 25, 2025, the FCC adopted new pole attachment rules that codify new access timelines for large pole attachment applications, which are aimed at streamlining broadband deployment. The FCC also issued a Notice of Proposed Rulemaking seeking comment on ways to improve pole attachment applications and make-ready processes, including by limiting utilities's ability to collect 100% of make-ready payments up front and imposing a cost ceiling on make-ready cost true-ups; limiting the amount of time utilities may take to onboard approved contractors; and addressing utility-imposed fees or engineering requirements before the make-ready stage that inhibit broadband deployment. We frequently encounter difficulties in gaining pole access, are often subjected to high make-ready costs and application fees, or experience delays in the approval of our permit requests. These challenges create financial burdens and needlessly delay our broadband deployment activities.

***Intellectual Property Rights***

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

***Privacy and Data Protection***

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

***Consumer Protection***

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

## 11.4 Technology risks

### Network, infrastructure and IT systems

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

**Network failure**

The Corporation manages network failure risks through a business continuity planning program as well as through a disaster recovery program and related procedures. Operational risk assessments are also conducted on an annual basis to

consider, at a minimum, anticipated and unanticipated events (including weather-related incidents) in order to protect the viability of all critical business processes. Strategic inventory of critical spare electronics and advance support from our critical vendors help mitigate downtime and risks. A failure in the Corporation's infrastructure, including physical damage resulting from vandalism, sabotage or the theft of network assets, could prevent the Corporation from delivering some of its services through a portion of its network until it has implemented backup solutions or resolved the failure. Such failure could result in significant customer dissatisfaction and loss of revenue, depending on the severity of the outage condition. As insurance premium costs are uneconomic relative to the risk of failure, the Corporation self-insures its outside plant infrastructure. It is likely that network damage caused by any one incident would be limited by geographic area and the resulting business interruption and financial damages would also be limited.

**Dependence on technology systems**

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

## Cyber threats

Cybersecurity threats have grown in frequency and complexity in recent years, increasingly driven by the rapid evolution and proliferation of AI technologies, including generative AI and autonomous frontier models. Malicious actors, such as organized criminals and state-sponsored groups, are leveraging these technologies to automate and scale attacks, making them more sophisticated and difficult to detect. Furthermore, the recent emergence of highly capable AI models that can independently discover and exploit zero-day vulnerabilities in critical software significantly accelerates the threat landscape. The broader AI threat landscape also includes highly personalized social engineering and phishing campaigns, the use of hyper-realistic deepfake audio and video, prompt-injection, and the automation of network vulnerability discovery. The Corporation maintains a multi-layered, enterprise-wide security program that implements a comprehensive range of measures to protect against such threats. The Corporation continues to enhance its cyber resilience posture, the overall governance over information security and the security awareness of its employees through continuous training and improvement efforts surrounding the security of its IT systems, the controls within its IT systems and its business processes. Cybersecurity has also been integrated as a mandatory component of the supply chain management process. This integration spans the entire vendor lifecycle, from initial vetting through ongoing monitoring and is a crucial control for protecting corporate systems and data from threats originating within the third-party ecosystem.

During fiscal 2026, to its knowledge, the Corporation did not experience any material cybersecurity breach. This outcome is attributed to the effectiveness of the Corporation's proactive threat management protocols, which included the rapid mitigation of several zero-day vulnerabilities. The application of advanced threat intelligence enabled the deployment of immediate countermeasures for critical flaws where no official patches were available. As the cybersecurity threat landscape continues to evolve in sophistication and velocity in tandem with accelerating digital innovation, and AI capabilities, there can be no assurance that future cyber attacks will not adversely affect operational continuity and data security, or result in reputational damage, significant legal liabilities, and financial loss.

## Privacy and data protection

The Corporation's data ranks among its most valuable assets and is therefore protected according to its sensitivity and criticality, taking into account, among other things, risks as well as legal requirements, governance standards and common best practices, which are extensive and constantly evolving. In the course of the Corporation's business, it collects, uses and manages various data, including personal information.

To manage privacy risks proactively, the Corporation introduced a Privacy Impact Assessment program, a fundamental component of our commitment to responsible data stewardship and compliance. This program serves as a proactive, systematic process for evaluating new projects, systems, or initiatives to identify and mitigate potential privacy risks. In addition, the Corporation has implemented customary security measures that are designed to safeguard information against unauthorized access or disclosure, which includes continuous improvement processes for reviewing and monitoring

appropriate authorized access and reporting on such. In the case of personal information more specifically, the Corporation does not disclose that information without the individual's consent, unless otherwise required or authorized by law, or in accordance with the Privacy Notice of each subsidiary. The Corporation is committed to providing transparency with respect to the Corporation's practices in handling personal information, and to provide access to individuals to whom this information belongs. Security and privacy training is provided on a regular basis, and employees annually review and certify that they will abide by the Corporation's Code of Ethics and the Acceptable Use Policy.

Despite these measures, security incident risks continue to evolve along with increased sophistication from threat actors. Any malfunction of the Corporation's systems, security breaches resulting in unauthorized access to loss, use or disclosure of data, including personal information, or failure to comply with data protection and privacy rules and regulations could result in the potential loss of business, damage to the Corporation's reputation and brand value, litigation, regulatory scrutiny and expose the Corporation to the payment of damages and penalties.

Compounding these operational risks, existing and proposed legislation and regulations, including changes in the manner in which such legislation and regulations are interpreted by courts in Canada and the United States, may impose limits or requirements on the Corporation's collection, use, storage, access, disclosure and transfer of certain kinds of information.

### Artificial Intelligence

The Corporation recognizes the transformative potential of AI in driving superior customer service, enhancing operational efficiency, and creating sustainable value for its stakeholders. By leveraging AI within its business operations and customer touchpoints, such as virtual customer support tools and internal analytics, the Corporation is beginning to streamline processes, optimize resource allocation, and gain deeper insights into market trends, with the primary goal of delivering a superior, seamless customer experience that drives long-term growth and competitiveness. The adoption of emerging technologies, such as generative AI, introduces complex strategic, operational, and financial risks that require rigorous enterprise oversight. These include privacy and ethical concerns, algorithmic biases, the potential for unintended or inaccurate outputs (hallucinations), data exfiltration, the unauthorized disclosure or misuse of confidential, proprietary, or personal information through internal tools and third-party AI solutions, and the potential for unintended consequences in decision-making processes. Furthermore, as proprietary AI infrastructure remains capital-intensive, the Corporation relies primarily on third-party AI service providers and foundational models. This creates third-party dependencies that expose operations to service disruptions, rapid price volatility tied to token consumption dynamics, and potential access restrictions or blockages resulting from foreign regulatory or governmental actions. The Corporation has created an AI Governance Committee to oversee its AI adoption efforts and ensure responsible AI use. To date, the Corporation has not experienced any material legal, regulatory, or operational incidents related to its use of AI. As AI is complex and novel, incidents could occur that give rise to legal or regulatory action, and could damage the Corporation's reputation or otherwise harm the business. Additionally, AI technologies can enable existing and new competitors to gain competitive advantages against our business. If they adopt the use of AI more quickly or more successfully than us, our ability to compete effectively may be impaired, which may adversely affect our business, financial condition and results of operations.

## 11.5 Financial risks

Our exposure to credit, liquidity, interest rate, foreign exchange and market price is discussed in sub-section 8.5 "Financial risk management" of this MD&A and in Note 24 of the consolidated financial statements.

### Indebtedness, access to capital and liquidity

The Corporation relies on cash flow generated from operating activities and access to capital markets to maintain adequate liquidity, fund its capital expenditures program (including network expansions), pursue innovation initiatives and business acquisitions, return capital to shareholders, as well as to refinance existing debts.

Capital markets are volatile and the Corporation's access to capital under reasonable terms and conditions, or at all, is subject to market conditions, its credit profile and its level of indebtedness. Such terms and conditions could lead to higher funding costs, and a deteriorating financial position and liquidity.

The Corporation's indebtedness increases its vulnerability to refinancing risk, inflation, interest rate fluctuations, and general adverse economic and industry conditions. Resulting cash flow pressure can adversely impact the Corporation's ability to fund capital expenditures and working capital, to respond to changing circumstances, and ultimately putting it at a competitive disadvantage. The Corporation manages the indebtedness of its telecommunications operations through two distinct borrowing structures. The U.S. borrowing structure has a relatively higher level of indebtedness than the Canadian structure, and is therefore more exposed to the aforementioned risks.

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

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

## Currency and interest rates

The Corporation's financial results are reported in Canadian dollars and a significant portion of its revenue, operating expenses and capital expenditures are realized in US dollars. Furthermore, a portion of the Corporation's indebtedness is denominated in US dollars. For financial reporting purposes, any change in the value of the Canadian dollar against the US dollar during a given financial reporting period results in variations of the Corporation's operating results and financial condition. The Corporation's revenue, adjusted EBITDA and indebtedness can fluctuate materially due to foreign exchange rate variations.

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

## Credit ratings

Credit ratings issued by rating agencies can affect the availability and terms of Cogeco Communications' debt. A downgrade of the credit rating could be caused by a number of factors, including but not limited to, a deterioration in financial performance, a failure to effectively navigate the current competitive environment or a failure to meet or maintain key credit metrics, including leverage, in line with rating agencies criteria. A downgrade could materially increase its cost of capital and reduce access to capital.

## Dividend

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

## Defined benefits pension plans

The Corporation's defined benefits pension plans are susceptible to volatility from global economic conditions, regulatory changes, and reporting requirements. These factors could negatively impact pension obligations and return on assets and necessitate increased contributions to our post-employment benefit plans. Failure to recognize and manage economic exposure and pension rule changes, or to ensure that effective governance is in place for the management and funding of pension plan assets and obligations, could have an adverse impact on the Corporation's liquidity and financial performance.

Funding requirements of the Corporation's post-employment benefit plans are based on multiple factors, including valuations of plan assets and obligations, long-term interest rates, inflation, plan demographics, including longevity, and applicable regulations. Fluctuations in these areas, including those from geopolitical events, could lead to contributions differing from current estimates and negatively impact liquidity and financial performance. There is no guarantee that plan assets will achieve their assumed rate of return, as a significant portion is invested in equity and debt securities, making performance heavily reliant on capital markets. Market conditions also influence the discount rate for solvency obligations, which can also impact cash funding requirements.

## Changes in tax legislation and tax matters

The Corporation's business operations are subject to various international tax laws and regulations. These tax laws and regulations are subject to frequent changes and evolving interpretations. While management believes the Corporation has adequately provided for all taxes based on the information available, the calculation of taxes requires significant judgment in interpreting laws and regulations. Our tax filings are subject to audits, which could materially change the amount of current

and deferred income tax assets, liabilities, and expenses, and could, in certain circumstances, result in the assessment of interest and penalties.

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

**Canadian Tax**

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

**United States Tax**

Pursuant to the enactment of the *One Big Beautiful Bill Act*, U.S. tax rules limiting the deductibility of interest expenses to 30% of the EBIT (as calculated for tax purposes) is restored to 30% of EBITDA (as calculated for tax purposes). Changes restoring the U.S. accelerated tax depreciation were also enacted for capital expenditures acquired and placed in service after January 19, 2025. The tax rules enacted should not have any material adverse consequences but will continue to be monitored in future years as well as considered for future investments requiring financing in the U.S.

### Access to government funding programs

The Corporation participates in government programs in Canada and the U.S. to provide high-speed Internet to underserved or unserved regions. We have been awarded funding for broadband projects in Ontario, Québec and Virginia. These digital infrastructure investment projects can generally be subject to some performance obligations and penalties for late delivery which could have an adverse impact on the Corporation's liquidity.

## 11.6 Disaster-related risks on our operations

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

### Climate change

The increasing frequency and severity of climate-related weather events present operational and financial risks to the Corporation. Physical risks include potential damage to facilities and equipment from acute weather events, as well as chronic shifts in climate patterns such as heat waves, flooding, or wildfires, all of which may result in increased operational and capital costs. To address these risks, the Corporation focuses on operational climate adaptation, deploying business continuity and disaster recovery strategies designed to mitigate weather-related risks. However, because the magnitude and timing of natural disasters remain inherently unpredictable, these adaptation measures alone may not fully shield operations, which could have a material adverse effect on the Corporation's business, prospects, financial condition, and results of operations.

Furthermore, while mitigating the impacts of climate change requires broader collective collaboration, the Corporation is supporting global efforts. To advance its greenhouse gas ("GHG") emissions reduction strategy, the Corporation has established near-term (2030 and 2035) and long-term net-zero (2050) targets validated by the Science Based Targets initiative ("SBTi"), with progress monitored on a regular basis. A detailed description of environmental risk mitigation activities is available in the Sustainability Report on the Corporation's website at corpo.cogeco.com, under "Sustainability - Sustainability Practices".

## 11.7 Increasing scrutiny of sustainability

Globally, companies are facing more scrutiny of sustainability disclosures from various regulators, including securities and antitrust authorities, governments, and other stakeholders. The Corporation has made several sustainability commitments, including near-term and long-term GHG emissions reduction goals. Achieving those goals is subject to risks and

uncertainties, many of which are beyond the Corporation's control. The Corporation faces reputational risks if it is unable to meet its targets or if it chooses to abandon certain targets to focus on other priorities.

Furthermore, Canada has adopted legislation that addresses greenwashing and social washing through amendments to the *Competition Act*. The provisions require that companies be able to substantiate sustainability-related claims in accordance with internationally recognized methodologies, and thus expose the Corporation to legal action. Therefore, ensuring that the Corporation is able to accurately reflect its sustainability performance, through robust methodologies, rigorous data collection and appropriate controls, is paramount. Other upcoming sustainability-related disclosure regulations, such as the next phase of the federal plastics registry and potential new forced labour obligations under Bill C-35, the *Ban on Importing Goods Made with Forced Labour Act*, could impose additional constraints.

The rapidly evolving regulatory landscape for sustainability reporting, coupled with changes across voluntary reporting frameworks, compounds these compliance risks as corporations will be required to produce additional sustainability disclosures or adapt existing ones. Given the constantly evolving landscape surrounding sustainability-related disclosures, the Corporation will monitor further developments closely and carefully manage its commitments and disclosures to reduce reputational, compliance, and legal risks.

## 11.8 Fraud and ethical behavior

As a public company with a wide array of desirable services, a substantial employee base, and valuable assets, we are exposed to a heightened risk of fraud. This includes internal and external threats such as corruption, insider threats, unauthorized access by employees or third-party contractors, the misappropriation of company assets, and the deliberate manipulation of financial reporting. The current global economic climate and the rapid evolution of artificial intelligence technologies may amplify these risks, potentially leading to increased fraudulent activity such as automated social engineering, deepfake impersonation, and synthetic identity fraud that could result in significant financial losses and damage to our brand reputation. Our industry is particularly susceptible to specific types of fraud. For instance, unauthorized individuals or compromised insiders may gain control of a customer's account to access products and services through schemes like phishing or social engineering. We also face risks from subscription fraud, where individuals use stolen, fake, or their own identities with no intention of paying for services and equipment. Additionally, our operations are vulnerable to network usage fraud or physical incidents like copper theft from our network infrastructure.

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

## 11.9 Ownership

The Corporation is controlled by Gestion Audem Inc., a company controlled by Mr. Louis Audet, through its ownership of Cogeco's multiple voting shares. Both Cogeco Communications Inc. and Cogeco Inc. are reporting issuers in Canada with subordinate voting shares listed on the Toronto Stock Exchange. Pursuant to the Conflicts Agreement in effect between Cogeco Communications and Cogeco Inc., all cable television undertakings must be owned or controlled by Cogeco Communications. Cogeco Inc. is otherwise free to own and operate any other business or to invest as it deems appropriate.

It is possible that situations could arise where the respective interests of Gestion Audem Inc. and shareholders or other stakeholders of Cogeco Inc. and of the shareholders or other stakeholders of Cogeco Communications could differ and that the interests of these shareholders or stakeholders be adversely affected by such situations.

## 11.10 Litigation

The Corporation is involved in various litigation matters arising in the course of its business. The outcome of these claims or litigations is uncertain and failure to implement measures to minimize litigations and their impact may adversely affect the Corporation's reputation, results of operations, liquidity or financial condition. From time to time, the Corporation faces

class-action claims and proceedings. Litigation matters involving the Corporation can, individually or in total, have a material adverse effect on its business, results of operations or financial condition. Please see further details regarding the Corporation's current litigation claims in the "Contractual obligations, contingencies and guarantees" section.

### 11.11 Health and safety

Public health emergencies, as well as operational hazards affecting worker health and safety, can constitute a risk to the Corporation's business. Potential threats posed by such events can include changes in demand for the Corporation's services, supply chain disruption, and employee and customer health and safety concerns negatively affecting the Corporation's financial condition and ability to deliver its services and meet its obligations. To mitigate operational health and safety risks and prevent injuries, the Corporation maintains a comprehensive health and safety management program encompassing rigorous safety protocols, ongoing employee training, and mental health and wellness resources designed to safeguard its workforce teams. Failure to prevent workplace accidents or comply with evolving occupational health and safety regulations across our Canadian and U.S. footprints could result in operational disruptions, increased disability costs, regulatory penalties, or reputational damage.

## 12. Controls and procedures

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

The CEO and CFO, supported by management, evaluated the overall design and effectiveness of the Corporation's DC&P and ICFR at August 31, 2026, and concluded that they were effective.

**Changes in internal control over financial reporting**

No significant changes to the internal controls over financial reporting occurred during the three-month period and year ended August 31, 2026.

## 13. Accounting policies

### 13.1 Critical accounting policies and estimates

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

**Revenue recognition**

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

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

| | |
|---|---|
| **Residential** | • Monthly subscription revenue (net of any discounts, rebates, refunds and credits) for Internet, wireless, video and wireline phone services, as well as equipment rentals, is recognized on a monthly basis as the services are provided; and<br>• Revenue from data services, long-distance and other pay-per-use services is recognized on a monthly basis as the services are provided. |
| **Commercial** | • Monthly subscription revenue (net of any discounts, rebates, refunds and credits) for Internet, video and wireline phone services, as well as equipment rentals, is recognized on a straight-line basis over the contractual period arrangement. |
| **Other** | • Revenue mainly from Internet wholesale-based providers, advertising and resale of Internet-based TV streaming services recognized on a net basis; all recognized as the services are provided. |

## Business combinations

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

## Capitalization of property, plant and equipment

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

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

## Contingencies

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

## Measurement of long-lived assets

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

## Deferred taxes

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

## 13.2 Accounting policy developments

### 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 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.<br><br>The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation does not expect these amendments to have any material impact on its consolidated financial statements. |
| **IFRS 18, *Presentation and Disclosure in Financial Statements*** | In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:<br><br>• 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;<br>• 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<br>• 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.<br><br>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*.<br><br>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 currently expects the following to be the most significant impacts on the presentation and disclosure of its consolidated financial statements:<br><br>• **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.<br><br>• **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.<br><br>• **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. |

# 14. Non-IFRS Accounting Standards and other financial measures

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

Financial measures presented on a constant currency basis for the three-month period and year ended August 31, 2026 are translated at the average foreign exchange rate of the comparable periods of the prior year, which were 1.3722 USD/CAD and 1.3962 USD/CAD, 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, including loss (gain) on repurchase of debt, net of tax and non-controlling interest for these items.<br><br>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 (loss) for the period attributable to owners of the Corporation<br>add:<br>- impairment of assets, if any;<br>- acquisition, integration, restructuring and other costs (gains);<br>- loss (gain) on debt modification and/or extinguishment, including loss (gain) on repurchase of debt, if any;<br>- tax impact for the above items; and<br>- non-controlling interest for the above items. | Profit (loss) for the period attributable to owners of the Corporation |
| Adjusted financial expense | Adjusted financial expense is a measure used by management to assess the Corporation's ability to service its debt. | Financial expense<br>deduct:<br>- loss (gain) on debt modification and/or extinguishment, including loss (gain) on repurchase of debt, 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 certain historical financial measures, including revenue, operating expenses, adjusted EBITDA, net capital expenditures and free cash flow. | Historical financial measures presented on a constant currency basis are obtained by translating financial results from the current periods denominated in US dollars at the foreign exchange rates of the comparable periods of the prior year. Foreign exchange impact represents the quantification of such impact. | Revenue, operating expenses, adjusted EBITDA and net capital expenditures. For free cash flow, refer to the definition below for the most directly comparable IFRS Accounting Standards measure. |

| Specified financial measures | Usefulness | Calculation | Most directly comparable IFRS Accounting Standards measures |
|---|---|---|---|
| Organic revenue in constant currency and adjusted EBITDA in constant currency | Organic revenue in constant currency and adjusted EBITDA in constant currency are used by management to analyze the Corporation's revenue and adjusted EBITDA growth excluding the effect of changes in foreign exchange rates and the impact of acquisitions, in order to facilitate period-to-period comparisons. Management believes these measures are used by certain investors and analysts to evaluate the Corporation's performance. | Revenue in constant currency (as calculated per above)<br>deduct:<br>- impact of acquisitions.<br><br>Adjusted EBITDA in constant currency (as calculated per above)<br>deduct:<br>- impact of acquisitions. | Revenue and adjusted EBITDA. |
| Free cash flow and free cash flow, excluding network expansion projects | Free cash flow and free cash flow, excluding network expansion projects are used by management to measure the Corporation's ability to repay debt, distribute capital to its shareholders and finance its growth. Management believes these measures are used by certain investors and analysts to value the Corporation's business and its underlying assets, and to assess the Corporation's financial strength and performance.<br><br>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 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.<br><br>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:<br>- Adjusted EBITDA<br>add:<br>- amortization of deferred transaction costs and discounts on long-term debt;<br>- loss (gain) on debt modification and/or extinguishment, including loss (gain) on repurchase of debt;<br>- share-based payment;<br>- proceeds from disposals of property, plant and equipment, including sale and leaseback transactions;<br>- loss (gain) on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions; and<br>- defined benefit plans expense, net of contributions<br>deduct:<br>- acquisition, integration, restructuring and other costs (gains);<br>- financial expense;<br>- current income taxes;<br>- net capital expenditures; and<br>- repayment of lease liabilities.<br><br>Free cash flow, excluding network expansion projects:<br>- Free cash flow<br>add:<br>- net capital expenditures in connection with network expansion projects. | Cash flows from operating activities |

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

## Adjusted profit attributable to owners of the Corporation

| | Three months ended August 31 | | Years ended August 31 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| *(In thousands of Canadian dollars)* | **$** | $ | **$** | $ |
| **Profit (loss) for the period attributable to owners of the Corporation** | **18,003** | 16,483 | **(340,494)** | 84,968 |
| Acquisition, integration, restructuring and other costs | **5,158** | 17,298 | **15,456** | 25,290 |
| Impairment of assets | **5,196** | (132) | **2,254,622** | 2,433 |
| Gain on repurchase of debt [1] | **(4,289)** | — | **(7,187)** | — |
| Tax impact for the above items | **(1,639)** | (4,239) | **(387,115)** | (8,814) |
| Non-controlling interest impact for the above items | **(2,786)** | (8,919) | **(1,436,326)** | (12,690) |
| **Adjusted profit attributable to owners of the Corporation** | **19,643** | 20,491 | **98,956** | 91,187 |

(1) Included within financial expense.

