

Powered
by boldness
for a connected
future.



2025 ANNUAL REPORT

A world of your **very own**

Profile

Cogeco Inc. is a North American leader in the telecommunications and media sectors. Through Cogeco Communications Inc., we provide world-class Internet, 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).

Powered by boldness for a connected future

For nearly 70 years, Cogeco has been guided by our purpose to connect people, communities, and businesses. This year, we completed the crucial first year of our three-year transformation program—a bold undertaking propelling us towards a more connected future. Through the significant advancements and progress we have made across our operations, we have further enhanced how we serve our customers across North America.

Fiscal 2025 marked a pivotal moment for our business, as we significantly expanded our wireless service by officially launching it in Canada, positioning us for sustainable future growth and increasing shareholder value. This bold expansion strengthens our competitive position in North American telecommunications and will provide additional wireless choice to millions of Canadian consumers.

We have now shifted into the second phase of our transformation, focusing on momentum and impact, driven by our talented unified Canadian and American teams, who have demonstrated great agility, innovation and collaboration to catalyze this phase of our journey. We are continuing to invest in digitization and analytics, which have helped create a more seamless customer experience, a variety of tailored offerings, and an enhanced employee experience.

As we look ahead, we recognize the pace of change in our environment will continue to accelerate and are confident that our three-year transformation program will enable us to keep our strong footing. Combining our agility, boldness, and customer-first mindset, along with our unwavering commitment to our employees and the communities we serve, we will continue to adapt and thrive as we continue to bring people together through powerful communications and entertainment experiences now and in the future.

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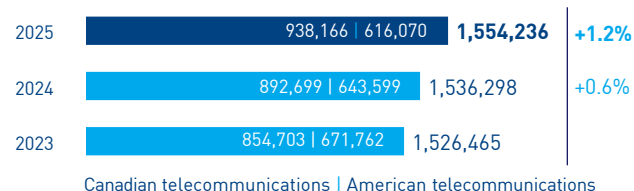
Fiscal 2025 financial performance

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

Homes passed¹



Internet service subscribers



Revenue



Adjusted EBITDA²



Profit for the year

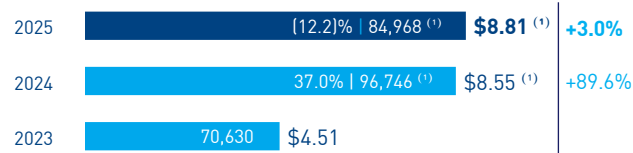


(1) During the fourth quarter of fiscal 2025, homes passed were adjusted following an exhaustive review of the calculation of American homes passed. This change has been applied retrospectively to the comparative figures.

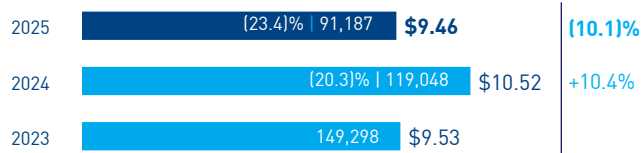
(2) Adjusted EBITDA is a total of segments measure. This indicated term does not have a standardized definition prescribed by IFRS[®] Accounting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and therefore, may not be comparable to similar measures 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 2025 MD&A, available on SEDAR+ at www.sedarplus.ca. Fiscal 2023 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 2024 annual MD&A, available on SEDAR+ at www.sedarplus.ca.

(3) Profit for the year includes reorganization costs related to the combination of the Canadian and U.S. management teams and other operational improvements.

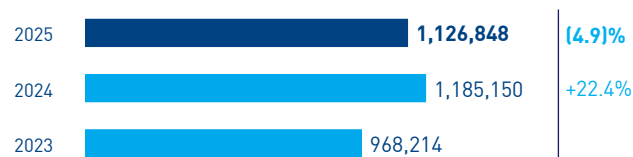
Profit attributable to owners of the Corporation and diluted earnings per share



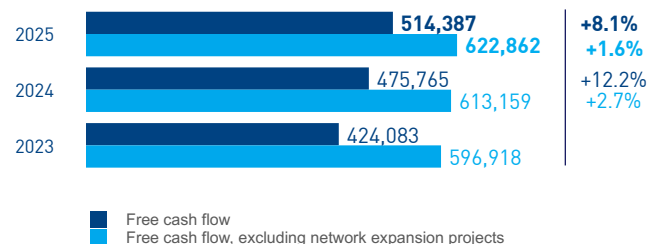
Adjusted profit attributable to owners of the Corporation² and adjusted diluted earnings per share²