## Adjusted financial expense

For the reconciliation of adjusted financial expense to the most directly comparable IFRS Accounting Standards measure, refer to sub-sections 3.5 "Financial expense" and 9.3 "Fourth-quarter operating and financial results".

## 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-sections 3.1 "Consolidated performance" and 9.3 "Fourth-quarter operating and financial results".

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

| Three months ended August 31 | | | **2026** | 2025 | | **Change** |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **Actual** | Foreign exchange impact | **In constant currency** | Actual | **Actual** | **In constant currency** |
| | **$** | $ | **$** | $ | **%** | **%** |
| **Free cash flow** | **98,397** | (495) | **97,902** | 101,596 | **(3.1)** | **(3.6)** |
| Net capital expenditures in connection with network expansion projects | **26,831** | (155) | **26,676** | 57,818 | **(53.6)** | **(53.9)** |
| **Free cash flow, excluding network expansion projects** | **125,228** | (650) | **124,578** | 159,414 | **(21.4)** | **(21.9)** |

| Years ended August 31 | | | **2026** | 2025 | | **Change** |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **Actual** | Foreign exchange impact | **In constant currency** | Actual | **Actual** | **In constant currency** |
| | **$** | $ | **$** | $ | **%** | **%** |
| **Free cash flow** | **552,856** | 1,074 | **553,930** | 514,387 | **7.5** | **7.7** |
| Net capital expenditures in connection with network expansion projects | **81,215** | 111 | **81,326** | 108,475 | **(25.1)** | **(25.0)** |
| **Free cash flow, excluding network expansion projects** | **634,071** | 1,185 | **635,256** | 622,862 | **1.8** | **2.0** |

### Segmented

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

### Corporate and eliminations of Cogeco Communications

| Three months ended August 31 | | | **2026** | 2025 [1] | | **Change** |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **Actual** | Foreign exchange impact | **In constant currency** | Actual | **Actual** | **In constant currency** |
| | **$** | $ | **$** | $ | **%** | **%** |
| Operating expenses | **8,699** | (4) | **8,695** | 3,792 | **—** | **—** |
| Management fees – Cogeco Inc. | **5,672** | — | **5,672** | 3,451 | **64.4** | **64.4** |
| Adjusted EBITDA | **(14,371)** | 4 | **(14,367)** | (7,243) | **(98.4)** | **(98.4)** |

(1) Effective as of the first quarter of fiscal 2026, "Corporate and eliminations" no longer includes the Canadian wireless operations, which are now included in the Canadian telecommunications segment following the start-up phase. Comparative figures were restated to conform to the current presentation, including $3.8 million of operating expenses for the fourth quarter of fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

| Years ended August 31 | | | 2026 | 2025 [1] | Change | |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **Actual** | Foreign exchange impact | **In constant currency** | Actual | **Actual** | **In constant currency** |
| | **$** | $ | **$** | $ | **%** | **%** |
| Operating expenses | **28,365** | (2) | **28,363** | 22,363 | **26.8** | **26.8** |
| Management fees – Cogeco Inc. | **23,714** | — | **23,714** | 18,216 | **30.2** | **30.2** |
| Adjusted EBITDA | **(52,079)** | 2 | **(52,077)** | (40,579) | **(28.3)** | **(28.3)** |

(1) Effective as of the first quarter of fiscal 2026, "Corporate and eliminations" no longer includes the Canadian wireless operations, which are now included in the Canadian telecommunications segment following the start-up phase. Comparative figures were restated to conform to the current presentation, including $10.9 million of operating expenses for fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

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

| | Three months ended August 31 | | Years ended August 31 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| *(In thousands of Canadian dollars)* | **$** | $ | **$** | $ |
| **Cash flows from operating activities** | **361,300** | 266,738 | **1,028,274** | 1,126,848 |
| Changes in other non-cash operating activities | **(98,739)** | (8,190) | **43,399** | (1,640) |
| Income taxes paid | **2,931** | 5,669 | **63,363** | 15,451 |
| Current income taxes | **(16,152)** | (11,861) | **(32,391)** | (47,743) |
| Interest paid | **74,128** | 77,297 | **259,286** | 277,573 |
| Financial expense | **(58,668)** | (71,506) | **(239,970)** | (282,533) |
| Gain on repurchase of debt [1] | **(4,289)** | — | **(7,187)** | — |
| Amortization of deferred transaction costs and discounts on long-term debt [1] | **2,728** | 2,614 | **10,820** | 9,117 |
| Net capital expenditures [2] | **(162,930)** | (155,871) | **(563,896)** | (591,398) |
| Proceeds from disposals of property, plant and equipment, including sale and leaseback transactions | **2,920** | 606 | **8,514** | 23,347 |
| Repayment of lease liabilities | **(4,832)** | (3,900) | **(17,356)** | (14,635) |
| **Free cash flow** | **98,397** | 101,596 | **552,856** | 514,387 |
| Net capital expenditures in connection with network expansion projects | **26,831** | 57,818 | **81,215** | 108,475 |
| **Free cash flow, excluding network expansion projects** | **125,228** | 159,414 | **634,071** | 622,862 |

(1) Included within financial expense.

(2) Net capital expenditures exclude non-cash acquisitions of right-of-use assets and the purchases, and related borrowing costs, of spectrum licences, and are presented net of government subsidies, including 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 8.1 "Capital structure".

## Net capital expenditures and net capital expenditures, excluding network expansion projects reconciliations

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

## Non-IFRS Accounting Standards ratios

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

| Specified financial measures | Usefulness | Calculation |
|---|---|---|
| Adjusted diluted earnings per share | Adjusted diluted earnings per share is a measure used by management to assess the Corporation's performance before the impact of impairment of assets, acquisition, integration, restructuring and other costs (gains), and loss (gain) on debt modification and/or extinguishment, including loss (gain) on repurchase of debt, net of tax and non-controlling interest for the above items.<br><br>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.<br><br>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.<br><br>Constant currency basis is a non-IFRS Accounting Standards measure. For more details on this financial measure, please refer to the "Non-IFRS Accounting Standards measures" sub-section. |
| Organic revenue growth in constant currency and organic adjusted EBITDA growth in constant currency | Organic revenue growth in constant currency and organic adjusted EBITDA growth in constant currency are used by management to analyze the Corporation's revenue and adjusted EBITDA growth excluding the effect of changes in foreign exchange rates and the impact of acquisitions, in order to facilitate period-to-period comparisons. Management believes these measures are used by certain investors and analysts to evaluate the Corporation's performance. | Revenue and adjusted EBITDA changes in constant currency (as calculated above), expressed as a percentage of the variation between the periods presented, adjusted for the impact of acquisitions.<br><br>Constant currency basis is a non-IFRS Accounting Standards measure. For more details on this financial measure, please refer to the "Non-IFRS Accounting Standards measures" sub-section. |
| Capital intensity, excluding network expansion projects | Capital intensity, excluding network expansion projects is used by Cogeco Communications' management to assess Cogeco Communications' investment in capital expenditures and to make certain decisions, without taking into consideration capitalized investments in network expansion projects, in order to support a certain level of revenue. Cogeco Communications measures capital intensity, excluding network expansion projects, as it provides a common basis for comparing the impact of the net capital expenditures to the impact of the historical net capital expenditures prior to the acceleration of the network expansion projects. In addition, Cogeco Communications' management believes this helps certain investors and analysts to assess the impact of the network expansion projects on Cogeco Communications' capital intensity ratio. Excluding the impact of net capital expenditures in connection with network expansion projects does not imply it is non-recurring. | Net capital expenditures, excluding network expansion projects divided by revenue.<br><br>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. |

| Specified financial measures | Usefulness | Calculation |
|---|---|---|
| Capital intensity in constant currency and capital intensity, excluding network expansion projects in constant currency | The Corporation presents certain financial measures of Cogeco Communications on a constant currency basis, including capital intensity in constant currency and capital intensity, excluding network expansion projects in constant currency, to facilitate period-to-period comparisons, undistorted by the effects of changes in foreign exchange rate. | Capital intensity in constant currency is calculated as net capital expenditures in constant currency divided by revenue in constant currency.<br><br>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.<br><br>Constant currency basis, including net capital expenditures in constant currency, net capital expenditures, excluding network expansion projects in constant currency and revenue in constant currency are non-IFRS Accounting Standards measures. For more details on these financial measures, please refer to the "Non-IFRS Accounting Standards measures" sub-section. |

## Total of segments measures

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

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

## Adjusted EBITDA reconciliation

| | Three months ended August 31 | | Years ended August 31 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| *(In thousands of Canadian dollars)* | **$** | $ | **$** | $ |
| **Profit (loss) for the period** | **81,508** | 76,197 | **(1,500,962)** | 335,165 |
| Income taxes | **30,764** | 17,274 | **(272,969)** | 87,545 |
| Financial expense | **58,668** | 71,506 | **239,970** | 282,533 |
| Impairment of assets | **5,196** | (132) | **2,254,622** | 2,433 |
| Depreciation and amortization | **160,989** | 174,941 | **662,022** | 719,935 |
| Acquisition, integration, restructuring and other costs | **5,158** | 17,298 | **15,456** | 25,290 |
| **Adjusted EBITDA** | **342,283** | 357,084 | **1,398,139** | 1,452,901 |

## Net capital expenditures reconciliation

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

## Capital management measures

The following financial measures used by Cogeco and/or Cogeco Communications are capital management measures, as disclosed in Note 24 C) of the Corporation's consolidated financial statements.

| Specified financial measures | Usefulness | Calculation |
|---|---|---|
| Net indebtedness | Net indebtedness is a measure used by management, and management believes it is also used by certain investors and analysts, to assess the Corporation's and Cogeco Communications' financial leverage, as it represents the debt net of the available unrestricted cash and cash equivalents. Net indebtedness is a component of "Net indebtedness to adjusted EBITDA ratio". | Long-term debt before discounts/premiums, transaction costs and other<br>add:<br>- bank indebtedness<br>deduct:<br>- cash and cash equivalents, excluding cash with restrictions on use, if any. |
| Net indebtedness to adjusted EBITDA ratio | Net indebtedness to adjusted EBITDA ratio is a measure used by management to assess the Corporation's and Cogeco Communications' financial leverage and their capital structure decisions, including the issuance of new debt, and to manage the Corporation's and Cogeco Communications' debt maturity risks. | Net indebtedness divided by the twelve-month trailing adjusted EBITDA. |
| Fixed-rate indebtedness | Fixed-rate indebtedness is a measure used by management to monitor and manage the Corporation's and Cogeco Communications' capital structure. Management believes this measure helps investors and analysts to assess the Corporation's and Cogeco Communications' financial leverage. | Principal on fixed-rate long-term debt divided by the principal on long-term debt. |

## Supplementary financial measures

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

| Specified financial measures | Calculation |
|---|---|
| Adjusted EBITDA margin | Adjusted EBITDA divided by revenue. |
| Capital intensity | Net capital expenditures divided by revenue. |
| Return on equity | Profit attributable to owners of the Corporation for the year divided by the average of the equity attributable to owners of the Corporation for the year. |



# Consolidated financial statements

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# Management's responsibility

## Related to the consolidated financial statements

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

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

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

**(signed) Frédéric Perron**
President and Chief Executive Officer

**(signed) Patrice Ouimet**
Chief Financial Officer

Montréal, October 28, 2026

# Independent auditor's report

To the Shareholders of

Cogeco Inc.

**Opinion**

We have audited the consolidated financial statements of Cogeco Inc. (the "Corporation"), which comprise the consolidated statements of financial position as at August 31, 2026 and 2025, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in shareholders' equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at August 31, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended August 31, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

***Impairment of assets - American telecommunications cash-generating unit – Refer to Notes 3 and 10 of the financial statements***

*Key Audit Matter Description*

The Corporation's evaluation of goodwill and long-lived assets for impairment involves the comparison of the recoverable amount of each cash generating unit ("CGU") to its carrying value. The recoverable amount is based on the higher of the CGU's fair value less cost of disposal ("FVLCD") and its value in use. The recoverable amount of the American telecommunications CGU is estimated using FVLCD determined using a market multiple approach which considered recent market transactions, where applicable, and trading comparables. Under this approach, the fair value is determined by applying observable valuation multiples of a peer group of comparable public companies to the CGU's base financial metric representing its adjusted earnings before income tax, depreciation and amortization ("adjusted EBITDA") after management fees. The Corporation concluded during the third quarter that the recoverable amount of the American telecommunications CGU was less than the carrying amount and recorded an impairment to goodwill, franchise rights and property, plant and equipment.

Given the significant judgments made by management to estimate the fair value of the American telecommunications CGU using FVLCD, performing audit procedures to evaluate adjusted EBITDA and the EBITDA valuation multiples required a high degree of auditor judgment and an increased extent of audit effort, which included the involvement of fair value specialists.

*How the Key Audit Matter Was Addressed in the Audit*

Our audit procedures related to adjusted EBITDA and the EBITDA valuation multiples used by management to determine the recoverable amount of the American telecommunications CGU using FVLCD, included the following, among others:

- Evaluated management's ability to accurately forecast adjusted EBITDA by comparing actual results to management's historical forecasts.
- Evaluated the reasonableness of management's forecast of adjusted EBITDA by considering forecasts against:
    - Historical adjusted EBITDA.
    - Internal communications to management and the Board of Directors.
    - Underlying analyses detailing business strategies.
    - Third-party industry research, projected and historical adjusted EBITDA trends of the CGU peer group.
- With the assistance of our fair value specialists, evaluated the EBITDA valuation multiples by:
    - Evaluating the appropriateness of fair value approaches and developing additional independent fair value data points using an independent market approach by analyzing comparable public company EBITDA valuation multiples.
    - Evaluating relevant internal and external information, including industry information, and assessing the reasonability of unobservable inputs in instances where these inputs were more subjective.
    - Comparing the independent fair value estimate to management's fair value estimate.
- Evaluating available information and considering whether this information corroborated or contradicted the Corporation's conclusions.

***Revenue — Refer to notes 3 and 5 to the financial statements***

*Key Audit Matter Description*

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

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

*How the Key Audit Matter Was Addressed in the Audit*

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

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

**Other Information**

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

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

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

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

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

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

/s/ Deloitte LLP [1]

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

Montréal, Québec
October 28, 2026

# Consolidated statements of profit or loss

| Years ended August 31 | *Notes* | **2026** | 2025 |
|---|---|---|---|
| *(In thousands of Canadian dollars, except per share data)* | | **$** | $ |
| **Revenue** | *5* | **2,886,734** | 3,008,101 |
| Operating expenses | *7* | **1,488,595** | 1,555,200 |
| Acquisition, integration, restructuring and other costs | *8* | **15,456** | 25,290 |
| Depreciation and amortization | *9, 15, 16* | **662,022** | 719,935 |
| Impairment of assets | *10* | **2,254,622** | 2,433 |
| Financial expense | *11* | **239,970** | 282,533 |
| **Profit (loss) before income taxes** | | **(1,773,931)** | 422,710 |
| Income taxes | *12* | **(272,969)** | 87,545 |
| **Profit (loss) for the year** | | **(1,500,962)** | 335,165 |
| **Profit (loss) for the year attributable to:** | | | |
| Owners of the Corporation | | **(340,494)** | 84,968 |
| Non-controlling interest | | **(1,160,468)** | 250,197 |
| | | **(1,500,962)** | 335,165 |
| **Earnings (loss) per share** | | | |
| Basic | *13* | **(35.92)** | 8.94 |
| Diluted | *13* | **(35.92)** | 8.81 |

# Consolidated statements of comprehensive income

| Years ended August 31 | Note | 2026 | 2025 |
|---|---|---|---|
| *(In thousands of Canadian dollars)* | | $ | $ |
| **Profit (loss) for the year** | | **(1,500,962)** | 335,165 |
| **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 | | **6,036** | (32,281) |
| Related income taxes | | **(1,599)** | 8,554 |
| | | **4,437** | (23,727) |
| *Foreign currency translation adjustments* | | | |
| Net foreign currency translation differences on a net investment in foreign operations | | **4,114** | 43,913 |
| Net changes on translation of long-term debt designated as a hedge of a net investment in foreign operations | | **(2,190)** | (8,548) |
| Related income taxes | | **—** | 869 |
| | | **1,924** | 36,234 |
| | | **6,361** | 12,507 |
| Items not to be subsequently reclassified to profit or loss | | | |
| *Defined benefit plans actuarial adjustments* | | | |
| Remeasurement of net defined benefit liability or asset | *23 B)* | **8,212** | 5,741 |
| Related income taxes | | **(2,176)** | (1,521) |
| | | **6,036** | 4,220 |
| | | **12,397** | 16,727 |
| **Comprehensive income (loss) for the year** | | **(1,488,565)** | 351,892 |
| **Comprehensive income (loss) for the year attributable to:** | | | |
| Owners of the Corporation | | **(334,027)** | 88,488 |
| Non-controlling interest | | **(1,154,538)** | 263,404 |
| | | **(1,488,565)** | 351,892 |

# Consolidated statements of changes in shareholders' equity

| Years ended August 31, 2026 and 2025 | 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 20)* | | *(Note 21)* | | | |
| Balance at August 31, 2024 | 56,433 | 12,493 | 44,531 | 696,980 | 2,570,422 | 3,380,859 |
| Profit for the year | — | — | — | 84,968 | 250,197 | 335,165 |
| Other comprehensive income for the year | — | — | 1,021 | 2,499 | 13,207 | 16,727 |
| Comprehensive income for the year | — | — | 1,021 | 87,467 | 263,404 | 351,892 |
| Share-based payment (Note 20 D)) | — | 2,837 | — | — | 3,412 | 6,249 |
| Issuance of subordinate voting shares by a subsidiary to non-controlling interest and other | — | (587) | — | — | 2,421 | 1,834 |
| Dividends (Note 20 C)) | — | — | — | (34,685) | (110,459) | (145,144) |
| Effect of changes in ownership of a subsidiary on non-controlling interest | — | — | — | (156) | 156 | — |
| Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | (2,819) | — | — | — | — | (2,819) |
| Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | 1,535 | (1,751) | — | 216 | — | — |
| Disposal by a subsidiary to non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | — | — | — | — | 409 | 409 |
| Distribution to employees, by a subsidiary, of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | — | (690) | — | 126 | 564 | — |
| Total distributions to shareholders | (1,284) | (191) | — | (34,499) | (103,497) | (139,471) |
| **Balance at August 31, 2025** | **55,149** | **12,302** | **45,552** | **749,948** | **2,730,329** | **3,593,280** |
| Loss for the year | **—** | **—** | **—** | **(340,494)** | **(1,160,468)** | **(1,500,962)** |
| Other comprehensive income for the year | **—** | **—** | **1,597** | **4,870** | **5,930** | **12,397** |
| Comprehensive income (loss) for the year | **—** | **—** | **1,597** | **(335,624)** | **(1,154,538)** | **(1,488,565)** |
| Share-based payment (Note 20 D)) | **—** | **4,426** | **—** | **—** | **5,071** | **9,497** |
| Issuance of subordinate voting shares by a subsidiary to non-controlling interest | **—** | **(52)** | **—** | **—** | **1,267** | **1,215** |
| Dividends (Note 20 C)) | **—** | **—** | **—** | **(37,121)** | **(117,796)** | **(154,917)** |
| Effect of changes in ownership of a subsidiary on non-controlling interest | **—** | **—** | **—** | **(65)** | **65** | **—** |
| Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | **(3,711)** | **—** | **—** | **—** | **—** | **(3,711)** |
| Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | **2,032** | **(1,711)** | **—** | **(321)** | **—** | **—** |
| Acquisition by a subsidiary from non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | **—** | **—** | **—** | **—** | **(10,055)** | **(10,055)** |
| Distribution to employees, by a subsidiary, of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | **—** | **(687)** | **—** | **(65)** | **752** | **—** |
| Total contributions by (distributions to) shareholders | **(1,679)** | **1,976** | **—** | **(37,572)** | **(120,696)** | **(157,971)** |
| **Balance at August 31, 2026** | **53,470** | **14,278** | **47,149** | **376,752** | **1,455,095** | **1,946,744** |

# Consolidated statements of financial position

| At August 31<br>*(In thousands of Canadian dollars)* | *Notes* | **2026**<br>**$** | 2025<br>$ |
|---|---|---|---|
| **Assets** | | | |
| Current | | | |
| Cash | | **89,487** | 75,577 |
| Trade and other receivables | *24 A)* | **175,667** | 148,752 |
| Income tax receivable | | **17,784** | 5,664 |
| Prepaid expenses and other | | **58,851** | 49,600 |
| Derivative financial instruments | | **8,277** | 2,947 |
| | | **350,066** | 282,540 |
| Non-current | | | |
| Other assets | *14* | **218,762** | 166,173 |
| Property, plant and equipment | *15* | **3,142,692** | 3,315,203 |
| Intangible assets | *16 A)* | **3,624,298** | 3,834,417 |
| Goodwill | *16 B)* | **246,054** | 2,166,652 |
| Derivative financial instruments | | **7,080** | 17,635 |
| Deferred tax assets | *12* | **1,814** | 3,843 |
| | | **7,590,766** | 9,786,463 |
| **Liabilities and Shareholders' equity** | | | |
| **Liabilities** | | | |
| Current | | | |
| Bank indebtedness | | **1,735** | 3,515 |
| Trade and other payables | | **408,604** | 396,105 |
| Provisions | *17* | **29,953** | 41,562 |
| Income tax liabilities | | **11,246** | 30,197 |
| Contract liabilities and other liabilities | *18* | **60,020** | 59,023 |
| Derivative financial instruments | | **3,120** | 3,109 |
| Current portion of long-term debt | *19* | **67,851** | 45,543 |
| | | **582,529** | 579,054 |
| Non-current | | | |
| Long-term debt | *19* | **4,433,895** | 4,664,731 |
| Derivative financial instruments | | **—** | 12,049 |
| Contract liabilities and other liabilities | *18* | **11,008** | 17,703 |
| Accrued employee benefits | | **14,326** | 14,447 |
| Deferred tax liabilities | *12* | **602,264** | 905,199 |
| | | **5,644,022** | 6,193,183 |
| **Shareholders' equity** | | | |
| Equity attributable to owners of the Corporation | | | |
| Share capital | *20 B)* | **53,470** | 55,149 |
| Share-based payment reserve | | **14,278** | 12,302 |
| Accumulated other comprehensive income | *21* | **47,149** | 45,552 |
| Retained earnings | | **376,752** | 749,948 |
| | | **491,649** | 862,951 |
| Equity attributable to non-controlling interest | | **1,455,095** | 2,730,329 |
| | | **1,946,744** | 3,593,280 |
| | | **7,590,766** | 9,786,463 |

Commitments, contingencies and guarantees (Note 26) and subsequent event (Note 19 A))

On behalf of the Board of Directors,

**(signed) Louis Audet**
Director

**(signed) Samih Elhage**
Director

# Consolidated statements of cash flows

| Years ended August 31<br>*(In thousands of Canadian dollars)* | *Notes* | **2026**<br>**$** | 2025<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit (loss) for the year | | **(1,500,962)** | 335,165 |
| Adjustments for: | | | |
| Depreciation and amortization | *9, 15, 16* | **662,022** | 719,935 |
| Impairment of assets | *10* | **2,254,622** | 2,433 |
| Financial expense | *11* | **239,970** | 282,533 |
| Income taxes | *12* | **(272,969)** | 87,545 |
| Share-based payment | | **9,375** | 7,046 |
| Loss (gain) on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions | 15 | **1,696** | (18,128) |
| Defined benefit plans expense, net of contributions | | **568** | 1,703 |
| | | **1,394,322** | 1,418,232 |
| Changes in other non-cash operating activities | *22 A)* | **(43,399)** | 1,640 |
| Interest paid | | **(259,286)** | (277,573) |
| Income taxes paid | | **(63,363)** | (15,451) |
| | | **1,028,274** | 1,126,848 |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | *15, 22 B)* | **(566,305)** | (599,294) |
| Acquisition of spectrum licences | *16 A)* | **(11,525)** | (12,379) |
| Business combinations, net of cash and cash equivalents acquired | | **—** | 1,089 |
| Subsidies received in advance | | **746** | 757 |
| Proceeds from disposals of property, plant and equipment, including sale and leaseback transactions | 15 | **8,514** | 23,347 |
| Other | | **(9,362)** | — |
| | | **(577,932)** | (586,480) |
| **Cash flows from financing activities** | | | |
| Decrease in bank indebtedness | | **(1,780)** | (11,884) |
| Net decrease under revolving facilities | | **(66,276)** | (119,590) |
| Issuance of long-term debt, net of transaction costs | | **213,081** | 325,605 |
| Repayment and repurchase of notes and credit facilities | | **(395,894)** | (559,070) |
| Payment on settlement of forward contracts | *11* | **—** | (14,940) |
| Repayment of lease liabilities | | **(17,356)** | (14,635) |
| Increase in deferred transaction costs | | **(432)** | (498) |
| Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | *20 B)* | **(3,711)** | (2,819) |
| Dividends paid on multiple and subordinate voting shares | *20 C)* | **(37,121)** | (34,685) |
| Issuance of subordinate voting shares by a subsidiary to non-controlling interest | | **1,215** | 3,302 |
| Disposal (acquisition) by a subsidiary to/from non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans | | **(10,055)** | 409 |
| Dividends paid on subordinate voting shares by a subsidiary to non-controlling interest | *20 C)* | **(117,796)** | (110,459) |
| | | **(436,125)** | (539,264) |
| **Effect of exchange rate changes on cash denominated in a foreign currency** | | **(307)** | (3,273) |
| **Net change in cash** | | **13,910** | (2,169) |
| Cash, beginning of the year | | **75,577** | 77,746 |
| **Cash, end of the year** | | **89,487** | 75,577 |

# Notes to the consolidated financial statements

## Years ended August 31, 2026 and 2025

## 1. Nature of operations

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

Its Cogeco Communications Inc. ("Cogeco Communications") subsidiary is a telecommunications corporation which provides Internet, wireless, video and wireline phone services to residential and business customers in Canada and in the United States.

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

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

## 2. Basis of presentation

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

Certain comparative amounts in the consolidated financial statements were reclassified in order to conform to the fiscal 2026 consolidated financial statements presentation. Financial information is presented in Canadian dollars, which is the functional currency of Cogeco. The consolidated financial statements were approved by the Board of Directors of Cogeco at its meeting held on October 28, 2026.

### A) Basis of consolidation

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

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

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

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

### B) Segment reporting

The Corporation's results are reported in two operating segments: Canadian telecommunications and American telecommunications. The Canadian and American telecommunications segments provide a wide range of Internet, wireless, video and wireline phone services, primarily to residential subscribers.

- The Canadian telecommunications activities are carried out by Cogeco Connexion under the Cogeco and oxio brands in Canada.
- The American telecommunications activities are carried out by Breezeline under the Breezeline and welo brands in the U.S.

## C) Foreign currency translation

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

| | Closing rates as of August 31 | | Average rates for fiscal years | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| **US dollar vs Canadian dollar** | **1.3866** | 1.3742 | **1.3865** | 1.3962 |

# 3. Material accounting policies, estimates, judgments and assumptions

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

## A) Revenue recognition

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

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

Significant estimates and judgment involved:

- identifying the performance obligations within a contract and the timing of satisfaction of those performance obligations;
- determining the transaction price for a contract by estimating the revenue expected for delivering the performance obligations;
- determining the stand-alone selling price of performance obligations and the allocation of the transaction price between performance obligations;
- determining if the Corporation and/or its subcontractors are acting as principals or agents, which affects the revenue recognized (the amount billed to the customers or the net amount retained); and
- determining the costs that are incremental to obtaining and fulfilling a contract.

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

| | |
|---|---|
| **Residential** | • Monthly subscription revenue (net of any discounts, rebates, refunds and credits) for Internet, wireless, video and wireline phone services, as well as equipment rentals, is recognized on a monthly basis as the services are provided; and<br>• Revenue from data services, long-distance and other pay-per-use services is recognized on a monthly basis as the services are provided. |
| **Commercial** | • Monthly subscription revenue (net of any discounts, rebates, refunds and credits) for Internet, video and wireline phone services, as well as equipment rentals, is recognized on a straight-line basis over the contractual period arrangement. |
| **Other** | • Revenue mainly from Internet wholesale-based providers, advertising and resale of Internet-based TV streaming services recognized on a net basis; all recognized as the services are provided. |

**Contract liabilities**

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

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

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

**Contract costs**

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

## B) Business combinations

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

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

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

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

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

## C) Property, plant and equipment - owned assets

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

## D) Intangible assets

### Finite-life intangible assets

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

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

### Indefinite-life intangible assets

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

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

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

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

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

## E) Goodwill

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

## F) Depreciation and amortization

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

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

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

(2) Includes vehicles, programming equipment, computer equipment and software, and other equipment.

## G) Impairment of long-lived assets

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

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

Any potential impairment is identified by comparing the carrying value of a CGU or a group of CGUs to its recoverable amount, which is the higher of fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate which reflects the current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Cash flows are projected from five-year internal financial projections, except where specific circumstances support the use of a longer projection period, based on past experience, actual operating results and business plans which consider current competitive dynamics and economic trends. They reflect management's expectations of revenue and net capital expenditures for each CGU based on past experience and expected trends for the CGU. Cash flows beyond that period are extrapolated using an estimated terminal growth rate determined with regard to projected growth rates for the specific markets in which the CGUs participate and are not considered to exceed the long-term average growth rates for those markets.

In determining fair value less costs of disposal ("FVLCD"), the Corporation applies a market multiple approach based on recent market transactions, when available, and trading comparables. Under this approach, the fair value is determined by applying observable valuation multiples of a peer group of comparable public companies to the CGU's base financial metric representing its adjusted EBITDA, factoring in differences in operational scale, size, growth profile, and liquidity, and incorporating a market-participant control premium to reflect the price to acquire a controlling interest.

Significant estimates and judgment involved:

- identifying the existence of impairment indicators;
- identifying the appropriate asset, group of assets, CGU or groups of CGUs;
- determining the appropriate discount rate for assessing the recoverable amount;
- making assumptions about cash flows forecasts, market conditions and terminal growth rates over the long-term life of the assets or CGUs; and
- making assumptions about the market multiple, costs of disposal and control premium applied to the equity portion of the enterprise value.

## H) Income taxes

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

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

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

Significant estimates and judgments involved:

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

## I) Financial instruments other than derivatives

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

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

Borrowings and debt securities are initially recognized at fair value, net of transaction costs and issue discounts/premiums, which are subsequently amortized to profit or loss using the effective interest rate method. Transaction costs incurred with respect to the revolving facilities are recorded as other assets and amortized over the term of the related financing on a straight-line basis.

## J) Derivative financial instruments and hedge accounting

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

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

- The Corporation uses interest rate swaps as derivative financial instruments to manage interest rate risk related to its floating rate long-term debt. These are designated as cash flow hedges.
- The Corporation uses equity swap agreements, which are not designated as hedging relationships, in order to manage cash flow exposures related to the payment of DSUs and cash-settled ISUs/PSUs which are used for compensation purposes.

- The Corporation designated a portion of the US dollar denominated debt as a hedging item in a net investment hedge in the U.S. subsidiary. The Corporation applied hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Corporation's functional currency.

**Cash flow hedge**

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

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

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

**Net investment hedges**

Foreign currency differences arising on the translation of long-term debt designated as hedges of a net investment in foreign operations are recognized in other comprehensive income to the extent that the hedge is effective, and are presented within equity in the foreign currency translation balance. The Corporation has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments is identical to the hedged item risks. Hedge ineffectiveness will arise when the amount of the net investments in the foreign subsidiary becomes lower than the amount of the related hedging instruments. To the extent that the hedge is ineffective, such differences are recognized in profit or loss. Hedge accounting is discontinued prospectively when the hedging relationship ceases to meet the qualifying criteria, including when the hedging instrument is repaid, expires or otherwise terminated. Upon discontinuation, the cumulative foreign currency gain or loss recognized in accumulated other comprehensive income remains within the foreign currency translation reserve in equity, and is reclassified to profit or loss only upon the complete or partial disposal of the underlying foreign operation.

## K) Contingencies

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

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

## L) Acquisition, integration, restructuring and other costs

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

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

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

# 4. Accounting policy developments

### 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 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.<br><br>The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation does not expect these amendments to have any material impact on its consolidated financial statements. |
| **IFRS 18, *Presentation and Disclosure in Financial Statements*** | In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:<br><br>• 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;<br>• 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<br>• 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.<br><br>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*.<br><br>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 currently expects the following to be the most significant impacts on the presentation and disclosure of its consolidated financial statements:<br><br>• **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.<br><br>• **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.<br><br>• **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. |

# 5. Revenue

| | Cogeco Communications | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Canadian telecommunications | | American telecommunications | | Sub-total | | Other | | Consolidated | |
| Years ended August 31 | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 |
| *(In thousands of Canadian dollars)* | **$** | $ | **$** | $ | **$** | $ | **$** | $ | **$** | $ |
| Residential [1] | **1,236,462** | 1,234,812 | **1,120,835** | 1,229,222 | **2,357,297** | 2,464,034 | **—** | — | **2,357,297** | 2,464,034 |
| Commercial | **196,012** | 193,708 | **165,034** | 176,296 | **361,046** | 370,004 | **—** | — | **361,046** | 370,004 |
| Other [2] | **69,654** | 66,788 | **4,981** | 9,667 | **74,635** | 76,455 | **93,756** | 97,608 | **168,391** | 174,063 |
| | **1,502,128** | 1,495,308 | **1,290,850** | 1,415,185 | **2,792,978** | 2,910,493 | **93,756** | 97,608 | **2,886,734** | 3,008,101 |

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

(2) Includes revenue mainly from Internet wholesale-based providers, advertising and resale of Internet-based TV streaming services recognized on a net basis.

# 6. Segment information

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

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

| | Cogeco Communications | | | | | |
|---|---|---|---|---|---|---|
| **Year ended August 31, 2026** | Canadian telecommunications | American telecommunications | Corporate and eliminations | Sub-total | Other | Consolidated |
| *(In thousands of Canadian dollars)* | **$** | **$** | **$** | **$** | **$** | **$** |
| **Revenue [1]** | **1,502,128** | **1,290,850** | **—** | **2,792,978** | **93,756** | **2,886,734** |
| Operating expenses | **700,123** | **652,860** | **28,365** | **1,381,348** | **107,247** | **1,488,595** |
| Management fees – Cogeco Inc. | **—** | **—** | **23,714** | **23,714** | **(23,714)** | **—** |
| **Adjusted EBITDA** | **802,005** | **637,990** | **(52,079)** | **1,387,916** | **10,223** | **1,398,139** |
| Acquisition, integration, restructuring and other costs | | | | **13,018** | **2,438** | **15,456** |
| Depreciation and amortization | | | | **656,645** | **5,377** | **662,022** |
| Impairment of assets | | | | **2,229,042** | **25,580** | **2,254,622** |
| Financial expense | | | | **233,402** | **6,568** | **239,970** |
| **Loss before income taxes** | | | | **(1,744,191)** | **(29,740)** | **(1,773,931)** |
| Income taxes | | | | **(270,301)** | **(2,668)** | **(272,969)** |
| **Loss for the year** | | | | **(1,473,890)** | **(27,072)** | **(1,500,962)** |
| Net capital expenditures [2] | **339,715** | **221,569** | **—** | **561,284** | **2,612** | **563,896** |

| Year ended August 31, 2025 | Cogeco Communications | | | | Other | Consolidated |
|---|---|---|---|---|---|---|
| | Canadian telecommunications *restated* [3] | American telecommunications | Corporate and eliminations *restated* [3] | Sub-total | | |
| *(In thousands of Canadian dollars)* | $ | $ | $ | $ | $ | $ |
| **Revenue** [1] | 1,495,308 | 1,415,185 | — | 2,910,493 | 97,608 | 3,008,101 |
| Operating expenses | 715,494 | 711,775 | 22,363 | 1,449,632 | 105,568 | 1,555,200 |
| Management fees – Cogeco Inc. | — | — | 18,216 | 18,216 | (18,216) | — |
| **Adjusted EBITDA** | 779,814 | 703,410 | (40,579) | 1,442,645 | 10,256 | 1,452,901 |
| Acquisition, integration, restructuring and other costs | | | | 23,320 | 1,970 | 25,290 |
| Depreciation and amortization | | | | 714,648 | 5,287 | 719,935 |
| Impairment of assets | | | | 1,574 | 859 | 2,433 |
| Financial expense | | | | 273,986 | 8,547 | 282,533 |
| **Profit (loss) before income taxes** | | | | 429,117 | (6,407) | 422,710 |
| Income taxes | | | | 87,330 | 215 | 87,545 |
| **Profit (loss) for the year** | | | | 341,787 | (6,622) | 335,165 |
| Net capital expenditures [2] | 310,233 | 278,036 | 7 | 588,276 | 3,122 | 591,398 |

(1) For fiscal 2026, revenue by geographic market included $1,595.9 million in Canada and $1,290.9 million in the United States, respectively. For the prior year, revenue included $1,592.9 million in Canada and $1,415.2 million in the United States.

(2) Net capital expenditures exclude non-cash acquisitions of right-of-use assets and the purchases, and related borrowing costs, of spectrum licences, and are presented net of government subsidies, including subsidies received in advance recognized as a reduction of the cost of property, plant and equipment. Refer to Note 22 B) for a reconciliation of net capital expenditures to cash payments for acquisition of property, plant and equipment as reported in the consolidated statements of cash flows.

(3) Following a full-scale launch of its Canadian wireless service offering across the majority of its operating footprint in Québec and Ontario during the first quarter of fiscal 2026, the Corporation changed the presentation of its reportable segments by including the Canadian wireless operations within its Canadian telecommunications segment. Cogeco Mobile's operations were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including $10.9 million of operating expenses for fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

The following tables set out certain segmented and geographic market information at August 31, 2026 and 2025:

## Segmented information

**At August 31, 2026**

| | Cogeco Communications | | | | | |
|---|---|---|---|---|---|---|
| | **Canadian telecommunications** | **American telecommunications** | **Corporate and eliminations** | **Sub-total** | **Other** | **Total** |
| *(In thousands of Canadian dollars)* | **$** | **$** | **$** | **$** | **$** | **$** |
| Property, plant and equipment | **1,644,920** | **1,462,669** | **5,182** | **3,112,771** | **29,921** | **3,142,692** |
| Intangible assets | **1,608,930** | **2,015,368** | **—** | **3,624,298** | **—** | **3,624,298** |
| Goodwill | **246,054** | **—** | **—** | **246,054** | **—** | **246,054** |

| | At August 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Cogeco Communications | | | | | |
| | Canadian telecommunications *restated* [1] | American telecommunications | Corporate and eliminations *restated* [1] | Sub-total | Other | Total |
| *(In thousands of Canadian dollars)* | $ | $ | $ | $ | $ | $ |
| Property, plant and equipment | 1,611,086 | 1,664,920 | 6,405 | 3,282,411 | 32,792 | 3,315,203 |
| Intangible assets | 1,607,043 | 2,201,794 | — | 3,808,837 | 25,580 | 3,834,417 |
| Goodwill | 246,054 | 1,920,598 | — | 2,166,652 | — | 2,166,652 |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation.