Cash flows from operating activities



Free cash flow^{2,3} and free cash flow, excluding network expansion projects^{2,3}



Free cash flow
Free cash flow, excluding network expansion projects

Dividend per share



- (1) Profit attributable to owners of the Corporation and diluted earnings per share include 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 2025 MD&A, available on SEDAR+ at www.sedarplus.ca. Additional fiscal 2023 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 2024 annual MD&A, available on SEDAR+ at www.sedarplus.ca.
- (3) During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment, which includes proceeds from sale and leaseback transactions. Comparative figures were restated to conform to the current presentation. For further details, please refer to the "Non-IFRS Accounting Standards and other financial measures" section of the fiscal 2025 MD&A.

Financial highlights

Years ended August 31	2025	2024	Change	Change in constant currency ⁽¹⁾ ⁽²⁾
<i>(In thousands of Canadian dollars, except % and per share data)</i>	\$	\$	%	%
Operations				
Revenue	3,008,101	3,073,985	(2.1)	(3.3)
Adjusted EBITDA ⁽²⁾	1,452,901	1,454,817	(0.1)	(1.3)
Acquisition, integration, restructuring and other costs ⁽³⁾	25,290	63,298	(60.0)	
Impairment of property, plant and equipment	2,433	15,229	(84.0)	
Profit for the year	335,165	349,381	(4.1)	
Profit for the year attributable to owners of the Corporation	84,968	96,746	(12.2)	
Adjusted profit attributable to owners of the Corporation ⁽²⁾⁽⁴⁾	91,187	119,048	(23.4)	
Cash flow				
Cash flows from operating activities	1,126,848	1,185,150	(4.9)	
Free cash flow ⁽²⁾	514,387	475,765	8.1	7.4
Free cash flow, excluding network expansion projects ⁽²⁾	622,862	613,159	1.6	0.9
Acquisition of property, plant and equipment	599,294	664,004	(9.7)	
Net capital expenditures ⁽²⁾⁽⁵⁾	591,398	642,747	(8.0)	(9.3)
Net capital expenditures, excluding network expansion projects ⁽²⁾	482,923	505,353	(4.4)	(6.0)
Per share data ⁽⁶⁾				
Earnings per share				
Basic	8.94	8.63	3.6	
Diluted	8.81	8.55	3.0	
Adjusted diluted ⁽²⁾⁽⁴⁾	9.46	10.52	(10.1)	
Dividends per share	3.688	3.416	8.0	

(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, 2024, the average foreign exchange rate used for translation was 1.3606 USD/CND.

(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 2025 MD&A, available on SEDAR+ at www.sedarplus.ca.

(3) For the year ended August 31, 2025, acquisition, integration, restructuring and other costs were mainly related to additional restructuring costs incurred in connection with certain cost optimization initiatives undertaken, and costs associated with the configuration and customization related to cloud computing and other arrangements, 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 of a building in Ontario. For the year ended August 31, 2024, acquisition, integration, restructuring and other costs were mostly related to restructuring costs recognized during the second half of the year in connection with the strategic transformation announced in May 2024 and other cost optimization initiatives.

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

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

(6) Per multiple and subordinate voting share.

As at	August 31, 2025	August 31, 2024
<i>(In thousands of Canadian dollars, except %)</i>	\$	\$
Financial condition		
Cash and cash equivalents	75,577	77,746
Total assets	9,786,463	9,773,739
Long-term debt		
Current	45,543	370,108
Non-current	4,664,731	4,594,057
Net indebtedness ⁽¹⁾	4,685,722	4,957,594
Equity attributable to owners of the Corporation	862,951	810,437
Return on equity ⁽²⁾	10.2 %	11.1 %

(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, 2025, available on SEDAR+ at www.sedarplus.ca.

(2) Return on equity is a supplementary financial measure and is calculated as profit attributable to owners of the Corporation for the year divided by the average of the equity attributable to owners of the Corporation for the year.

MESSAGE TO SHAREHOLDERS

"Fiscal 2025 was a year of decisive action and meaningful progress for Cogeco. Amidst rapid industry changes and intensifying competition, we followed through on our commitment to connect communities across our Canadian and U.S. markets through high-quality communication services and entertainment options."

- Louis Audet



Message from the Chairman of the Board

Fiscal 2025 was a year of decisive action and meaningful progress for Cogeco. Amidst rapid industry changes and intensifying competition, we followed through on our commitment to connect communities across our Canadian and U.S. markets through high-quality communication services and entertainment options. Our focus on agility, innovation and boldness enabled us to deliver sustainable value to our stakeholders.