### Geographic market information

| | **At August 31, 2026** | | |
|---|---|---|---|
| | **Canada** | **United States** | **Total** |
| *(In thousands of Canadian dollars)* | **$** | **$** | **$** |
| Property, plant and equipment | **1,680,023** | **1,462,669** | **3,142,692** |
| Intangible assets | **1,608,930** | **2,015,368** | **3,624,298** |
| Goodwill | **246,054** | **—** | **246,054** |

| | At August 31, 2025 | | |
|---|---|---|---|
| | Canada | United States | Total |
| *(In thousands of Canadian dollars)* | $ | $ | $ |
| Property, plant and equipment | 1,650,283 | 1,664,920 | 3,315,203 |
| Intangible assets | 1,632,623 | 2,201,794 | 3,834,417 |
| Goodwill | 246,054 | 1,920,598 | 2,166,652 |

## 7. Operating expenses

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Salaries, employee benefits and outsourced services | **496,367** | 521,320 |
| Service delivery costs [1] | **710,770** | 746,846 |
| Customer related costs [2] | **122,584** | 131,142 |
| Other external purchases [3] | **158,874** | 155,892 |
| | **1,488,595** | 1,555,200 |

(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.

# 8. Acquisition, integration, restructuring and other costs

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Acquisition and integration costs | **—** | 154 |
| Restructuring costs [1] | **11,569** | 24,328 |
| Configuration and customization costs related to cloud computing and other arrangements [2] | **3,887** | 11,006 |
| Gain on sale and leaseback transactions [3] | **—** | (13,844) |
| Other costs [4] | **—** | 3,646 |
| | **15,456** | 25,290 |

(1) Restructuring costs incurred during fiscal 2025 were mainly related to additional severance charges in connection with the strategic transformation announced in fiscal 2024, which combined the Canadian and U.S. telecommunications teams into a simpler North American organization, as well as further cost optimization initiatives undertaken during fiscal 2025. Fiscal 2026 restructuring costs pertain to transformation initiatives undertaken during the year.

(2) Fiscal 2025 included $6.3 million of technology licensing costs related to the implementation of the Canadian wireless technology system, whereas these costs, amounting to $7.0 million for fiscal 2026, are now included within *Operating expenses* of the Canadian telecommunications segment, since the system is now in operation.

(3) In connection with a sale of a building and its leaseback for a period of two years, with an option to renew for an additional year, completed during the first quarter of fiscal 2025.

(4) Mainly consists of other costs incurred in connection with certain initiatives undertaken in fiscal 2025.

# 9. Depreciation and amortization

| Years ended August 31 | **2026** | 2025 *restated* [1] |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Canadian telecommunications | **325,365** | 343,986 |
| American telecommunications | **330,057** | 369,469 |
| Corporate and eliminations | **1,223** | 1,193 |
| **Cogeco Communications** | **656,645** | 714,648 |
| Other [2] | **5,377** | 5,287 |
| **Consolidated** | **662,022** | 719,935 |

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation.

(2) "Other" includes Cogeco Media and the corporate activities of Cogeco.

# 10. Impairment of assets

## Fiscal 2026

### American telecommunication CGU

During the third quarter of fiscal 2026, the Corporation tested the goodwill and long-lived assets of its American telecommunications cash-generating unit ("CGU") for impairment, following the identification of impairment indicators due to the sustained competitive environment, and revised projected earnings and cash flow for the American telecommunications CGU (corresponding to the American telecommunications operating segment). As a result, the Corporation recognized non-cash pre-tax impairment charges amounting to $2.2 billion ($1.8 billion net of deferred income taxes), within its American telecommunications segment, during the third quarter of fiscal 2026. Out of the $2.2 billion non-cash pre-tax impairment charges, $1.9 billion was allocated to goodwill, $174.9 million to indefinite-life franchise rights and $127.6 million to property, plant and equipment, as the Corporation concluded that the recoverable amount, calculated based on fair value less costs of disposal ("FVLCD"), was less than the carrying amount of the CGU.

**Impairment charge - Goodwill, intangible assets and property, plant and equipment**

| | | Year ended August 31, 2026 |
|---|---|---|
| | $ | **$** |
| Impairment of goodwill | US$1,397,611 | **1,917,941** |
| Impairment of intangible assets - indefinite-life franchise rights | US$127,422 | **174,861** |
| Impairment of property, plant and equipment | US$93,000 | **127,624** |
| Impairment of assets | US$1,618,033 | **2,220,426** |
| Income taxes | US$(276,489) | **(379,425)** |
| Impairment of assets, net of income taxes | US$1,341,544 | **1,841,001** |

The recoverable amount of the CGU was estimated at $3.3 billion (US$2.4 billion), determined as the higher of the CGU's FVLCD and its value in use ("VIU"). The Corporation estimated the recoverable amount of the CGU using both market-based (FVLCD) and discounted cash flow (VIU) valuation models. The FVLCD calculation yielded a higher outcome and was utilized as the primary basis for the recoverable amount.

The FVLCD calculation is classified as a level 3 within the fair value measurement hierarchy due to the incorporation of significant unobservable inputs.

In determining the FVLCD, trading comparables and recent market transactions, where applicable, were taken into account. To estimate the FVLCD, the Corporation applied a market multiple approach. Under this approach, the fair value is determined by applying observable valuation multiples of a peer group of comparable public companies to the CGU's base financial metric representing its adjusted EBITDA, factoring in differences in operational scale, size, growth profile, and liquidity, and incorporating a market-participant control premium to reflect the price to acquire a controlling interest.

The CGU's base financial metric used in the calculation was its adjusted EBITDA after management fees. Key assumptions used in the FVLCD calculation included a market multiple of approximately 5x adjusted EBITDA and costs of disposal of approximately 1.5% of the resulting enterprise value. Other assumptions included the control premium applied to the equity portion of the enterprise value.

The Corporation may be required to recognize additional material non-cash charges relating to impairment of assets in the event of a decline in general economic conditions, a contraction in peer sector multiples or if management's estimates of forecasted results deteriorate.

**Other impairment charges - Property, plant and equipment**

During the third quarter of fiscal 2026, non-cash pre-tax impairment charges amounting to $3.4 million were recognized in connection with right-of-use assets following the consolidation of office spaces and other related assets no longer used, also within the American telecommunications segment.

In addition, during the fourth quarter of fiscal 2026, non-cash pre-tax impairment charges amounting to $5.2 million were recognized within the Canadian telecommunications segment in connection with asset write-offs following a change in strategy.

### Radio broadcasting CGU

During the third quarter of fiscal 2026, as a result of the continued revenue pressure faced by the Corporation's radio operations due to an industry-wide reduction in radio advertising demand, impairment indicators were identified at the Radio broadcasting CGU. Consequently, the Corporation tested the long-lived assets of its Radio broadcasting CGU for impairment. Assumptions on projected earnings and cash flow were revised. As a result, the Corporation recognized non-cash pre-tax impairment charges amounting to $25.6 million, allocated to indefinite-life broadcasting licences, as it concluded that the recoverable amount based on value in use was less than the carrying amount of the CGU.

**Impairment charge - Intangible assets**

| | Year ended August 31, 2026 |
|---|---|
| | **$** |
| Impairment of intangible assets - indefinite-life broadcasting licences | **25,580** |
| Income taxes | **(3,225)** |
| Impairment of assets, net of income taxes | **22,355** |

### Fiscal 2025

During fiscal 2025, non-cash pre-tax impairment charges amounting to $2.4 million, mostly related to assets under construction write-offs, were recognized in connection with cost optimization initiatives undertaken, as well as other initiatives in the Corporation's media activities.

## 11. Financial expense

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Interest on long-term debt, excluding interest on lease liabilities | **271,474** | 289,752 |
| Interest on lease liabilities | **4,186** | 4,195 |
| Gain on repurchase of debt [1] | **(7,187)** | — |
| Change in fair value of forward contracts [2] | **—** | 14,940 |
| Net foreign exchange gain | **(6,705)** | (3,853) |
| Interest and other income | **(10,994)** | (9,973) |
| Capitalized borrowing costs [3] | **(16,060)** | (16,985) |
| Other | **5,256** | 4,457 |
| | **239,970** | 282,533 |

(1) In connection with the repurchase of a portion of Tranches 2 and 3 of the Senior Secured Term Loan B Facility during fiscal 2026.

(2) In connection with foreign currency forward contracts entered into during the third quarter of fiscal 2025 to partially hedge Cogeco Communications' US exposure associated with the June 2025 repayment of its US$215 million Senior Secured Notes.

(3) Mainly in connection with debt incurred for the purchase of spectrum licences and the construction of certain networks. For the year ended August 31, 2026, the weighted average interest rate used for the capitalization of borrowing costs was 4.57% (5.05% for 2025).

## 12. Income taxes

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Current | **32,391** | 47,743 |
| Deferred | **(305,360)** | 39,802 |
| | **(272,969)** | 87,545 |

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

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **$** | $ |
| **Profit (loss) before income taxes** | **(1,773,931)** | 422,710 |
| Combined Canadian income tax rate | **26.5 %** | 26.5 % |
| Income taxes at combined Canadian income tax rate | **(470,092)** | 112,018 |
| Difference in operations' statutory income tax rates | **14,549** | 126 |
| Revaluation of deferred tax assets | **4,363** | — |
| Recognition of previously unrecognized capital losses | **(79)** | (2,257) |
| Impact on income taxes arising from non-deductible expenses and non-taxable profit [1] | **196,546** | (52) |
| Pillar Two global minimum tax [2] | **8,282** | 4,350 |
| Tax impacts related to foreign operations | **(31,415)** | (25,889) |
| Other | **4,877** | (751) |
| **Income taxes at effective income tax rate** | **(272,969)** | 87,545 |
| Effective income tax rate | **15.4 %** | 20.7 % |

(1) Includes $194.6 million of non-deductible impairment of goodwill in fiscal 2026.

(2) The Corporation has applied a temporary mandatory relief from deferred tax accounting for the impacts of the Pillar Two global minimum tax and it is recognized as a current income tax in the period it is incurred.

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

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Property, plant and equipment | **(435,557)** | (437,492) |
| Intangible assets and goodwill | **(457,525)** | (746,584) |
| Contract liabilities and other liabilities | **7,900** | 9,280 |
| Interest carryforward | **93,938** | 91,375 |
| Non-capital losses and other tax credits carryforwards, net of unrecognized benefits related to tax losses | **188,581** | 167,113 |
| Other | **2,213** | 14,952 |
| Net deferred tax liabilities | **(600,450)** | (901,356) |
| Consolidated financial statements presentation: | | |
| Deferred tax assets | **1,814** | 3,843 |
| Deferred tax liabilities | **(602,264)** | (905,199) |
| Net deferred tax liabilities | **(600,450)** | (901,356) |

The movements in deferred tax asset and liability balances during fiscal 2026 and 2025 were as follows:

| **Year ended August 31, 2026** | **Balance beginning of the year** | **Recognized in profit or loss** | **Recognized in other comprehensive income** | **Foreign currency translation adjustments** | **Balance end of the year** |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | **$** | **$** | **$** | **$** |
| Property, plant and equipment | **(437,492)** | **4,492** | **—** | **(2,557)** | **(435,557)** |
| Intangible assets and goodwill | **(746,584)** | **289,837** | **—** | **(778)** | **(457,525)** |
| Contract liabilities and other liabilities | **9,280** | **(1,396)** | **—** | **16** | **7,900** |
| Interest carryforward | **91,375** | **1,719** | **—** | **844** | **93,938** |
| Non-capital losses and other tax credits carryforwards, net of unrecognized benefits related to tax losses | **167,113** | **19,735** | **—** | **1,733** | **188,581** |
| Other | **14,952** | **(9,027)** | **(3,775)** | **63** | **2,213** |
| | **(901,356)** | **305,360** | **(3,775)** | **(679)** | **(600,450)** |

| Year ended August 31, 2025 | Balance beginning of the year | Recognized in profit or loss | Recognized in other comprehensive income | Foreign currency translation adjustments | Balance end of the year |
|---|---|---|---|---|---|
| *(In thousands of Canadian dollars)* | $ | $ | $ | $ | $ |
| Property, plant and equipment | (427,336) | (4,789) | — | (5,367) | (437,492) |
| Intangible assets and goodwill | (687,289) | (52,029) | — | (7,266) | (746,584) |
| Contract liabilities and other liabilities | 9,150 | 101 | — | 29 | 9,280 |
| Interest carryforward | 57,188 | 33,607 | — | 580 | 91,375 |
| Non-capital losses and other tax credits carryforwards, net of unrecognized benefits related to tax losses | 178,316 | (14,874) | — | 3,671 | 167,113 |
| Other | 8,811 | (1,818) | 7,902 | 57 | 14,952 |
| | (861,160) | (39,802) | 7,902 | (8,296) | (901,356) |

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

At August 31, 2026, the Corporation and its subsidiaries had accumulated U.S. federal income tax losses, the benefits of which have been recognized in these consolidated financial statements, unless indicated otherwise. The benefits represent the amount expected to be realized, based on management's assessment of the Corporation's projected future profitability, deferred tax liabilities reversal and available carryback and carryforward periods, among others.

These losses expire as follows:

| | **2032** | **Indefinite** | **Total** |
|---|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | **$** | **$** |
| United States | **19,011** | **722,332** | **741,343** |

The Corporation and its subsidiaries also had accumulated capital losses in Canada amounting to $1,181 million which can be carried forward indefinitely and used against Canadian capital gains, income tax losses amounting to $1 million which expire in 2045 and 2046 and can be used against taxable income, $85 million of unrealized foreign exchange temporary differences, and $13 million of other deductible temporary differences, the benefits of which have not been recognized in these consolidated financial statements.

# 13. Earnings (loss) per share

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

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars, except number of shares)* | **$** | $ |
| **Profit (loss) for the year attributable to owners of the Corporation** | **(340,494)** | 84,968 |
| **Weighted average number of multiple and subordinate voting shares outstanding** | **9,478,075** | 9,502,331 |
| Effect of dilutive incentive share units | **—** | 69,994 |
| Effect of dilutive performance share units | **—** | 71,965 |
| **Weighted average number of diluted multiple and subordinate voting shares outstanding** | **9,478,075** | 9,644,290 |

For the year ended August 31, 2026, 168,561 share-based compensation units (comprising 81,155 incentive share units and 87,406 performance share units) were excluded from the above calculation. These units were deemed to be anti-dilutive due to the loss incurred during fiscal 2026.

# 14. Other assets

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Contract costs [1] | **174,231** | 140,838 |
| Transaction costs | **2,739** | 3,079 |
| Pension plan assets [2] | **26,802** | 19,214 |
| Investments and other | **14,990** | 3,042 |
| | **218,762** | 166,173 |

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

(2) For further details, see Note 23.

### Contract costs

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Balance, beginning of the year | **140,838** | 118,846 |
| Additions | **93,425** | 68,253 |
| Amortization | **(60,599)** | (47,234) |
| Foreign currency translation adjustments | **567** | 973 |
| **Balance, end of the year** | **174,231** | 140,838 |

# 15. Property, plant and equipment

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Owned assets | **3,052,761** | 3,225,969 |
| Right-of-use assets | **89,931** | 89,234 |
| | **3,142,692** | 3,315,203 |

## A) Owned assets

| Years ended August 31, 2026 and 2025<br>*(In thousands of Canadian dollars)* | Land, buildings and leasehold improvements<br>$ | Networks and infrastructure<br>$ | Customer premise equipment<br>$ | Vehicles and equipment<br>$ | Assets under construction<br>$ | Total<br>$ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| Balance at August 31, 2024 | 217,234 | 6,191,387 | 1,033,521 | 522,533 | 226,840 | 8,191,515 |
| Additions [1] | — | — | — | — | 591,398 | 591,398 |
| Assets under construction put into service | 13,902 | 451,050 | 109,719 | 55,686 | (630,357) | — |
| Disposals, write-offs and other | (2,788) | (167,376) | (109,424) | (31,627) | (15,215) | (326,430) |
| Foreign currency translation adjustments | 955 | 47,057 | 7,886 | 2,436 | 1,181 | 59,515 |
| **Balance at August 31, 2025** | **229,303** | **6,522,118** | **1,041,702** | **549,028** | **173,847** | **8,515,998** |
| Additions [1] | **—** | **—** | **—** | **—** | **563,271** | **563,271** |
| Assets under construction put into service | **4,120** | **359,508** | **114,637** | **57,659** | **(535,924)** | **—** |
| Disposals, write-offs and other | **(3,506)** | **(128,626)** | **(175,409)** | **(29,057)** | **(8,058)** | **(344,656)** |
| Foreign currency translation adjustments | **553** | **26,537** | **3,794** | **1,425** | **510** | **32,819** |
| **Balance at August 31, 2026** | **230,470** | **6,779,537** | **984,724** | **579,055** | **193,646** | **8,767,432** |
| **Accumulated depreciation and impairment losses** | | | | | | |
| Balance at August 31, 2024 | 109,363 | 3,760,050 | 687,956 | 364,597 | 13,211 | 4,935,177 |
| Depreciation expense | 7,918 | 387,939 | 190,639 | 59,609 | — | 646,105 |
| Disposals and write-offs | (1,456) | (166,423) | (107,636) | (31,126) | (15,215) | (321,856) |
| Impairment (Note 10) | — | — | — | 429 | 2,004 | 2,433 |
| Foreign currency translation adjustments | 416 | 22,605 | 3,718 | 1,431 | — | 28,170 |
| **Balance at August 31, 2025** | **116,241** | **4,004,171** | **774,677** | **394,940** | **—** | **5,290,029** |
| Depreciation expense | **8,090** | **390,568** | **149,314** | **56,279** | **—** | **604,251** |
| Disposals and write-offs | **(3,072)** | **(127,744)** | **(175,302)** | **(28,322)** | **—** | **(334,440)** |
| Impairment (Note 10) | **2,436** | **130,089** | **508** | **2,179** | **—** | **135,212** |
| Foreign currency translation adjustments | **278** | **15,926** | **2,438** | **977** | **—** | **19,619** |
| **Balance at August 31, 2026** | **123,973** | **4,413,010** | **751,635** | **426,053** | **—** | **5,714,671** |
| **Carrying amounts** | | | | | | |
| At August 31, 2025 | 113,062 | 2,517,947 | 267,025 | 154,088 | 173,847 | 3,225,969 |
| **At August 31, 2026** | **106,497** | **2,366,527** | **233,089** | **153,002** | **193,646** | **3,052,761** |

(1) In fiscal 2026, the Corporation received $39.2 million of government assistance, which was accounted for as a deduction of the cost of property, plant and equipment ($48.8 million in 2025), including the amount recognized in connection to the high-speed Internet network expansion projects.

### Sale and leaseback in fiscal 2025

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 and net proceeds of $16.5 million.

## B) Right-of-use assets

| Years ended August 31, 2026 and 2025<br>*(In thousands of Canadian dollars)* | Land and buildings<br>$ | Other [1]<br>$ | Total<br>$ |
|---|---|---|---|
| Balance at August 31, 2024 | 48,233 | 36,222 | 84,455 |
| Additions | 7,571 | 13,286 | 20,857 |
| Modifications, disposals and write-offs | (410) | (17) | (427) |
| Depreciation expense | (7,763) | (8,478) | (16,241) |
| Foreign currency translation adjustments | 264 | 326 | 590 |
| **Balance at August 31, 2025** | **47,895** | **41,339** | **89,234** |
| Additions [2] | **9,160** | **14,156** | **23,316** |
| Modifications, disposals and write-offs | **(3,326)** | **(9)** | **(3,335)** |
| Depreciation expense | **(8,146)** | **(10,340)** | **(18,486)** |
| Impairment (Note 10) | **(1,028)** | **—** | **(1,028)** |
| Foreign currency translation adjustments | **86** | **144** | **230** |
| **Balance at August 31, 2026** | **44,641** | **45,290** | **89,931** |

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

(2) Includes $0.6 million of indefeasible rights of use paid in fiscal 2026.

# 16. Intangible assets and goodwill

## A) Intangible assets

| | Finite useful life | | Indefinite useful life | | | |
|---|---|---|---|---|---|---|
| Years ended August 31, 2026 and 2025 | Customer relationships | Trade name [1] | Distribution licences and franchise rights | Spectrum licences | Radio broadcasting licences | Total |
| *(In thousands of Canadian dollars)* | $ | $ | $ | $ | $ | $ |
| **Cost** | | | | | | |
| Balance at August 31, 2024 | 443,663 | 7,968 | 3,040,837 | 600,617 | 85,569 | 4,178,654 |
| Additions [2] | — | — | — | 12,379 | — | 12,379 |
| Foreign currency translation adjustments | 6,895 | — | 38,583 | — | — | 45,478 |
| **Balance at August 31, 2025** | **450,558** | **7,968** | **3,079,420** | **612,996** | **85,569** | **4,236,511** |
| Additions [2] | **—** | **—** | **—** | **11,525** | **—** | **11,525** |
| Foreign currency translation adjustments | **3,406** | **—** | **19,061** | **—** | **—** | **22,467** |
| **Balance at August 31, 2026** | **453,964** | **7,968** | **3,098,481** | **624,521** | **85,569** | **4,270,503** |
| **Accumulated amortization and impairment losses** | | | | | | |
| Balance at August 31, 2024 | 265,927 | 615 | — | 14,329 | 59,989 | 340,860 |
| Amortization expense | 57,069 | 520 | — | — | — | 57,589 |
| Foreign currency translation adjustments | 3,645 | — | — | — | — | 3,645 |
| **Balance at August 31, 2025** | **326,641** | **1,135** | **—** | **14,329** | **59,989** | **402,094** |
| Amortization expense | **38,764** | **521** | **—** | **—** | **—** | **39,285** |
| Impairment (Note 10) | **—** | **—** | **174,861** | **—** | **25,580** | **200,441** |
| Foreign currency translation adjustments | **2,562** | **—** | **1,823** | **—** | **—** | **4,385** |
| **Balance at August 31, 2026** | **367,967** | **1,656** | **176,684** | **14,329** | **85,569** | **646,205** |
| **Carrying amounts** | | | | | | |
| At August 31, 2025 | 123,917 | 6,833 | 3,079,420 | 598,667 | 25,580 | 3,834,417 |
| **At August 31, 2026** | **85,997** | **6,312** | **2,921,797** | **610,192** | **—** | **3,624,298** |

(1) Comprised of the NRBN and oxio brands.

(2) Comprised of the capitalized borrowing costs in connection with debt incurred for the purchase of spectrum licences.

## B) Goodwill

| Years ended August 31, 2026 and 2025<br>*(In thousands of Canadian dollars)* | $ |
|---|---|
| **Cost** | |
| Balance at August 31, 2024 | 2,160,673 |
| Adjustments from business combinations [1] | (1,089) |
| Foreign currency translation adjustments | 35,080 |
| **Balance at August 31, 2025** | **2,194,664** |
| Foreign currency translation adjustments | **17,328** |
| **Balance at August 31, 2026** | **2,211,992** |
| **Accumulated impairment losses** | |
| Balance at August 31, 2025 and 2024 | **28,012** |
| Impairment (Note 10) | **1,917,941** |
| Foreign currency translation adjustments | **19,985** |
| **Balance at August 31, 2026** | **1,965,938** |
| **Carrying amounts** | |
| At August 31, 2025 | 2,166,652 |
| **At August 31, 2026** | **246,054** |

(1) Related to the NRBN acquisition made in February 2024. During the second quarter of fiscal 2025, an adjustment was made to goodwill in connection with the finalization of NRBN's purchase price allocation.

## C) Impairment testing of goodwill and intangible assets

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

| At August 31 | **2026** | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| Operating segments / CGUs<br>*(In thousands of Canadian dollars)* | **Goodwill**<br>**$** | **Distribution licences and franchise rights**<br>**$** | **Spectrum licences**<br>**$** | **Radio broadcasting licences**<br>**$** | Goodwill<br>$ | Distribution licences and franchise rights<br>$ | Spectrum licences<br>$ | Radio broadcasting licences<br>$ |
| Canadian telecommunications | **246,054** | **967,000** | **610,192** | **—** | 246,054 | 967,000 | 598,667 | — |
| American telecommunications | **—** | **1,954,797** | **—** | **—** | 1,920,598 | 2,112,420 | — | — |
| Media [1] - Radio broadcasting | **—** | **—** | **—** | **—** | — | — | — | 25,580 |
| Total | **246,054** | **2,921,797** | **610,192** | **—** | 2,166,652 | 3,079,420 | 598,667 | 25,580 |

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

During the third quarter of fiscal 2026, Cogeco Communications tested the goodwill and long-lived assets of its American telecommunications CGU for impairment, following the identification of impairment indicators. As a result, non-cash pre-tax impairment charges were recognized on goodwill and indefinite-life franchise rights, as the recoverable amount calculated based on fair value less costs of disposal was less than the carrying amount of the CGU (see Note 10 for details). No additional impairment was recognized at year-end, as neither market conditions nor the CGU's operational performance experienced any significant changes during the fourth quarter.

During the third quarter of fiscal 2026, the Corporation tested the long-lived assets of its Radio broadcasting CGU for impairment, following the identification of impairment indicators. As a result, non-cash pre-tax impairment charges were recognized on indefinite-life broadcasting licences, as the recoverable amount calculated based on value in use was less than the carrying amount of the CGU (see Note 10 for details).

During the fourth quarter of fiscal 2026, Cogeco Communications performed the annual impairment test of its Canadian telecommunications CGU whose recoverable amount, calculated based on value in use, was determined to be higher than its carrying amount. As a result, no impairment was identified for this CGU for the year ended August 31, 2026.

The prior year annual impairment tests were performed during the fourth quarter of fiscal 2025. The recoverable amount of each CGU, calculated based on value in use, was determined to be higher than its carrying amount. As a result, no impairment of goodwill and intangible assets was identified for the year ended August 31, 2025.

The value in use calculations used future cash flow projections derived from the most recent budget and the five-year strategic plan approved by senior management, which reflect management expectations for revenue, adjusted EBITDA, capital expenditures, working capital and considered, among other factors, subscriber statistics and other market data, such as the competitive landscape and industry trends. The terminal growth rate used to extrapolate the cash flows beyond the five-year period reflects the long-term average growth rate for the telecommunications and media services in the specific markets in which the CGUs operate. The discount rate applied to the cash flow projections was derived from the pre-tax weighted average cost of capital adjusted for the different risk profile of the individual CGUs.

The following represents the key assumptions used to determine the recoverable amount, calculated based on value in use, in the impairment tests performed for each CGU in fiscal 2026 and 2025:

| | **2026** | | 2025 | |
|---|---|---|---|---|
| | **Pre-tax discount rate** | **Terminal growth rate** | Pre-tax discount rate | Terminal growth rate |
| Operating segments / CGUs | **%** | **%** | % | % |
| Canadian telecommunications | **9.2** | **2.0** | 9.2 | 2.0 |
| American telecommunications | **(1)** | **(1)** | 9.4 | 2.0 |
| Media - Radio broadcasting | **9.0** | **0.5** | 9.1 | 0.5 |

(1) In fiscal 2026, the recoverable amount calculation for the American telecommunications CGU was based on fair value less costs of disposal. See Note 10 for details.

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

| | **Increase in pre-tax discount rate** | **Decrease in terminal growth rate** |
|---|---|---|
| Operating segments / CGUs | **%** | **%** |
| Canadian telecommunications | **5.1** | **9.7** |
| American telecommunications | **N/A** | **N/A** |
| Media - Radio broadcasting | **N/A** | **N/A** |

# 17. Provisions

| Year ended August 31, 2026 | Withholding and stamp taxes [1] | Programming and content costs [2] | Royalties for retransmission of distant TV signals [3] | Restructuring costs [4] | Other [5] | Total |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars)* | $ | $ | $ | $ | $ | $ |
| Balance, beginning of the year | 7,647 | 10,054 | 11,686 | 10,787 | 1,388 | 41,562 |
| Provisions made during the year | — | 6,345 | 957 | 10,277 | 3,271 | 20,850 |
| Provisions used during the year | — | (2,071) | (5,234) | (18,075) | (2,556) | (27,936) |
| Provisions reversed during the year | — | (3,891) | — | (591) | (117) | (4,599) |
| Foreign currency translation adjustments | 17 | 36 | — | 23 | — | 76 |
| **Balance, end of the year** | 7,664 | 10,473 | 7,409 | 2,421 | 1,986 | 29,953 |

(1) Relates to contingent liabilities for withholding and stamp taxes relating to fiscal years prior to the acquisition of a former subsidiary by the Corporation.

(2) Includes provisions for retroactive rate increases as well as additional royalties or content costs as a result of periodic audits from service providers.

(3) Relates to royalties payable for the retransmission of distant Canadian and U.S. television over-the-air signals in Canada (see Note 26 B)).

(4) Relates to costs associated with transformation initiatives undertaken.

(5) Includes provisions for contractual obligations and other legal obligations.

The Corporation does not record decommissioning obligations in connection with its fibre and coaxial networks. The Corporation expects to renew all of its agreements with utility companies to access their support structures in the future, thus the resulting present value of the obligation is not significant.

# 18. Contract liabilities and other liabilities

| At August 31 | 2026 | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | $ | $ |
| Advance billings | 44,158 | 49,105 |
| Deferred customer connection fees | 19,820 | 17,741 |
| Customer deposits and prepayments | 376 | 538 |
| Contract liabilities | 64,354 | 67,384 |
| Other liabilities | 6,674 | 9,342 |
| | 71,028 | 76,726 |
| Current | 60,020 | 59,023 |
| Non-current | 11,008 | 17,703 |

### Contract liabilities

| Years ended August 31 | 2026 | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | $ | $ |
| Balance, beginning of the year | 67,384 | 69,876 |
| Revenue deferred in the previous period and recognized in the current period | (61,145) | (62,035) |
| Net additions arising from operations | 57,718 | 58,599 |
| Foreign currency translation adjustments | 397 | 944 |
| **Balance, end of the year** | 64,354 | 67,384 |

# 19. Long-term debt

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Notes and credit facilities | **4,390,551** | 4,604,232 |
| Lease liabilities | **94,101** | 88,948 |
| Balance due on business combinations | **17,094** | 17,094 |
| | **4,501,746** | 4,710,274 |
| Less current portion | **67,851** | 45,543 |
| | **4,433,895** | 4,664,731 |

## A) Notes and credit facilities

| At August 31 | Maturity | Interest rate [1] | 2026 | 2025 |
|---|---|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | | % | $ | $ |
| **Corporation** | | | | |
| Term Revolving Facility | | | | |
| Revolving loan - US$39.7 million (US$47.6 million at August 31, 2025) | June 2031 | 3.59 [2] | **55,048** | 65,412 |
| Non-Revolving Term Credit Facility | | | | |
| Term loan - US$50.4 million (US$50 million at August 31, 2025) | June 2029 | 3.62 [3] | **69,760** | 68,518 |
| **Subsidiaries** | | | | |
| Term Revolving Facility | | | | |
| Revolving loan - US$122 million (US$159 million at August 31, 2025) | June 2031 | 3.61 [4] | **169,165** | 218,498 |
| Senior Secured Notes - Series B - US$150 million | — | — | **—** | 206,036 |
| Senior Secured Notes - Series 1 | September 2031 | 2.99 | **498,222** | 497,900 |
| Senior Secured Notes - Series 2 | February 2033 | 5.30 [5] | **505,093** | 298,457 |
| Senior Secured Notes - Series 3 | February 2035 | 4.74 | **323,485** | 323,343 |
| Senior Unsecured Notes | February 2029 | 6.13 | **273,054** | 272,343 |
| Senior Unsecured Non-Revolving Facility | November 2042 | 5.75 | **8,561** | 1,711 |
| First Lien Credit Facilities | | | | |
| Senior Secured Term Loan B Facility | | | | |
| Tranche 2 - US$789.0 million (US$868.5 million at August 31, 2025) | September 2028 | 5.02 [6] | **1,087,074** | 1,183,349 |
| Tranche 3 - US$561.0 million (US$618.4 million at August 31, 2025) | September 2030 | 7.21 [7] | **764,666** | 833,884 |
| Farm Credit - US$463.1 million (US$467.9 million at August 31, 2025) | September 2028 | 6.94 [8] | **636,423** | 634,781 |
| Senior Secured Revolving Facility | September 2028 | — | **—** | — |
| | | | **4,390,551** | 4,604,232 |
| Less current portion | | | **33,972** | 29,545 |
| | | | **4,356,579** | 4,574,687 |

(1) Interest rate as of August 31, 2026, 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$39.7 million drawn under the Corporation's Term Revolving Facility was hedged until September 29, 2026, using a cross-currency swap agreement which sets the amount redeemable at maturity at $54.9 million.

(3) An amount of US$50.4 million drawn under the Corporation's Non-Revolving Term Credit Facility was hedged until September 29, 2026, using a cross-currency swap agreement which sets the amount redeemable at maturity at $69.7 million.

(4) An amount of US$122 million drawn under Cogeco Communications' Term Revolving Facility was hedged until September 29, 2026, using a cross-currency swap agreement which sets the amount redeemable at maturity at $168.9 million.

(5) Includes the initial $300 million tranche issued in February 2023, as well as the $200 million additional tranche issued in August 2026.

(6) As of August 31, 2026, a U.S. subsidiary had outstanding interest rate swap agreements to fix the interest rate on an amount of US$600 million of the Senior Secured Term Loan B Facility - Tranche 2. These agreements have the effect of converting the floating SOFR base rate, into fixed rates ranging from 1.32% to 3.25%, plus an applicable credit spread, for maturities between October 31, 2026 and August 31, 2028. The interest rate includes the impact of the outstanding interest rate swaps.

(7) As of August 31, 2026, 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 interest rate includes the impact of the outstanding interest rate swaps.

(8) The interest rate does not include the impact of a rate rebate earned under a patronage program, which is included in *Interest and other income* within *Financial expense*.

## Corporation

### Term Revolving Facility

The Corporation benefits from a Term Revolving Facility of $100 million, including a swingline with a limit of $10 million. On June 1, 2026, the Corporation amended the facility by extending its maturity by an additional year to June 1, 2031.

### Non-Revolving Term Credit Facility

The Corporation's Non-Revolving Term Credit Facility was entered into in December 2023 and has an outstanding principal amount of up to $70 million. The facility is available in Canadian and US dollars, and interest rates are based on prime rate loans and Canadian Overnight Repo Rate Average ("CORRA") loans in Canadian dollars, base rate loans and Secured Overnight Financing Rate ("SOFR") loans in US dollars, plus the applicable credit spread. On June 1, 2026, the Corporation amended the facility by extending its maturity by an additional year to June 1, 2029.

Cogeco's revolving and non-revolving term credit facilities are both secured by a first priority security interest on substantially all present and future real and personal property and undertaking of every nature and kind of the Corporation and certain of its subsidiaries, excluding the capital stock and assets of the Corporation's subsidiary, Cogeco Communications, and guaranteed by its subsidiaries, excluding Cogeco Communications and its subsidiaries.

## Subsidiaries

### Term Revolving Facility

Cogeco Communications benefits from a Term Revolving Facility of $750 million, including a swingline with a limit of $30 million. On June 1, 2026, Cogeco Communications amended the facility by extending its maturity by an additional year to June 1, 2031.

Cogeco Communications' revolving facility is indirectly secured by a first priority security interest on substantially all present and future real and personal property and undertaking of every nature and kind of Cogeco Communications and its subsidiaries, except for the unrestricted subsidiaries.

Both the Corporation's and Cogeco Communications' revolving facilities are available in Canadian and US dollars, and interest rates are based on prime rate loans and CORRA loans in Canadian dollars, base rate loans and SOFR loans in US dollars, plus the applicable credit spread, and commitment fees are payable on the unused portion. The revolving facilities can be repaid at any time without penalty and provide for certain permitted encumbrances, including purchased money obligations, existing funded obligations and charges granted by any subsidiary prior to the date when it becomes a subsidiary, subject to a maximum amount. The provisions under the revolving facilities provide for restrictions on the operations and activities of both corporations and their subsidiaries, except for the unrestricted / excluded subsidiaries. Generally, the most significant restrictions relate to asset dispositions, permitted liens, permitted investments, distributions to shareholders including dividends on multiple and subordinate voting shares and share repurchases, as well as the incurrence and maintenance of certain financial ratios primarily linked to adjusted EBITDA.

### Senior Secured Notes

On August 28, 2026, Cogeco Communications redeemed the US$150 million Senior Secured Notes Series B due September 1, 2026.

On August 10, 2026, Cogeco Communications completed, pursuant to a private offering, the issuance of an additional $200 million tranche of its Senior Secured Notes - Series 2. The additional $200 million tranche has the same terms (stated interest rate of 5.30% and maturity date of February 16, 2033) and forms a single series with the initial $300 million tranche of the Senior Secured Notes - Series 2 issued on February 16, 2023. The additional tranche was issued at 103.97% of par value, for a yield of 4.57%. 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 senior secured indebtedness of Cogeco Communications.

Upon maturity on June 16, 2025, Cogeco Communications redeemed the US$215 million 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 maturing on February 6, 2035. 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 senior secured indebtedness of Cogeco Communications.

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

The interest on the Senior Secured Notes is payable semi-annually. These notes are redeemable at any time at Cogeco Communications' option, in whole or in part, at 100% of the principal amount plus a make-whole premium. The notes are indirectly secured by a first priority fixed and floating charge and a security interest on substantially all present and future real and personal property and undertaking of every nature and kind of the Corporation and its subsidiaries except for the unrestricted subsidiaries. The provisions under these notes provide for restrictions on the operations and activities of Cogeco Communications and its subsidiaries, except for the unrestricted subsidiaries. Generally, the most significant restrictions relate to permitted indebtedness, permitted liens and asset dispositions.

### Senior Unsecured Notes

In February 2024, Cogeco Communications completed, pursuant to a private placement, the issuance of $275 million Senior Unsecured Notes maturing on February 27, 2029. Cogeco Communications used the net proceeds of the offering to repay existing indebtedness and for other general corporate purposes. The Senior Unsecured Notes are direct and unsubordinated unsecured debt obligations of Cogeco Communications and rank equally and *pari passu* with all other unsecured senior indebtedness of Cogeco Communications.

### Senior Unsecured Non-Revolving Facility

During fiscal 2026, Cogeco Communications drew $12.4 million ($4.8 million in fiscal 2025) from the Senior Unsecured Non-Revolving Facility, of which $5.8 million ($3.0 million in fiscal 2025) was recognized as a government grant. The credit facility, having an aggregate principal amount of up to $38.1 million, can only be drawn to finance the network expansion projects undertaken in connection with Ontario's Accelerated High Speed Internet Program. On August 31, 2026, the remaining availability under the facility amounted to $21.0 million.

### First Lien Credit Facilities

The First Lien Credit Facilities, related to Cogeco Communications' U.S. operations, are comprised of the Senior Secured Term Loan B Facility and the Senior Secured Revolving Facility which has a credit limit of US$250 million.

During fiscal 2026, Cogeco Communications repurchased US$95.1 million of its outstanding Tranches 2 and 3 of the Senior Secured Term Loan B Facility. In August 2026, Cogeco Communications entered into an agreement to repurchase an additional US$3.0 million of its Senior Secured Term Loan B Facility, which was subsequently settled on September 10, 2026.

The interest rate of the First Lien Credit Facilities is based on SOFR, with a 39 bps floor for Tranche 2 and a 0 bps floor for the remainder of the facilities, plus an applicable credit spread.

The Senior Secured Term Loan B Facility is subject to a quarterly amortization of 0.25%. In addition to the quarterly amortization, the tranches shall be prepaid according to a prepayment percentage of excess cash flows generated during the prior fiscal year as defined below, if applicable.

(i) 50% if Breezeline's ratio of net senior secured indebtedness / adjusted EBITDA ("leverage ratio") is greater than or equal to 5.1;
(ii) 25% if Breezeline's leverage ratio is greater than or equal to 4.6 but less than 5.1; and
(iii) 0% if Breezeline's leverage ratio is less than 4.6.

Breezeline's leverage ratio was below 4.6 as of August 31, 2026, therefore no excess cash flows prepayments are applicable in fiscal 2026. The First Lien Credit Facilities are non-recourse to Cogeco Communications and most of its Canadian subsidiaries, and are indirectly secured by a first priority fixed and floating charge on substantially all present and future real and personal property and undertaking of every nature and kind of Breezeline and its subsidiaries. The provisions under

these facilities provide for restrictions on the operations and activities of Breezeline and its subsidiaries. Generally, the most significant restrictions relate to permitted indebtedness, permitted liens, investments and distributions.

## B) Lease liabilities

The Corporation mainly enters into leases for buildings, land, network infrastructure and equipment. Lease contracts are typically individually negotiated for a wide range of fixed periods, but may also include renewal or termination options.

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Lease liabilities | **94,101** | 88,948 |
| Less current portion | **16,785** | 15,998 |
| | **77,316** | 72,950 |

| At August 31 | **2026** | 2025 |
|---|---|---|
| Weighted average interest rate on lease liabilities | **4.63 %** | 4.46 % |
| Weighted average lease term (in years) | **4.5** | 4.5 |

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Expenses for variable lease payments not included in the measurement of lease liabilities | **6,256** | 5,313 |

## C) Other information

The information presented below pertains to all long-term debt, which is comprised of notes and credit facilities, lease liabilities and balance due on business combinations.

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Principal on fixed-rate long-term debt [1] | **3,322,735** | 3,571,779 |
| Principal on floating rate long-term debt | **1,213,098** | 1,186,005 |
| **Principal on long-term debt** | **4,535,833** | 4,757,784 |

[1] Includes the impact of interest rate swaps.

# 20. Share capital

## A) Authorized

*Unlimited number of:*

*Preferred shares of first and second rank*, issuable in series and non-voting, except when specified in the Articles of Incorporation of the Corporation or in the Law.

*Multiple voting shares*, 20 votes per share.

*Subordinate voting shares*, 1 vote per share.