This year marked the first year of our three-year transformation program, which is already delivering a stronger Cogeco. We have optimized and streamlined key operational processes, invested in digital tools, and empowered our teams. These efforts have resulted in better services to our customers and enriched experiences for our employees. We continue to pursue long-term growth through innovation, financial discipline, and a firm commitment to delivering the best services possible to our customers.

One of our most significant achievements this year was the launch of Cogeco's wireless service offering in Canada. Building on the learnings of our existing wireless operation in the U.S., this is an exciting new chapter for us in so many ways.

In Québec, our top-tier radio stations at Cogeco Media continued to excel at informing and entertaining listeners.

At the core of Cogeco's operations is a foundational commitment to community service, robust corporate governance, and environmental stewardship. In fiscal 2025, Cogeco was honoured to be recognized as one of the World's Most Sustainable Companies by TIME. Furthermore, we were honoured to be recognized by Corporate Knights as one of the world's 100 most sustainable companies for the sixth consecutive year.

I am deeply grateful to Frédéric, the senior leadership team and

all Cogeco employees for their unwavering commitment to operational excellence, customer service, and shareholder value. I also want to acknowledge and thank Cogeco's Board of Directors for their insights and dedication to maintaining robust governance standards and stewardship.

The trust and support of our customers, employees and shareholders remains the bedrock of our success. As we look to the future, we do so with confidence in our strategy, optimism for the future, and a steadfast commitment to rewarding your investment and trust.



LOUIS AUDET
Chairman of the Board

Message from the President and CEO

Fiscal 2025 was a pivotal year for Cogeco, where we entered the Canadian wireless sector and continued to strengthen our position as a growing competitive force in North American telecommunications.

As a leading player with 1.6 million subscribers across Canada and the U.S., we are dedicated to providing high-quality connectivity to the communities we serve, actively bridging the digital divide in remote, rural, and underserved and unserved areas.

Cogeco's subsidiary, Cogeco Media, operates one of Québec's largest radio networks. Our 21 stations are reaching close to 4.5 million listeners weekly, further connecting communities.

Sustained growth through bold ambitions

Over the course of the first year of our transformation program, we strategically focused on operational efficiencies across the Corporation. As a result, we were able to grow our margins and free cash flow, even as we faced top-line headwinds.

We added over 47,000 new homes passed in Canada and the U.S., mainly through fibre expansions. Understanding the vital role that strong connectivity plays in building communities, we further invested in making improvements to our products and services, including faster Internet speeds, improved reliability, and streamlined customer service options.

During fiscal 2025, Cogeco continued to make shareholder value creation a top priority by investing prudently in our business, improving our balance sheet, building a base for future growth and returning capital to shareholders through a sustainable dividend growth policy.

From transformation to momentum

Our transformation program is focused on strategic pillars to deliver lasting and sustainable growth:

1 - DRIVE SYNERGIES - We are driving significant organizational synergies, streamlining processes and accelerating cross-border collaboration between our newly combined U.S. and Canadian teams.

2 - INCREASE DIGITIZATION - We continue to leverage innovative technologies to digitize our sales and service interactions and manage our customer base, with the goal of enhancing customers' user experience and revenue generation. This has led to year-over-year increases in customer satisfaction across both markets.

3 - ACCELERATE ADVANCED ANALYTICS - We are intensifying the use of advanced tools and artificial intelligence, to enhance customer management, network activities and employee experience.

4 - COMPLETE NETWORK EXPANSION - Our network expansion efforts continue to connect individuals, families, and businesses, particularly in underserved communities. Having completed our Québec network expansion program in fiscal 2024, we are now advancing Ontario's network expansion efforts.

5 - RAMP-UP WIRELESS - After launching Breezeline Mobile in fiscal 2024, fiscal 2025 marked the official launch of Cogeco Mobile in Canada. This expansion, built on strategic partnerships and a capital-light MVNO model, offers competitive mobile plans to new and existing Cogeco Internet subscribers.

6 - TRANSFORM OUR RADIO BUSINESS

- Cogeco Media successfully navigated a challenging radio advertising market to achieve stable revenue this fiscal year. This was driven by the continued expansion of our digital advertising solutions and strong listener engagement. As a leader in local journalism, we remain committed to providing multi-platform audio content and are strategically investing in the digital transformation of our radio business.