## B) Issued and paid

| Year ended August 31, 2026 | Multiple voting shares | | Subordinate voting shares | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| *(In thousands of Canadian dollars, except number of shares)* | | $ | | $ |
| **Issued and outstanding, August 31, 2026 and 2025** | **1,602,217** | **10** | **8,040,562** | **64,347** |
| **Shares held in trust, August 31, 2025 [1]** | **—** | **—** | **(144,073)** | **(9,208)** |
| Subordinate voting shares acquired | **—** | **—** | **(60,217)** | **(3,711)** |
| Subordinate voting shares distributed to employees | **—** | **—** | **31,808** | **2,032** |
| **Shares held in trust, August 31, 2026 [1]** | **—** | **—** | **(172,482)** | **(10,887)** |
| **Issued and outstanding, net of shares held in trust, August 31, 2026** | **1,602,217** | **10** | **7,868,080** | **53,460** |

| Year ended August 31, 2025 | Multiple voting shares | | Subordinate voting shares | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| *(In thousands of Canadian dollars, except number of shares)* | | $ | | $ |
| **Issued and outstanding, August 31, 2025 and 2024** | 1,602,217 | 10 | 8,040,562 | 64,347 |
| **Shares held in trust, August 31, 2024 [1]** | — | — | (121,193) | (7,924) |
| Subordinate voting shares acquired | — | — | (46,429) | (2,819) |
| Subordinate voting shares distributed to employees | — | — | 23,549 | 1,535 |
| **Shares held in trust, August 31, 2025 [1]** | — | — | (144,073) | (9,208) |
| **Issued and outstanding, net of shares held in trust, August 31, 2025** | 1,602,217 | 10 | 7,896,489 | 55,139 |

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

## C) Dividends

The following tables provide a summary of the dividends declared for the Corporation's and Cogeco Communications' multiple and subordinate voting shares during the years ended August 31, 2026 and 2025:

| Declaration date | Record date | Payment date | Dividend per share (in dollars) | |
|---|---|---|---|---|
| | | | Cogeco | Cogeco Communications |
| **October 29, 2025** | **November 12, 2025** | **November 26, 2025** | **0.987** | **0.987** |
| **January 14, 2026** | **January 28, 2026** | **February 11, 2026** | **0.987** | **0.987** |
| **April 9, 2026** | **April 23, 2026** | **May 7, 2026** | **0.987** | **0.987** |
| **July 15, 2026** | **July 29, 2026** | **August 12, 2026** | **0.987** | **0.987** |
| | | | **3.948** | **3.948** |
| October 31, 2024 | November 14, 2024 | November 28, 2024 | 0.922 | 0.922 |
| January 13, 2025 | January 27, 2025 | February 10, 2025 | 0.922 | 0.922 |
| April 9, 2025 | April 23, 2025 | May 7, 2025 | 0.922 | 0.922 |
| July 15, 2025 | July 29, 2025 | August 12, 2025 | 0.922 | 0.922 |
| | | | 3.688 | 3.688 |

| Years ended August 31 | 2026 | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | $ | $ |
| Attributable to owners of the Corporation | | |
| Dividends on multiple voting shares | 6,326 | 5,909 |
| Dividends on subordinate voting shares | 30,795 | 28,776 |
| | 37,121 | 34,685 |
| Attributable to non-controlling interest | | |
| Dividends on subordinate voting shares | 117,796 | 110,459 |

At its October 28, 2026 meeting, the Board of Directors of Cogeco declared a quarterly dividend of $1.007 per share for multiple and subordinate voting shares, payable on November 25, 2026 to shareholders of record on November 11, 2026. The Corporation hereby notifies that all dividends are eligible dividends unless indicated otherwise.

## D) Share-based payment plans

The Corporation and its subsidiary, Cogeco Communications, offer Employee Stock Purchase Plans for the benefit of their employees and those of their subsidiaries and Stock Option Plans for their executive officers and designated employees. No more than 10% of the outstanding subordinate voting shares are available for issuance under these plans. Furthermore, the Corporation and its subsidiary, Cogeco Communications, offer Incentive Share Unit Plans ("ISU Plans") and Performance Share Unit Plans ("PSU Plans") for their executive officers and designated employees, and Deferred Share Unit Plans ("DSU Plans") for members of the Board of Directors ("Board"). Cogeco Communications also offers a Share Appreciation Rights Plan ("SAR Plan") for its American executive officers and designated employees.

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

| Years ended August 31 | 2026 | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | $ | $ |
| Stock options | 1,239 | 977 |
| SARs | (18) | 130 |
| ISUs | 2,365 | 2,142 |
| PSUs | 6,729 | 4,128 |
| DSUs | 2,253 | 3,424 |
| | 12,568 | 10,801 |

### Employee stock purchase plans

| | |
|---|---|
| **Employee Stock Purchase Plans** | The Corporation and its subsidiary, Cogeco Communications, offer Employee Stock Purchase Plans, which are accessible to all employees up to a maximum of 7% of their base annual salary and the Corporation and its subsidiary contribute an amount equal to 25% of the employee contributions. The subscriptions are made monthly and employee subordinate voting shares are purchased on the stock market. |

### Stock option plans

| | |
|---|---|
| **Stock Option Plans** | The Corporation and its subsidiary, Cogeco Communications, offer Stock Option Plans for the benefit of their Canadian executive officers and designated employees. A total of 1,545,700 subordinate voting shares are reserved for the purpose of Cogeco's Stock Option Plan. During fiscal years 2026 and 2025, no stock options were granted to employees by Cogeco and no stock options were outstanding at August 31, 2026 and 2025. The Corporation no longer issues stock options under its own plan, as the stock options issued by Cogeco Communications are offered to both corporations' executive officers and designated employees (see Note 25). A total of 4,432,500 subordinate voting shares of Cogeco Communications are reserved for the purpose of its Stock Option Plan. The minimum exercise price at which options are granted is equal to the market value of such shares at the time the option is granted. Options vest equally over a period of five years beginning one year after the day such options are granted and are exercisable over ten years. |

Under the stock option plan of Cogeco Communications, changes in the outstanding number of stock options were as follows:

| Years ended August 31 | 2026 | | 2025 | |
|---|---|---|---|---|
| | **Options [1]** | **Weighted average exercise price** | Options | Weighted average exercise price |
| *(In Canadian dollars, except number of options)* | | **$** | | $ |
| Outstanding, beginning of the year | **1,064,464** | **78.26** | 1,017,216 | 80.16 |
| Granted | **253,563** | **64.36** | 217,053 | 70.83 |
| Exercised [2] | **(19,077)** | **63.67** | (52,901) | 62.42 |
| Cancelled | **(219,560)** | **79.64** | (116,904) | 88.19 |
| **Outstanding, end of the year** | **1,079,390** | **75.90** | 1,064,464 | 78.26 |
| **Exercisable, end of the year** | **595,442** | **83.59** | 607,215 | 84.50 |

(1) Of the 4,432,500 subordinate voting shares reserved for issuance, 989,123 remain available at August 31, 2026.

(2) The weighted average share price for options exercised during the year was $70.89 ($70.01 in 2025).

At August 31, 2026, the range of exercise prices, the weighted average exercise price and the weighted average remaining contractual life of options were as follows:

| **At August 31, 2026** | **Options outstanding** | | | **Options exercisable** | |
|---|---|---|---|---|---|
| Range of exercise prices | **Number outstanding** | **Weighted average remaining contractual life** | **Weighted average exercise price** | **Number exercisable** | **Weighted average exercise price** |
| $ | | **(years)** | **$** | | **$** |
| 56.14 to 63.00 | **181,623** | **5.06** | **60.86** | **114,721** | **61.09** |
| 63.01 to 69.00 | **329,147** | **9.82** | **64.56** | **73,281** | **65.25** |
| 69.01 to 84.00 | **230,925** | **7.35** | **70.49** | **77,370** | **70.08** |
| 84.01 to 100.00 | **172,365** | **2.01** | **88.90** | **172,365** | **88.90** |
| 100.01 to 114.30 | **165,330** | **3.11** | **108.99** | **157,705** | **109.30** |
| | **1,079,390** | **6.22** | **75.90** | **595,442** | **83.59** |

The weighted average fair value of stock options granted for the year ended August 31, 2026 was $7.71 ($10.15 in 2025) per option. The weighted average fair value of each option granted was estimated at the grant date for purposes of determining the share-based payment expense, using the Black-Scholes option pricing model based on the following weighted-average assumptions:

| Years ended August 31 | 2026 | 2025 |
|---|---|---|
| | **%** | % |
| Expected dividend yield | **6.08** | 5.15 |
| Expected volatility [1] | **25.29** | 25.18 |
| Risk-free interest rate | **2.81** | 3.05 |
| Expected life (in years) | **6.2** | 6.2 |

(1) The expected volatility is based on the historical volatility of Cogeco Communications' subordinate voting shares for a period equivalent to the expected life of the options.

## SAR plan

| | |
|---|---|
| **SAR Plan** | Cogeco Communications offers a SAR Plan for the benefit of its American executive officers and designated employees. The SARs are cash-settled and vest equally over a period of five years beginning one year after the day such rights are granted and are exercisable over ten years. The value of the SARs is linked to the performance of Cogeco Communications' subordinate voting shares. Upon vesting, SARs entitle a participant to receive a cash payment based on the increase in the market value of Cogeco Communications' subordinate voting shares from the grant date to the exercise date. |

Under the SAR plan of Cogeco Communications, changes in the outstanding number of SARs were as follows:

| Years ended August 31 | **2026** | | 2025 | |
|---|---|---|---|---|
| | **SARs** | **Weighted average exercise price** | SARs | Weighted average exercise price |
| *(In Canadian dollars, except number of SARs)* | | **$** | | $ |
| Outstanding, beginning of the year | **34,687** | **67.45** | 32,607 | 61.62 |
| Granted | **34,992** | **64.36** | 45,766 | 70.83 |
| Exercised [1] | **(2,452)** | **61.62** | (3,181) | 61.62 |
| Cancelled | **(27,169)** | **65.76** | (40,505) | 67.03 |
| **Outstanding, end of the year** | **40,058** | **66.26** | 34,687 | 67.45 |
| **Exercisable, end of the year** | **4,467** | **67.22** | 3,340 | 61.62 |

(1) The weighted average share price for SARs exercised during the year was $64.67 ($71.39 in 2025).

The weighted average fair value of SARs granted for the year ended August 31, 2026 was $7.78 ($7.97 in 2025) per right. The weighted average fair value of each SAR was estimated at the grant date for purposes of determining the share-based payment expense, using the Black-Scholes option pricing model based on the following weighted-average assumptions:

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| | **%** | % |
| Expected dividend yield | **6.08** | 6.08 |
| Expected volatility [1] | **25.29** | 24.16 |
| Risk-free interest rate | **2.81** | 3.05 |
| Expected life (in years) | **6.2** | 5.9 |

(1) The expected volatility is based on the historical volatility of Cogeco Communications' subordinate voting shares for a period equivalent to the expected life of the SARs.

## ISU, PSU and DSU plans

| | |
|---|---|
| **ISU Plans** | The Corporation and its subsidiary, Cogeco Communications, offer executive officers and designated employees ISU Plans. The ISUs vest after three years less one day from the date of grant. ISUs are settled in subordinate voting shares, except for U.S. employees which are settled in cash. Two trusts were created for the purpose of purchasing subordinate voting shares of the Corporation and Cogeco Communications on the stock market for equity-settled ISUs, in order to protect against stock price fluctuation. The trustees were instructed to purchase subordinate voting shares of both corporations on the stock market. These shares are purchased and are held in trust for the participants until they are fully vested. The trusts, considered as special purpose entities, are consolidated in the Corporation's consolidated financial statements with the value of the acquired subordinate voting shares held in trust under the ISU Plans presented in reduction of share capital or non-controlling interest. |
| **PSU Plans** | The Corporation and its subsidiary, Cogeco Communications, offer PSU Plans for the benefit of their executive officers and designated employees. The PSUs vest after a three-year less one day period, contingent upon the level of achievement of performance objectives established by the Board of Directors at the time of grant. The participants are entitled to receive dividend equivalents in the form of additional PSUs but only with respect to PSUs expected to vest. The impact of any changes in the number of PSUs expected to vest is recognized in the period where the estimate is revised. PSUs are settled in subordinate voting shares, except for U.S. employees which are settled in cash. Two trusts were created for the purpose of purchasing subordinate voting shares of the Corporation and Cogeco Communications on the stock market for equity-settled PSUs, in order to protect against stock price fluctuation. The trustees were instructed to purchase subordinate voting shares of both corporations on the stock market. These shares are purchased and are held in trust for the participants until they are fully vested. The trusts, considered as special purpose entities, are consolidated in the Corporation's consolidated financial statements with the value of the acquired subordinate voting shares held in trust under the PSU Plans presented in reduction of share capital or non-controlling interest. |
| **DSU Plans** | The Corporation and its subsidiary, Cogeco Communications, offer DSU Plans for members of the Board to assist in the attraction and retention of qualified individuals to serve on their respective Boards. Each existing or new member of the Board may elect to be paid a percentage of the annual retainer in the form of DSUs with the balance, if any, being paid in cash. Dividend equivalents are awarded with respect to DSUs in a member's account on the same basis as if the member was a shareholder of record of subordinate voting 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, purchased on the open market, upon an individual ceasing to be a member of the Board or in the event of the death of the member. |

Under the ISU, PSU and DSU plans of the Corporation, changes in the outstanding number of ISUs, PSUs and DSUs were as follows:

| | ISUs | PSUs | DSUs |
|---|---|---|---|
| Balance at August 31, 2024 | 61,693 | 62,722 | 100,785 |
| Granted/Issued | 22,476 | 22,476 | 6,310 |
| Distributed/Redeemed | (12,400) | (11,149) | (27,668) |
| Cancelled | (1,169) | (2,516) | — |
| Dividend equivalents | — | 4,663 | 5,676 |
| **Balance at August 31, 2025** | **70,600** | **76,196** | **85,103** |
| Granted/Issued [1] [2] [3] | **30,882** | **30,882** | **8,739** |
| Performance-based additional units granted | **—** | **342** | **—** |
| Distributed/Redeemed | **(16,548)** | **(15,260)** | **(17,459)** |
| Cancelled | **(1,517)** | **(4,364)** | **—** |
| Dividend equivalents | **—** | **5,578** | **5,004** |
| **Balance at August 31, 2026** | **83,417** | **93,374** | **81,387** |

(1) The weighted average fair value of the ISUs granted was $59.47 in 2026 ($61.61 in 2025).

(2) The weighted average fair value of the PSUs granted was $59.47 in 2026 ($61.61 in 2025).

(3) The weighted average fair value of the DSUs issued was $70.80 in 2026 ($62.14 in 2025).

Under the ISU, PSU and DSU plans of Cogeco Communications, changes in the outstanding number of ISUs, PSUs and DSUs were as follows:

| | ISUs | PSUs | DSUs |
|---|---|---|---|
| Balance at August 31, 2024 | 63,951 | 107,888 | 123,182 |
| Granted/Issued | 25,190 | 214,739 | 24,922 |
| Performance-based additional units granted | — | 348 | — |
| Distributed/Redeemed | (13,883) | (20,939) | (26,842) |
| Cancelled | (7,224) | (28,654) | — |
| Dividend equivalents | — | 16,874 | 6,785 |
| **Balance at August 31, 2025** | **68,034** | **290,256** | **128,047** |
| Granted/Issued [1] [2] [3] | **24,889** | **77,376** | **15,449** |
| Performance-based additional units granted | **—** | **2,051** | **—** |
| Distributed/Redeemed | **(18,763)** | **(33,080)** | **(15,924)** |
| Cancelled | **(13,485)** | **(42,538)** | **—** |
| Dividend equivalents | **—** | **19,089** | **7,829** |
| **Balance at August 31, 2026** | **60,675** | **313,154** | **135,401** |

(1) The weighted average fair value of the ISUs granted was $64.36 in 2026 ($70.83 in 2025).

(2) The weighted average fair value of the PSUs granted was $64.36 in 2026 ($70.83 in 2025).

(3) The weighted average fair value of the DSUs issued was $72.19 in 2026 ($65.85 in 2025).

# 21. Accumulated other comprehensive income

| Years ended August 31, 2026 and 2025 | Cash flow hedge reserve | Foreign currency translation | Total |
|---|---|---|---|
| *(In thousands of Canadian dollars)* | $ | $ | $ |
| Balance at August 31, 2024 | 12,971 | 31,560 | 44,531 |
| Other comprehensive income (loss) for the year | (6,810) | 7,831 | 1,021 |
| **Balance at August 31, 2025** | **6,161** | **39,391** | **45,552** |
| Other comprehensive income for the year | **1,257** | **340** | **1,597** |
| **Balance at August 31, 2026** | **7,418** | **39,731** | **47,149** |

# 22. Additional cash flows information

## A) Changes in other non-cash operating activities

| Years ended August 31 | 2026 | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Trade and other receivables | **(25,915)** | (14,758) |
| Prepaid expenses and other | **(9,026)** | (8,488) |
| Other assets | **(33,569)** | (21,629) |
| Trade and other payables | **42,879** | 60,951 |
| Provisions | **(11,680)** | (19,022) |
| Contract liabilities and other liabilities | **(6,088)** | 4,586 |
| | **(43,399)** | 1,640 |

## B) Acquisition of property, plant and equipment

The following table shows the reconciliation between the cash payments for acquisition of property, plant and equipment, as reported within the investing section in the consolidated statements of cash flows, and the net capital expenditures, as presented in Note 6.

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| **Acquisition of property, plant and equipment** | **566,305** | 599,294 |
| Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the year | **(2,409)** | (7,896) |
| **Net capital expenditures** | **563,896** | 591,398 |

## C) Changes in liabilities arising from financing activities

| | | Long-term debt | | | |
|---|---|---|---|---|---|
| Years ended August 31, 2026 and 2025 | Bank indebtedness | Notes and credit facilities | Lease liabilities | Balance due on business combinations | Total |
| *(In thousands of Canadian dollars)* | $ | $ | $ | $ | $ |
| Balance at August 31, 2024 | 15,399 | 4,866,353 | 80,718 | 17,094 | 4,979,564 |
| Decrease in bank indebtedness | (11,884) | — | — | — | (11,884) |
| Net decrease under revolving facilities | — | (119,590) | — | — | (119,590) |
| Issuance of long-term debt, net of transaction costs | — | 325,605 | — | — | 325,605 |
| Repayment of notes and credit facilities | — | (559,070) | — | — | (559,070) |
| Repayment of lease liabilities | — | — | (14,635) | — | (14,635) |
| Total cash flows used in financing activities excluding equity | (11,884) | (353,055) | (14,635) | — | (379,574) |
| Interest paid on lease liabilities | — | — | (4,126) | — | (4,126) |
| Total cash flow changes | (11,884) | (353,055) | (18,761) | — | (383,700) |
| Effect of changes in foreign exchange rates | — | 82,611 | 280 | — | 82,891 |
| Effect of amortized cost | — | 8,323 | — | — | 8,323 |
| Net increase in lease liabilities | — | — | 26,711 | — | 26,711 |
| Total non-cash changes | — | 90,934 | 26,991 | — | 117,925 |
| **Balance at August 31, 2025** | **3,515** | **4,604,232** | **88,948** | **17,094** | **4,713,789** |
| Decrease in bank indebtedness | **(1,780)** | **—** | **—** | **—** | **(1,780)** |
| Net decrease under revolving facilities | **—** | **(66,276)** | **—** | **—** | **(66,276)** |
| Issuance of long-term debt, net of transaction costs | **—** | **213,081** | **—** | **—** | **213,081** |
| Repayment and repurchase of notes and credit facilities | **—** | **(395,894)** | **—** | **—** | **(395,894)** |
| Repayment of lease liabilities | **—** | **—** | **(17,356)** | **—** | **(17,356)** |
| Total cash flows used in financing activities excluding equity | **(1,780)** | **(249,089)** | **(17,356)** | **—** | **(268,225)** |
| Interest paid on lease liabilities | **—** | **—** | **(4,166)** | **—** | **(4,166)** |
| Total cash flow changes | **(1,780)** | **(249,089)** | **(21,522)** | **—** | **(272,391)** |
| Gain on repurchase of debt [1] | **—** | **(7,187)** | **—** | **—** | **(7,187)** |
| Effect of changes in foreign exchange rates | **—** | **32,342** | **94** | **—** | **32,436** |
| Effect of amortized cost | **—** | **10,253** | **—** | **—** | **10,253** |
| Net increase in lease liabilities | **—** | **—** | **26,581** | **—** | **26,581** |
| Total non-cash changes | **—** | **35,408** | **26,675** | **—** | **62,083** |
| **Balance at August 31, 2026** | **1,735** | **4,390,551** | **94,101** | **17,094** | **4,503,481** |

(1) In connection with the repurchase of a portion of Tranches 2 and 3 of the Senior Secured Term Loan B Facility during fiscal 2026.

# 23. Employee benefits

## A) Defined contribution plans and collective registered retirement saving plans

The Corporation and its subsidiaries offer to certain employees defined contribution plans or collective registered retirement savings plans. Under these plans, the Corporation and its subsidiaries' obligations are limited to the payment of the monthly employer's contribution. The total expense recognized with respect to these plans amounted to $12.8 million ($13.6 million in 2025) for the year ended August 31, 2026 and is included in the Corporation's consolidated statement of profit and loss under *Salaries, employee benefits and outsourced services*.