United for a connected future

Fiscal 2025 was marked by both significant achievements and evolving industry dynamics. Cogeco's distinctiveness lies in the unwavering commitment and adaptability of our team members. Our collective resilience, innovative spirit, and dedication to customers and stakeholders have not only enabled us to navigate current challenges, but also to boldly shape the industry's future.

Our progress is a testament of our team's dedication, and the power and promise of our ongoing transformation program, which positions Cogeco to seize new opportunities, overcome challenges, and deliver lasting value. I want to thank our shareholders for their trust, our team members for their commitment, and our board for their continued confidence as we chart an ambitious course toward an even bolder and brighter future.



FRÉDÉRIC PERRON
President & Chief Executive Officer



Fiscal 2025 in review



« Launched our Canadian wireless services

After our successful rollout in the U.S. in 2024, we launched wireless services in Canada, building on our commitment to provide consumers more choice.

Accelerated the digital transformation of our radio business



We continued to drive the digital transformation of our radio business, adapting to the evolving listening habits of our audience to ensure sustained impact.



Enhanced the customer experience »

Through strategic investments, we further improved our products and services, delivering faster Internet speeds, enhanced reliability, streamlined customer service, and a variety of IPTV offerings, to strengthen connectivity in the communities we serve.



« Expanded our fibre reach

We further expanded our network, adding over 47,000 new homes passed in Canada and the U.S., mainly using fibre-to-the-home technology. Some expansions were done through partnerships with local and federal governments, underscoring our dedication to providing high-speed Internet access to previously underserved and unserved communities.

Invested in our people »

We are fostering growth opportunities for our employees by launching AI training, establishing dedicated Agile teams to boost innovation and synergies, and enhancing leadership capabilities, all while cultivating an inclusive workplace through our employee-led resource groups.



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

MD&A

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1. Forward-looking statements

Certain statements contained in this Management's Discussion and Analysis ("MD&A") constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco Inc.'s ("Cogeco" or the "Corporation") future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee"; "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements relating to the Corporation's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, purchase price allocation, tax rates, weighted average cost of capital, performance and business prospects and opportunities, which Cogeco believes are reasonable as of the current date. Refer in particular to the "Corporate objectives and strategy" and "Fiscal 2026 financial guidelines" sections of the current MD&A for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements. While management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what Cogeco currently expects. These factors include risks such as general market conditions, competitive risks (including changing competitive and technology ecosystems and disruptive competitive strategies adopted by our competitors), business risks, regulatory risks (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 and the threat of cybersecurity), financial risks (including variations in currency and interest rates), economic conditions (including inflation pressuring revenue, trade tariffs, reduced consumer spending and increasing costs), talent management risks (including the highly competitive market for a limited pool of digitally skilled employees), human-caused and natural threats to the Corporation's network (including increased frequency of extreme weather events with the potential to disrupt operations), infrastructure and systems, sustainability and sustainability reporting risks, ethical behavior risks, ownership risks, litigation risks and public health and safety, many of which are beyond the Corporation's control. Moreover, the Corporation's radio operations are significantly exposed to advertising budgets from the retail industry, which can fluctuate due to increased competition and changing economic conditions. For more exhaustive information on these risks and uncertainties, the reader should refer to the "Uncertainties and main risk factors" section of the current MD&A. These factors are not intended to represent a complete list of the factors that could affect Cogeco and future events and results may vary significantly from what management currently foresees. The reader should not place undue importance on forward-looking information contained in this MD&A and the forward-looking statements contained in this MD&A represent Cogeco's expectations as of the date of this MD&A (or as of the date they are otherwise stated to be made) and are subject to change after such date. While management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

All amounts are stated in Canadian dollars unless otherwise indicated. This report should be read in conjunction with the Corporation's consolidated financial statements and the notes thereto prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") for the year ended August 31, 2025.

In preparing this MD&A, the Corporation has taken into account information available up to October 29, 2025, 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 under the Breezeline brand in thirteen U.S. states: Connecticut, Delaware, Florida, Maine, Maryland, Massachusetts, New Hampshire, New York, Ohio, Pennsylvania, South Carolina, Virginia and West Virginia.

The following services represent our core suite of offerings:

Internet services: We offer a wide range of Internet packages with top download speeds of up to 2 Gbps in Canada, 1 Gbps in the United States, and up to 10 Gbps for commercial subscribers in both countries. We also offer best-in-class managed Wi-Fi, with home Wi-Fi solutions. These solutions improve the overall customer experience by providing expanded Wi-Fi coverage with enhanced reliability and consistent speed in every area of the home. Both Cogeco Connexion and Breezeline's home Wi-Fi solutions include self-installation options.

Video services: We offer our subscribers a full array of video services and programming offerings, including through an Internet protocol television ("IPTV") service, branded EPICO in Canada and Breezeline Stream TV in the U.S. Our subscribers have access to a basic service, various tier packages, video on demand ("VOD") services, advanced video services and pay-per-view ("PPV") channels for Canadian subscribers. Video services are available on retail devices such as Apple TV, Roku, Samsung, and Amazon Fire TV, as well as on Android and Apple mobile phones and tablets, allowing for subscribers to watch what they want on multiple screens.

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

Wireless services: In fiscal 2024, Breezeline launched its wireless service across most of its United States wireline footprint. Breezeline Mobile is offered as a bundle to new and existing Breezeline's 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 last year, giving it access to wireless services across its Canadian footprint through a five-year MVNO agreement with a national wireless network operator. This enabled Cogeco Connexion to successfully launch its wireless service in 13 markets in fiscal 2025, which was subsequently expanded across the majority of its operating footprint in October 2025. Cogeco Mobile is available to new and existing 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 ("SIP") or primary rate interface ("PRI") trunking solutions and hosted private branch exchange ("HPBX") solutions, as well as managed business Wi-Fi ("MBW") for our Canadian business subscribers.

Networks and infrastructure

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

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

We regularly invest in our network to increase capacity to meet demand, to upgrade the capabilities of our HFC network, 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 build 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 and Breezeline's current FTTH deployment utilizes Passive Optical Networking ("PON") technology, as it is a robust solution offering subscribers symmetrical speeds. HFC networks are based on CableLabs Specification to deliver Internet and business services over HFC networks. DOCSIS has numerous advanced features to ensure continuous transmission and high-quality service delivery. In addition, this technology provides a flexible and expandable platform to further increase IP transmission speeds and to provide other products such as symmetrical services, which are particularly well suited for commercial subscriber applications. Cogeco Connexion offers Internet download speeds of 1+ Gbps in approximately 92% of its broadband footprint, including speeds of up to 2 Gbps in approximately 40% of it. Breezeline offers up to 1 Gbps Internet download speeds to approximately 98% of its footprint of serviceable homes and businesses. Higher speed packages are available to businesses and on a bespoke basis. Cogeco Connexion and Breezeline intend to continue deploying Gbps speeds in the coming years using the DOCSIS 3.1 technology and selectively deploy DOCSIS 4.0, capable of offering 8 to 10 Gbps download speeds.

Cogeco Connexion and Breezeline's wireline phone service uses 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 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 stations CIME 103.9 in Laurentides, 96.9 CKOI, The Beat 92.5, the four Planète stations in Lac-St-Jean and Radio Circulation in Montréal.

Cogeco Media's stations are leaders in their respective markets, reaching close to 4.5 million listeners each week by providing to a wide audience a varied and relevant programming. Cogeco Media also owns Cogeco Nouvelles, the largest private news agency in Québec.

2.3 Corporate objectives and strategy

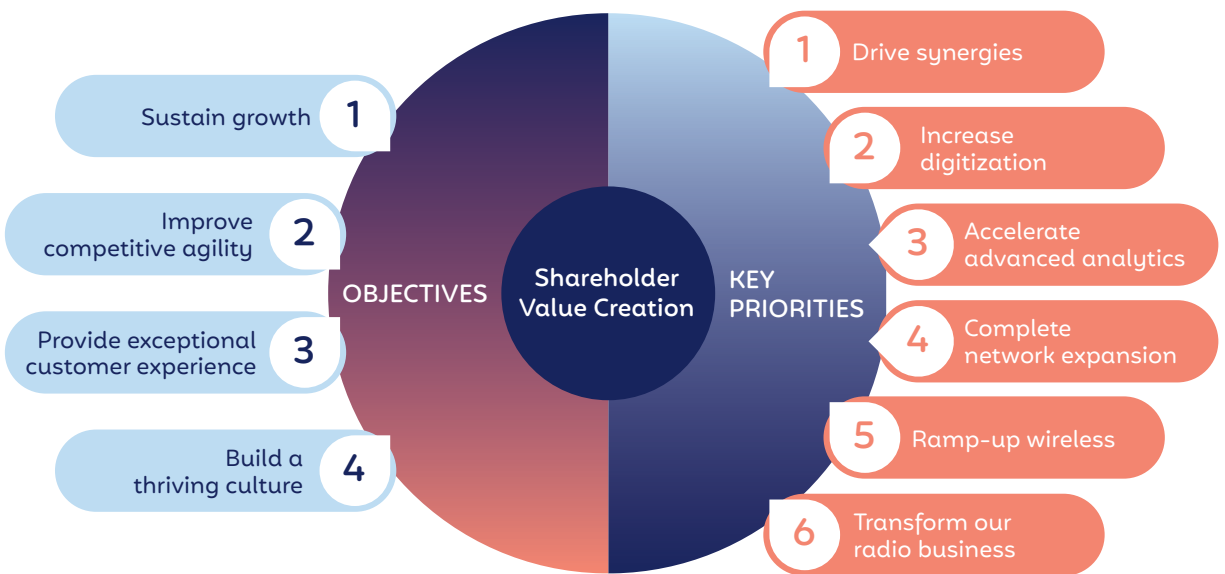
Our vision is to deliver sustainable value to our stakeholders, including our customers, communities, colleagues, suppliers and shareholders. Our mission is to bring people together through powerful communication and entertainment experiences.