## B) Defined benefit plans

The Corporation and its subsidiaries sponsor defined benefit plans for the benefit of certain employees, which are closed to new members, and separate defined benefit plans for the benefit of their executive officers, which provide pensions based on the number of years of service and the average salary during the employment of each participant. In addition, the Corporation and its subsidiaries offer to their designated executive officers supplementary pension plans. The defined benefit plans are registered with the Office of the Superintendent of Financial Institutions and are subject to the Federal Pension Benefits Standards Act. The plans are also registered with the Canada Revenue Agency and are subject to the Income Tax Act (Canada). The Corporation's Pension Advisory Committee oversees the administration of these plans, which includes the following principal areas: monitoring of the funds' performance and ensuring the plans are appropriately funded, decision-making in relation to the investment strategy, the plans' design and fund manager selection, and reviewing and approving the audited financial statements of the pension plans. The Corporation's funding policy is to maintain its contribution at a level sufficient to cover benefits and to meet requirements of the applicable regulations and plan provisions that govern the funding of the plans. The defined benefit plans are funded by the Corporation's and the participants' contributions. The defined benefits plans funding is calculated based on actuarial estimates and is subject to limitations under applicable income tax and other regulations.

Each year at August 31, the Corporation and its subsidiaries measure plan assets at fair value, as well as the defined benefit obligation for all plans. The most recent actuarial valuation of the pension plans for the benefit of the employees was at August 31, 2025 and the next required valuation is at August 31, 2026, which is expected to be completed in February 2027. For the executive officers' plans, the most recent actuarial valuation was at August 31, 2025 and the next required valuation is at August 31, 2028, to be completed in February 2029.

The following table provides a reconciliation of the change in the defined benefit obligation and the plan assets at fair value, and a statement of the funded status at August 31:

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| **Defined benefit obligation** [1] | | |
| Defined benefit obligation, beginning of the year | **105,993** | 106,122 |
| Current service cost | **1,830** | 2,064 |
| Interest cost | **5,204** | 5,123 |
| Contributions by plan participants | **212** | 216 |
| Benefits paid | **(7,275)** | (5,969) |
| Actuarial loss (gain) on obligation arising from: | | |
| Experience adjustments | **357** | (422) |
| Changes in demographic assumptions | **4,075** | — |
| Changes in financial assumptions | **(3,655)** | (1,141) |
| Defined benefit obligation, end of the year | **106,741** | 105,993 |
| **Plan assets at fair value** | | |
| Plan assets at fair value, beginning of the year | **129,256** | 125,141 |
| Interest income | **6,275** | 5,949 |
| Return on plan assets, except amounts included in interest income | **11,261** | 3,791 |
| Administrative expense | **(305)** | (403) |
| Contributions by plan participants | **212** | 216 |
| Employer contributions | **640** | 531 |
| Benefits paid | **(7,275)** | (5,969) |
| Plan assets at fair value, end of the year | **140,064** | 129,256 |
| **Funded status** | | |
| Plan assets at fair value | **140,064** | 129,256 |
| Defined benefit obligation | **106,741** | 105,993 |
| Plan surplus | **33,323** | 23,263 |
| Effect of asset ceiling | **(6,521)** | (4,049) |
| Net defined benefit asset | **26,802** | 19,214 |

(1) The weighted average duration of the defined benefit obligation is 10 years at August 31, 2026 (11 years at August 31, 2025).

The net defined benefit asset is included in the Corporation's consolidated statements of financial position under *Other Assets*.

### Defined benefit costs recognized in profit or loss

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Recognized in operating expenses (salaries, employee benefits and outsourced services) | | |
| Current service cost | **1,830** | 2,064 |
| Administrative expense | **305** | 403 |
| Recognized in financial expense (other) | | |
| Net interest income | **(871)** | (621) |
| | **1,264** | 1,846 |

**Defined benefit costs recognized in other comprehensive income**

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Actuarial loss (gain) arising from: | | |
| Experience adjustments | **357** | (422) |
| Changes in demographic assumptions | **4,075** | — |
| Changes in financial assumptions | **(3,655)** | (1,141) |
| Return on plan assets, except amounts included in interest income | **(11,261)** | (3,791) |
| Change in asset ceiling, excluding interest | **2,272** | (387) |
| | **(8,212)** | (5,741) |

**Changes in the asset ceiling**

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Balance, beginning of the year | **4,049** | 4,231 |
| Interest on asset ceiling | **200** | 205 |
| Change in asset ceiling, excluding interest | **2,272** | (387) |
| Balance, end of the year | **6,521** | 4,049 |

The Corporation's asset ceiling represents the present value of future economic benefits available in the form of reductions in future contributions.

The expected employer contributions to the Corporation's defined benefit plans should be approximately $0.7 million in 2027.

Plan assets consist of:

| At August 31 | **2026** | 2025 |
|---|---|---|
| | **%** | % |
| Equity securities [1] | **59.3** | 57.9 |
| Debt securities [1] | **22.0** | 22.1 |
| Deposits in trust [2] | **16.8** | 18.2 |
| Real estate | **0.9** | 1.0 |
| Other | **1.0** | 0.8 |
| Total | **100** | 100 |

(1) All equity and debt securities have a quoted price in active markets and do not include securities issued by the Corporation or Cogeco Communications.

(2) Deposits in trust prescribed by the Canada Revenue Agency for funded supplemental employee retirement plans are non-interest bearing.

The significant weighted average assumptions used in measuring the Corporation's defined benefit obligation and defined benefit costs are as follows:

| At August 31 | **2026** | 2025 |
|---|---|---|
| | **%** | % |
| **Defined benefit obligation** | | |
| Discount rate | **5.25** | 4.95 |
| Rate of compensation increase | **3.00** | 3.00 |
| Mortality table | **CPM-2024** | CPM-2014 |
| **Defined benefit costs** | | |
| Discount rate | **5.55** | 5.15 |
| Rate of compensation increase | **3.00** | 3.00 |
| Mortality table | **CPM-2024** | CPM-2014 |

## C) Exposure to actuarial risks

**Investment risk**

The investment strategy of the plans is to diversify the nature of the returns on assets. Given the long-term nature of the defined benefit obligation, a portion of the assets are invested in equity securities in order to maximize return. Since equity securities are inherently volatile and risky, the Corporation sets investment goals, both in terms of asset mix percentage and target return, which are monitored monthly and adjusted as needed.

**Interest rate risk**

A decrease in the interest rate on investment-grade fixed-rate corporate bonds will reduce the discount rate used and increase the present value of the defined benefit obligation. However, the increase in the obligation would be partly offset by an increase in the value of plan investments in debt securities.

**Salary risk**

Active members' expected benefits are linked to their pre-retirement compensation. The present value of the defined benefit obligation is calculated using management's best estimate of the expected rate of compensation increase for plan members. Increasing that assumption would increase the defined benefit obligation.

## D) Sensitivity analysis

The sensitivity analysis of the defined benefit obligation was calculated based on reasonably possible changes to each key actuarial assumption without considering simultaneous changes to several key actuarial assumptions. A change in one actuarial assumption could trigger a change in another actuarial assumption, which could amplify or mitigate the impact of the change in these assumptions on the present value of the defined benefit obligation. The actual results of items subject to estimates may differ.

| **At August 31, 2026** | **Change in assumption** | **Increase in the defined benefit obligation** |
|---|---|---|
| *(In thousands of Canadian dollars, except percentages)* | **%** | **$** |
| Discount rate decrease | 0.25 | 2,969 |
| Expected rate of compensation increase | 0.25 | 141 |

# 24. 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 price risks.

### Credit risk

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

Credit risk from derivative financial instruments arises from the possibility that the counterparties may default on their obligations in instances where these agreements have positive fair values for the Corporation. The Corporation reduces this risk by completing transactions with financial institutions that carry a high credit rating. The Corporation assesses the creditworthiness of the counterparties in order to minimize the risk of counterparties default under the agreements. At August 31, 2026, management believes that the credit risk relating to its derivative financial instruments is minimal, since the lowest credit rating of the counterparties to the agreements is "A" by Standard & Poor's rating services ("S&P"). Management monitors its exposure to financial institutions which is primarily in the form of deposits, derivatives and revolver commitments.

The Corporation has deposited the cash with reputable financial institutions, for which management believes the risk of loss to be remote.

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

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

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Trade accounts receivable | **113,088** | 100,768 |
| Allowance for doubtful accounts | **(7,142)** | (6,610) |
| | **105,946** | 94,158 |
| Other accounts receivable [1] | **69,721** | 54,594 |
| | **175,667** | 148,752 |

(1) Mainly related to receivables from government grants related to subsidized network expansions.

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

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

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Less than 30 days past due | **14,336** | 12,777 |
| 30 to 60 days past due | **3,491** | 5,252 |
| 60 to 90 days past due | **2,270** | 1,172 |
| More than 90 days past due | **1,489** | 1,287 |
| | **21,586** | 20,488 |

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

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Balance, beginning of the year | **6,610** | 5,279 |
| Provision for impaired receivables | **36,602** | 26,666 |
| Net use | **(36,096)** | (25,309) |
| Foreign currency translation adjustments | **26** | (26) |
| Balance, end of the year | **7,142** | 6,610 |

## Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk through the management of its capital structure and access to different capital markets. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure sufficient liquidity to meet its obligations when due.

The following table shows the amount used and remaining availability under the Corporation's and Cogeco Communications' revolving facilities at August 31, 2026:

| | **Total amount** | **Amount used** | **Remaining availability** |
|---|---|---|---|
| **Corporation** | | | |
| Term Revolving Facility | $100.0 million | $56.6 million | $43.4 million |
| **Cogeco Communications** | | | |
| Term Revolving Facility | $750.0 million | $169.5 million | $580.5 million |
| Senior Secured Revolving Facility - U.S. subsidiaries | $346.7 million | $2.9 million | $343.8 million |
| | (US$250.0 million) | (US$2.1 million) | (US$247.9 million) |

The following table summarizes the contractual maturities of the financial liabilities and lease liabilities, and related capital amounts outstanding at August 31, 2026:

| | Contractual cash flows | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2027 | 2028 | 2029 | 2030 | 2031 | Thereafter | Total |
| *(In thousands of Canadian dollars)* | $ | $ | $ | $ | $ | $ | $ |
| Bank indebtedness | 1,735 | — | — | — | — | — | 1,735 |
| Trade and other payables [1] | 398,296 | — | — | — | — | — | 398,296 |
| Notes and credit facilities [2] | 33,972 | 29,812 | 2,049,398 | 10,746 | 958,760 | 1,342,150 | 4,424,838 |
| Lease liabilities | 16,518 | 14,567 | 10,939 | 8,811 | 7,434 | 35,632 | 93,901 |
| Balance due on business combinations | 17,094 | — | — | — | — | — | 17,094 |
| Other liabilities [1] | — | 2,892 | 7 | — | — | — | 2,899 |
| | 467,615 | 47,271 | 2,060,344 | 19,557 | 966,194 | 1,377,782 | 4,938,763 |

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

(2) An amount of $293.5 million of these loan agreements contain debt covenants. Covenant calculations are performed quarterly at each reporting date, as well as on a pro-forma basis when a business combination or disposal takes place. The covenants relate to the maintenance of certain financial ratios primarily linked to adjusted EBITDA and net indebtedness (see Note 24 C) for details). A future breach of covenants implies that the impacted loan agreements become payable on demand, and therefore are required to be repaid earlier than indicated in the above table. The covenants are monitored on a regular basis by the treasury department to ensure compliance with the loan agreements.

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

| | 2027 | 2028 | 2029 | 2030 | 2031 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars)* | $ | $ | $ | $ | $ | $ | $ |
| Interest payments on notes and credit facilities [1] | 263,602 | 261,514 | 139,365 | 123,570 | 70,184 | 103,101 | 961,336 |
| Interest payments on lease liabilities | 3,746 | 3,105 | 2,536 | 2,124 | 1,769 | 7,883 | 21,163 |
| Interest payments on balance due on business combinations | 3,972 | — | — | — | — | — | 3,972 |
| Interest receipts on derivative financial instruments [1] | (48,109) | (27,475) | (5,751) | — | — | — | (81,335) |
| Interest payments on derivative financial instruments [1] | 41,506 | 27,322 | 6,084 | — | — | — | 74,912 |
| | 264,717 | 264,466 | 142,234 | 125,694 | 71,953 | 110,984 | 980,048 |

(1) Based on the principal amounts and interest rates prevailing on the outstanding debt at August 31, 2026 and their respective maturities.

## Interest rate risk

The Corporation and its subsidiary, Cogeco Communications, are exposed to interest rate risk on their floating interest rate instruments. Interest rate fluctuations will have an effect on the repayment of these instruments. At August 31, 2026, all of the Corporation's and Cogeco Communications' long-term debt was at a fixed rate, except for the amounts drawn under the Corporation's Term Revolving Facility and Non-Revolving Term Credit Facility, and under Cogeco Communications' Term Revolving Facility and First Lien Credit Facilities, which are subject to floating interest rates.

To reduce the risk on the floating interest rate instruments and mitigate the impact of interest rate variations, Cogeco Communications' U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at August 31, 2026:

| Type of hedge | Notional amount | Receive interest rate | Pay interest rate [1] | Maturity | Hedged item |
|---|---|---|---|---|---|
| Cash flow | US$550 million | Term SOFR | 3.82% - 4.18% | February 2027 - February 2029 | Senior Secured Term Loan B - Tranche 3 |
| Cash flow [2] | US$600 million | Term SOFR | 1.32% - 3.25% | October 2026 - August 2028 | 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) Out of the US$600 million swap balance, US$400 million is subject to a 39 bps interest rate floor.

The sensitivity of the Corporation's annual financial expense to a 1% increase (decrease) in the interest rate applicable to the unhedged portion of the floating interest rate facilities would represent an increase (decrease) of approximately $12.1 million based on the outstanding debt and swap agreements at August 31, 2026.

## Foreign exchange risk

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

The Corporation's exposure to foreign currency risk in relation to the Canadian operations' current financial assets and liabilities denominated in US dollars, is as follows:

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| **Financial assets (liabilities)** | | |
| Cash | **8,188** | 12,125 |
| Trade and other payables | **(13,006)** | (14,521) |
| | **(4,818)** | (2,396) |

The impact of a 10% increase (decrease) in the exchange rate of the US dollar to the Canadian dollar would affect the measurement of the financial assets and liabilities presented in the table above and therefore increase (decrease) financial expense by approximately $0.5 million based on the outstanding balances at August 31, 2026.

The Corporation is also exposed to foreign exchange risk with respect to the annual interest, amounting to $155.5 million, associated with the notes and credit facilities denominated in US dollars. The impact of a 10% increase (decrease) in the exchange rate of the US dollar to the Canadian dollar would increase (decrease) the annual financial expense by approximately $15.6 million based on the outstanding debt and swap agreements at August 31, 2026.

Furthermore, a foreign currency exposure arises from Cogeco Communications' net investment in its U.S. subsidiary, as a result of the translation of the net investment into the Corporation's functional currency. A portion of Cogeco Communications' net investment in its U.S. subsidiary was hedged by Cogeco Communications' US dollar denominated Senior Secured Notes - Series B, which were designated as hedges of the net investment, while a portion is economically hedged by the U.S. subsidiary's US dollar denominated First Lien Credit Facilities. Following the repayment of the US$150 million Senior Secured Notes - Series B in August 2026, the net investment hedge relationship was discontinued.

The following table shows the aggregate investment in foreign operations attributable to owners of Cogeco Communications and the notional amount of debt designated as a net investment hedge:

| At August 31 | **2026** | 2025 |
|---|---|---|
| | **$** | $ |
| Aggregate investment in foreign operations | **US$425 million** | US$1,433 million |
| Notional amount of debt, designated as a hedge of the foreign net investment | **—** | US$150 million |

The exchange rate used to translate the US dollar currency to the Canadian dollar for the consolidated statement of financial position accounts at August 31, 2026 was $1.3866 ($1.3742 at August 31, 2025) per US dollar. A 10% increase (decrease) in the exchange rate of the US dollar to the Canadian dollar would increase (decrease) other comprehensive income by approximately $58.9 million.

### Market price risk

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

The following table shows the Corporation's equity derivative contracts outstanding at August 31, 2026:

| Type of relationship | Notional | Maturity | Average share price | Hedged item |
|---|---|---|---|---|
| Economic hedge | 79,800 units | January 2027 | $71.59 | Equity price exposure - DSU Plan |

The following table shows Cogeco Communications' equity derivative contracts outstanding at August 31, 2026:

| Type of relationship | Notional | Maturity | Average share price | Hedged item |
|---|---|---|---|---|
| Economic hedge | 132,800 units | January 2027 | $73.19 | Equity price exposure - DSU Plan |
| Economic hedge | 55,300 units | November 2026 | $64.77 | Equity price exposure - ISU / PSU Plans |

At August 31, 2026, the fair value of the equity swaps was $2.9 million and recognized as a liability. As a result of the equity swaps, a 10% change in the market price of the subordinate voting shares would not have a material financial impact on the Corporation's results.

## B) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are estimated at a specific point in time, by discounting expected cash flows at rates for assets and liabilities of the same remaining maturities and conditions. These estimates are subjective in nature and involve uncertainties and significant judgment, and therefore, cannot be determined with precision. In addition, income taxes and other expenses that would be incurred on disposition of these financial instruments are not reflected in the fair values. As a result, the fair values are not necessarily the net amounts that would be realized if these instruments were settled. The Corporation has determined the fair value of its financial instruments as follows:

- The carrying amount of cash, trade and other receivables, bank indebtedness and trade and other payables approximates fair value because of the short-term nature of these instruments;
- The fair value of notes and credit facilities is based on the period-end estimated market yields, or period-end trading values, where available;
- The fair value of derivative financial instruments is estimated using valuation models that reflect projected future cash flows over contractual terms of the derivative financial instruments and observable market data, such as interest and currency exchange rate curves.

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

| At August 31 | **2026** | | 2025 | |
|---|---|---|---|---|
| | **Carrying value** | **Fair value** | Carrying value | Fair value |
| *(In thousands of Canadian dollars)* | **$** | **$** | $ | $ |
| Notes and credit facilities | **4,390,551** | **4,174,525** | 4,604,232 | 4,629,382 |

All financial instruments recognized at fair value on the consolidated statements of financial position must be measured based on the three fair value hierarchy levels, which are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Corporation considers that its derivative financial instruments are classified as Level 2 under the fair value hierarchy.

## 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, bank indebtedness and long-term debt.

The provisions of financing agreements of the Corporation and its subsidiary, Cogeco Communications, provide for restrictions on their activities. Generally, the most significant restrictions relate to permitted investments and dividends on multiple and subordinate voting shares, as well as the maintenance of certain financial ratios primarily linked to adjusted EBITDA and net indebtedness. At August 31, 2026 and 2025, the Corporation and its subsidiary were in compliance with all of their debt covenants and were not subject to any other externally imposed capital requirements.

### Corporation

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

Net indebtedness is a measure used by management to assess the Corporation's financial leverage, as it represents the debt net of the available unrestricted cash and cash equivalents. The reconciliation of net indebtedness to long-term-debt is as follows:

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| **Long-term debt, including the current portion** | **4,501,746** | 4,710,274 |
| Discounts/premiums, transaction costs and other | **34,087** | 47,510 |
| **Long-term debt before discounts/premiums, transaction costs and other** | **4,535,833** | 4,757,784 |
| Bank indebtedness | **1,735** | 3,515 |
| Cash | **(89,487)** | (75,577) |
| **Net indebtedness** | **4,448,081** | 4,685,722 |

### Cogeco Communications

Cogeco Communications monitors and manages its capital structure using a number of measures, including the following key ratio and other financial measure:

| As at, or for the years ended | **August 31, 2026** | August 31, 2025 |
|---|---|---|
| *(In thousands of Canadian dollars, except ratios and percentages)* | **$** | $ |
| **Components of debt ratio** | | |
| Net indebtedness [1] | **4,301,642** | 4,527,171 |
| Adjusted EBITDA [1] | **1,387,916** | 1,442,645 |
| **Debt ratio and other financial measure** | | |
| Fixed-rate indebtedness [2] | **75 %** | 77 % |
| Net indebtedness / adjusted EBITDA | **3.1** | 3.1 |

(1) Net indebtedness reflects the US denominated debt converted at the exchange rate at the end of the period, while adjusted EBITDA reflects the average exchange rate throughout the corresponding 12-month period.

(2) Calculated as the principal on fixed-rate long-term debt divided by the principal on long-term debt.

## D) Categories of financial instruments

| At August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| **Financial assets** | | |
| Financial assets measured and classified at amortized cost | **265,154** | 224,329 |
| Derivative financial instruments in designated hedge relationships | **14,750** | 20,582 |
| | **279,904** | 244,911 |
| **Financial liabilities** | | |
| Financial liabilities measured and classified at amortized cost | **4,824,482** | 5,030,394 |
| Derivative financial instruments in designated hedge relationships | **180** | 12,049 |
| | **4,824,662** | 5,042,443 |

# 25. Related party transactions

## A) Management fees and other related party transactions

Cogeco is the parent company of Cogeco Communications and at August 31, 2026 held 28.4% of Cogeco Communications' equity shares, representing 79.8% of the votes attached to Cogeco Communications' voting shares.

Cogeco provides executive and administrative services to Cogeco Communications under a Management Services Agreement (the "Agreement"). The methodology used to establish the management fees is based on the costs incurred by Cogeco plus a reasonable mark-up. Provision is made for future adjustments upon the request of either Cogeco Communications or the Corporation from time to time during the term of the Agreement. The following table shows the management fees paid by Cogeco Communications:

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Management fees paid by Cogeco Communications | **23,714** | 18,216 |

No direct remuneration is payable to Cogeco's executive officers by Cogeco Communications. The following table provides the number of stock options and PSUs granted during fiscal 2026 and 2025 to these executive officers, as executive officers of Cogeco Communications, as well as DSUs issued to Board directors of Cogeco, the value of which was charged back to Cogeco:

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In number of units)* | | |
| Stock options | **189,845** | 143,978 |
| PSUs | **24,679** | 89,991 |
| DSUs | **—** | 5,011 |

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

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Stock options | **1,038** | 814 |
| ISUs | **84** | 136 |
| PSUs | **2,886** | 1,643 |
| DSUs | **110** | 269 |
| | **4,118** | 2,862 |

At August 31, 2026, the Corporation had a $0.2 million payable to Cogeco Communications ($1.9 million payable at August 31, 2025).

## B) Compensation of key management personnel

Key management personnel is comprised of the members of the Board and of the Management Committee of the Corporation. The following table summarizes the amounts recognized as an expense related to the Corporation's key management personnel:

| Years ended August 31 | **2026** | 2025 |
|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | $ |
| Salaries and other short-term employee benefits | **9,789** | 9,755 |
| Share-based payments and post-employment benefits | **9,857** | 8,832 |
| | **19,646** | 18,587 |

In addition, during fiscal 2025, the Corporation recognized $2.3 million of compensation expense within *Acquisition, integration, restructuring and other costs* in connection with the terms of the separation agreement of certain key management personnel.

# 26. Commitments, contingencies and guarantees

## A) Commitments

The following table presents the Corporation's commitments that are not recognized as liabilities at August 31, 2026, and are due in each of the next five years and thereafter:

| | 2027 | 2028 | 2029 | 2030 | 2031 | Thereafter |
|---|---|---|---|---|---|---|
| *(In thousands of Canadian dollars)* | **$** | **$** | **$** | **$** | **$** | **$** |
| Acquisition of property, plant and equipment [1] | **83,599** | **2,258** | **477** | **352** | **—** | **—** |
| Other long-term contracts [2] | **81,683** | **74,778** | **70,751** | **42,893** | **43,198** | **38,672** |
| Leases committed not yet commenced | **604** | **53** | **54** | **55** | **56** | **—** |
| | **165,886** | **77,089** | **71,282** | **43,300** | **43,254** | **38,672** |

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

(2) Includes long-term commitments under service and product contracts for operating expenditures, including under the strategic partnerships agreements entered into by the Corporation in order to facilitate the offering of wireless services under a capital-light operating model.

At August 31, 2026, the Corporation had $157.9 million of performance and payment bonds outstanding related to subsidized network expansion projects, issued in accordance with the rules established by Infrastructure Ontario in connection with Ontario's Accelerated High Speed Internet Program (AHSIP).

## B) Contingencies

**Final rates for aggregated wholesale Internet access services**

The CRTC has been in the process of reviewing wireline wholesale rates since 2023 through several costing and related processes. On April 24, 2026, the CRTC set final wholesale rates that competitors must pay for aggregated wholesale access to the fibre-to-the-premises ("FTTP") networks of Bell Canada ("Bell"), Telus Communications Inc. ("Telus") and SaskTel. Cable carriers, including Cogeco Communications, are not required to provide aggregated access to their FTTP facilities. However, they must provide access to their hybrid fibre-coaxial facilities. Wholesale rates for aggregated access to these facilities have been interim since March 2023, and the CRTC has not yet issued a decision establishing final rates. On June 5, 2026, the CRTC requested that cable carriers file new cost studies to establish aggregated wholesale high-speed access ("HSA") rates. A significant reduction in rates could have a material negative impact on the Corporation's revenue and market share, from a wholesale perspective as well as a retail perspective. The Corporation may also be required to reimburse its wholesale business customers retroactively back to 2023 if the final rates are lower than the interim rates and made retroactive.

**Class action proceedings**

On September 20, 2024, an application seeking authorization to commence a class action against Cogeco Connexion was filed before the Superior Court of Québec. The application alleges that Cogeco Connexion breached Québec's *Consumer Protection Act* by failing to properly notify Québec-based residential customers of rate increases since September 20, 2021, and seeks reimbursement of the rate increases and punitive damages. On December 5, 2025, the Superior Court of Québec authorized the class action and on September 25, 2026, the class action was suspended until January 6, 2027 to allow for a mediation process to take place. Due to the significant uncertainty surrounding the outcome and its financial implications, the Corporation has not recorded any liability as at August 31, 2026.

**Royalties payable for retransmission of distant television signals**

The Copyright Board has initiated a proceeding to set the quantum of royalties payable for the retransmission of distant Canadian and U.S. television over-the-air signals in Canada, for the 2019-2028 period. Any decision from the Copyright Board that would align with the copyright collectives' proposed tariff rates for this period could result in Cogeco Communications being subject to higher royalty rates. The Corporation has recognized a provision in connection with this matter in its consolidated statement of financial position as of August 31, 2026 (see Note 17).

### Other

The Corporation and its subsidiaries are involved in matters involving litigation, other regulatory decisions or potential claims from customers, suppliers or other third parties arising out of the ordinary course and conduct of its business. Although the outcome of such matters cannot be predicted with certainty, management does not consider these exposures to be significant to these consolidated financial statements. At August 31, 2026 and 2025, no liability has been recorded with respect to these litigations, other regulatory decisions and potential claims, except for those included in Note 17.

## C) Guarantees

In the normal course of business, the Corporation provides indemnification in conjunction with certain transactions. While many of the agreements specify a maximum potential exposure, some do not specify a maximum amount. The overall maximum amount of an indemnification obligation will depend on future events and conditions and therefore cannot be reasonably estimated. As a result, the Corporation cannot determine how they could affect its future liquidity, capital resources or credit risk profile. At August 31, 2026 and 2025, no liability has been recorded with respect to these indemnifications, except for those disclosed in Note 17.

### Sale of a business

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

### Employees and contractual indemnification agreements

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

### Sale of services

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

### Purchase and development of assets

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

# 27. Non-monetary transactions

During fiscal 2026, the Corporation's subsidiary, Cogeco Media, entered into non-monetary transactions. Revenue and operating expenses from these transactions were $2.1 million and $2.2 million, respectively, for both fiscal 2026 and 2025.

# Glossary of selected industry terms

**5G Networks:** The fifth generation of wireless communication technology and most advanced standard in mobile networks, succeeding 4G. 5G provides significantly faster data speeds, lower latency, and enhances capacity to support a greater number of devices simultaneously.

**2500 MHz, 3500 MHz and 3800 MHz bands:** Wireless spectrum frequency bands and their associated bandwidths used by telecommunications providers. These frequencies are considered to be mid-band spectrum.

**26 GHz and 38 GHz bands:** Wireless spectrum frequency bands and their associated bandwidths allocated to telecommunications providers and due to be made available through an upcoming auction by ISED Canada. These frequencies are considered to be millimetre wave spectrum.

**ARPU (Average Revenue Per User):** The total revenue divided by the average number of users or subscribers during a given time period.

**Bandwidth capacity:** The maximum capacity of data over a specified time that can be transmitted over a fixed line or wireless Internet connection.

**Broadband:** A communications service that provides faster and more reliable data transmission of video, audio and online content, at higher speeds.

**Broadcasting Distribution Undertakings (BDUs):** An undertaking to distribute video and/or audio broadcasting to subscribers predominantly over closed transmission paths.

**Bundling:** Various combinations of Internet, video and phone (wireline and/or wireless) services offered to subscribers.

**BYOD (Bring Your Own Device):** A policy that allows customers to use the devices they already have with new communications services, such as wireless.

**DOCSIS (Data Over Cable Service Interface Specification):** CableLabs' non-proprietary industry standard that delivers Internet and business services over HFC (hybrid fibre-coaxial) networks.

**Churn:** The percentage of subscribers who discontinue their subscription to a service during a given time period.

**Cloud-based:** The ability to deliver computing services/resources while the software, data and services are hosted in data centers.

**CPE (Customer Premise Equipment):** Equipment located at the subscribers' commercial or residential premises.

**CRTC (Canadian Radio-television and Telecommunications Commission):** A Canadian federal independent administrative tribunal that regulates and supervises broadcasting and telecommunications. It reports to Parliament through the Minister of Canadian Heritage.

**Direct-to-Device (D2D) Satellite Technology:** A service that allows unmodified mobile phones to communicate directly with non-terrestrial satellite networks for text, emergency SOS, and data without needing specialized external hardware or external antennas.

**Federal Communications Commission (FCC):** An independent U.S. government agency overseen by Congress that is the federal agency responsible for implementing and enforcing communications law and regulations.

**Footprint:** The geographic area designated by the cable service provider as being the area in which it offers wireline cable services.

**FTTH (Fibre-to-the-Home):** A high-speed broadband Internet service delivery technology that provides symmetrical Internet connectivity using optical fibre cables directly connected to residential homes.

**FWA (Fixed Wireless Access):** A technology which provides high-speed Internet access and other communication services without the need for wired connections as wireless devices or systems are used instead.

**Gbps:** Defined as a billion bits per second and is a term that is a measure of bandwidth on a digital data transmission medium such as optical fibre, coaxial cable, or a wireless connection.

**Homes passed:** The number of serviceable homes and businesses which can be connected to the Corporation's broadband distribution network in the geographic area where the Corporation's wireline services are offered.

**Hybrid Fibre-Coaxial (HFC) Telecommunications Distribution Networks:** A technology in which fibre optic and coaxial cables are both used in a network to carry broadband content from a distribution facility to a subscriber premise.

**Internet service subscribers:** Internet service subscribers include only subscribers who have their Internet service installed, operated and billed directly by the Corporation.

**IP (Internet Protocol):** A packet-based computer network protocol for sending and receiving data across networks.

**IPTV (Internet Protocol Television):** Television subscription services that are delivered over the Internet.

**ISED Canada (Innovation, Science and Economic Development Canada):** The ministry of the Canadian federal government that is responsible for spectrum management in Canada, including developing national policies for spectrum utilization and ensuring effective management of the radio frequency spectrum resource.

**LEO (Low Earth Orbit) Satellite:** An artificial spacecraft that orbits close to Earth (160 to 2,000 km high) at very high speeds and having a relatively short lifespan of as little as three to five years. Often used to provide Internet service to rural or remote locations.

**Make-ready work:** To prevent the risk of outages or other issues, poles may require strengthening and lines on utility poles must be spaced a certain distance apart from each other depending on how many lines are on a pole.

**Mbps:** Defined as millions of bits per second and is a term that is a measure of bandwidth on a digital data transmission medium such as optical fibre, coaxial cable, or a wireless connection.

**MVNO (Mobile Virtual Network Operator):** A wireless communications service provider that sells mobile services under its own brand name using the network of a licensed mobile operator.

**Passive Optical Networking (PON):** Uses fibre-optic technology to deliver data from a single source to multiple endpoints. "Passive" refers to the use of optical fibre wires connected to an unpowered splitter, which in turn transmits data from a service provider network to multiple customers.

**Primary service units:** Represents the total number of Internet, video and wireline phone services subscribed to by customers. Primary service units include only subscribers who have their services installed, operated and billed directly under the Cogeco and oxio brands in Canada and Breezeline and welo brands in the United States. Primary service units exclude services sold under third-party brands, as well as mobile phone service subscribers due to wireless services' early stage of development.

**Roaming:** A service offered by a wireless carrier that allows a subscriber to use their device while in the service area of another wireless carrier.

**Spectrum:** Radio frequency bands and channels used by telecommunications providers when transmitting voice, data and video.

**TPIA (Third Party Internet Access) Service:** A regulatory framework that mandates telecommunications companies sell access to their network infrastructure to other service providers at regulated rates and under specific terms and conditions set by the CRTC.

**Underserved and unserved rural areas:** Areas identified by governments, as part of the broadband coverage information they collect, where some or no households have Internet connection with access to broadband speeds of generally at least 50 Mbps download and 10 Mbps upload.

**Video on Demand (VOD) services:** A technology that allows customers/subscribers to choose and watch a selection of movies or other recorded programs at any time from their computers, televisions or other digitally-connected devices.

**VoIP Technology (Voice over Internet Protocol):** Technology that enables voice communication over the Internet, converting analog voice signals into digital data packets.

# Investor information

## Cogeco Communications' credit ratings

| At August 31, 2026 | 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+ (stable outlook)** | **BB (high) (stable)** | **NR** |
| **U.S. subsidiaries** | | | |
| First Lien Credit Facilities | **BB** | **NR** | **B1 (stable outlook)** |
| Corporate credit issuer rating | **BB (stable outlook)** | **NR** | **B1 (stable outlook)** |

**NR :** Not rated

## Share information

| At August 31, 2026 | | Registrar / Transfer agent |
|---|---|---|
| Number of multiple voting shares (20 votes per share) outstanding | **1,602,217** | Computershare Trust Company of Canada<br>320 Bay Street<br>14th Floor<br>Toronto, ON M5H 4A6<br>Tel.: 514-982-7555<br>Tel.: 1-800-564-6253<br>Fax: 416-263-9394 |
| Number of subordinate voting shares (1 vote per share) outstanding | **8,040,562** | |
| Stock exchange listing | The Toronto Stock Exchange | |
| Trading symbol | CGO | |

## Dividends

### Dividend declaration

At its October 28, 2026 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of $1.007 per share for multiple and subordinate voting shares, payable on November 25, 2026 to shareholders of record on November 11, 2026. 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.

# Primary service units statistics

| | August 31, 2026 | May 31, 2026 | February 28, 2026 | November 30, 2025 | August 31, 2025 |
|---|---|---|---|---|---|
| **CONSOLIDATED** | | | | | |
| **Homes passed** [1] | **3,976,015** | 3,966,176 | 3,957,412 | 3,932,581 | 3,927,610 |
| **Primary service units** [2] | **2,754,529** | 2,776,462 | 2,794,210 | 2,818,088 | 2,836,254 |
| **Internet service subscribers** | **1,561,955** | 1,561,785 | 1,561,469 | 1,562,003 | 1,554,236 |
| **Video service subscribers** | **754,473** | 767,998 | 778,974 | 795,130 | 812,928 |
| **Wireline phone service subscribers** | **438,101** | 446,679 | 453,767 | 460,955 | 469,090 |
| **CANADA** | | | | | |
| **Homes passed** | **2,155,618** | 2,149,675 | 2,146,451 | 2,130,622 | 2,129,525 |
| **Primary service units** [2] | **1,838,875** | 1,842,408 | 1,853,632 | 1,865,999 | 1,874,071 |
| **Internet service subscribers** | **968,016** | 956,506 | 951,718 | 947,079 | 938,166 |
| **Video service subscribers** | **539,043** | 547,644 | 557,097 | 567,941 | 578,761 |
| **Wireline phone service subscribers** | **331,816** | 338,258 | 344,817 | 350,979 | 357,144 |
| **UNITED STATES** | | | | | |
| **Homes passed** [1] | **1,820,397** | 1,816,501 | 1,810,961 | 1,801,959 | 1,798,085 |
| **Primary service units** [2] | **915,654** | 934,054 | 940,578 | 952,089 | 962,183 |
| **Internet service subscribers** | **593,939** | 605,279 | 609,751 | 614,924 | 616,070 |
| **Video service subscribers** | **215,430** | 220,354 | 221,877 | 227,189 | 234,167 |
| **Wireline phone service subscribers** | **106,285** | 108,421 | 108,950 | 109,976 | 111,946 |

(1) During the fourth quarter of fiscal 2026, homes passed were adjusted following a review of the calculation of American homes passed. This change has been applied retrospectively to the comparative figures.

(2) Primary service units include only subscribers who have their services installed, operated and billed directly under the Cogeco and oxio brands in Canada and Breezeline and welo brands in the United States. Primary service units exclude services sold under third-party brands, as well as mobile phone service subscribers due to wireless services' early stage of development.

# Board of Directors and senior leadership team

As of October 28, 2026

## Board of Directors

✪ **LOUIS AUDET**

Board Chair of Cogeco and Cogeco Communications

✪■♦ **JAMES CHERRY**

Lead Director of Cogeco and Cogeco Communications

Corporate Director

**ÉMILIE AUDET**

Agile Delivery Lead of Cogeco and Cogeco Communications

● **ROBIN BIENENSTOCK**

Corporate Director

●■ **SAMIH ELHAGE**

Chief financial and Operating Officer of Humain (an AI company)

■ **MICHAEL HANLEY**

Corporate Director

●♦ **BERNARD LORD**

Chief Executive Officer of Medavie (Canadian insurance company)

**FRÉDÉRIC PERRON**

President and Chief Executive Officer of Cogeco and Cogeco Communications

**Legend:**

✪ Attends as an observer and participates in meetings of all the committees

● Member of the Audit Committee

■ Member of the Human Resources Committee

♦ Member of the Corporate Governance Committee

## Senior leadership team

**FRÉDÉRIC PERRON**

President and Chief Executive Officer

**CAROLINE JAMET**

President, Cogeco Media

**NANCY AUDETTE**

Chief Growth Officer

**SEAN BRUSHETT**

Chief Operations Officer

**PAUL COWLING**

Chief Legal and Corporate Affairs Officer and Secretary

**TIM DINESEN**

Chief Technology and Information Officer

**LINDA GILLESPIE**

Chief Human Resources Officer

**BART NICKERSON**

Chief Commercial Officer

**PATRICE OUIMET**

Chief Financial Officer

# Corporate and other information

**Corporate head office**
1 Place Ville Marie
Suite 3301
Montréal (Québec)
H3B 3N2
corpo.cogeco.com

**Auditors**
Deloitte LLP
1190 Avenue des Canadiens-de-Montréal
Suite 500
Montréal (Québec)
H3B 0M7

**Legal counsel**
Stikeman Elliott LLP
1155 René-Lévesque Blvd. West
Suite 4100
Montréal (Québec)
H3B 3V2

**Transfer agent for subordinate and multiple voting shares, and trustee for senior secured notes**
Computershare Trust Company of Canada

**Quarter ends**
November, February, May

**Year end**
August 31

**Annual meeting**
January 14, 2027
Additional information on Cogeco Inc. and press releases are available on the Corporation's website at:
corpo.cogeco.com

## Subsidiaries information

COGECO CONNEXION

1 Place Ville Marie
Suite 3301
Montréal (Québec)
H3B 3N2
www.cogeco.ca

breezeline

10785 Marks Way
Miramar, FL 33025
www.breezeline.com

COGECO COMMUNICATIONS

1 Place Ville Marie
Suite 3301
Montréal (Québec)
H3B 3N2
corpo.cogeco.com

COGECO MEDIA

1100-800 De La Gauchetière Street West
Montréal (Québec)
H5A 1M1
www.cogecomedia.com

## Inquiries

The Annual Report, Annual Information Form, Quarterly Reports and Information Circular are available in the "Investors" section of the Corporation's website (corpo.cogeco.com), on SEDAR+ (www.sedarplus.ca) or upon request by calling 514 764-4600.

*Des versions françaises du rapport annuel, de la notice annuelle, des rapports trimestriels et de la circulaire d'information sont disponibles sous la section « Investisseurs » du site Internet de la société (corpo.cogeco.com), sur SEDAR+ (www.sedarplus.ca) ou sur demande au 514 764-4600.*

### Investors and analysts

For all matters related to investor relations, please contact:

**Troy Crandall**

Head, Investor Relations

514 764-4600

troy.crandall@cogeco.com

## Shareholders

For any inquiries regarding a change of address or a change of registration of shares, please contact Computershare Trust Company of Canada. For any other inquiries please refer to the Shareholder Engagement Policy which can be found on the "Information for Shareholders" section on the Corporation's website at corpo.cogeco.com.

## Duplicate communications

Some shareholders may receive more than one copy of publications such as Quarterly Reports and the Annual Report. Every effort is made to avoid such duplication. Shareholders who receive duplicate mailings should advise Computershare Trust Company of Canada.

## Ethics line

Cogeco Inc. makes available an anonymous and confidential Ethics Line for its employees and the employees of all of its business units and other individuals who wish to report any perceived or actual instances of violations of the Cogeco Code of Ethics (including complaints regarding accounting, internal controls over financial reporting and audit matters). The Ethics Line is operated by a specialized external provider that is independent of Cogeco Inc. Reports can be made through secured confidential toll-free telephone lines or the website described below. All reports submitted through the Ethics Line will be examined by the Vice President, Internal Audit and/or the Chief Legal and Corporate Affairs Officer and Secretary. Individuals will be protected from dismissal or retaliation of any kind for reporting truthfully and in good faith.

By telephone:

**Canada or United States:** **1 877 706-2640**

Website of ClearView Connects: www.clearviewconnects.com

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