Strategy for growth

We continue to drive business performance by leveraging our mid-size scale, our unique and unified North American platform, our recent 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 multiplatform 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, last year we announced a new operating model and a three-year transformation program that will allow us to sustain our growth, take our competitive agility to new heights, provide exceptional customer experience, and build a thriving culture.



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

Our key priorities are as follows:

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



FISCAL 2025 KEY ACHIEVEMENTS

- Unified our Canadian and American operations.
- Drove cost and performance synergies in management and support functions.
- Optimized information technology activities (insourcing, outsourcing, consolidation of contracts).
- Consolidated branding and marketing investment for greater impact.
- Optimized video content offering.



FOCUS IN FISCAL 2026

- Continue to advance both organizational and technological synergies.

2 - INCREASE DIGITIZATION - 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.



FISCAL 2025 KEY ACHIEVEMENTS

- Accelerated the growth of oxio, our digital-only brand in Canada.
- Reduced our volume of customer service calls by adding new digital self-serve tools, which provide an elevated customer experience.
- Reduced our volume of service truck rolls through proactive issue prevention.
- Optimized billing and payment strategy (including e-billing, increased share of debit payments to reduce costly credit payments).



FOCUS IN FISCAL 2026

- Scale up digital-first interactions with customers across our sales, service and support functions.

3 - ACCELERATE ADVANCED ANALYTICS - Elevate our use of analytics and artificial intelligence ("AI") to deploy more personalized customer offers, increase revenue, improve retention performance and optimize network management.



FISCAL 2025 KEY ACHIEVEMENTS

- Increased the number of AI models in production.
- Implemented Generative AI tools across the entire organization.
- Developed and evolved the foundational principles of AI and Data governance, including guidelines, best practices, and policies.



FOCUS IN FISCAL 2026

- Accelerate AI adoption and deployment throughout the business.

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



**FISCAL 2025
KEY ACHIEVEMENTS**

- Added over 47,000 homes passed across Canada and the U.S. to bring high-speed Internet to unserved and underserved rural areas.
- Pursued the upgrade of our networks using various technologies, ensuring that customers enjoy increasingly fast speeds and reliability.



**FOCUS IN
FISCAL 2026**

- Pursue rural network expansion projects in Canada and the United States, partnering with local and federal connectivity programs.
- Continue to evolve network speeds and reliability, using various technologies.

5 - RAMP-UP WIRELESS - Enhance wireline customer acquisition and retention by growing penetration of our recently launched wireless offerings in both Canada and the U.S.



**FISCAL 2025
KEY ACHIEVEMENTS**

- Launched a new wireless service for Canadian customers.
- Continued to ramp up Breezeline Mobile sales by bundling the products with broadband services.



**FOCUS IN
FISCAL 2026**

- Grow wireless penetration in both Canada and the U.S.

6 - TRANSFORM OUR RADIO BUSINESS - Strengthen our leadership in radio content and continue to grow distribution through both linear and digital platforms.



**FISCAL 2025
KEY ACHIEVEMENTS**

- Launched new, innovative programming content across our stations.
- Continued to grow our digital content and associated revenue.



**FOCUS IN
FISCAL 2026**

- Continue to strengthen radio content to increase listenership and revenue opportunities on both linear and digital platforms.

Looking further into the future, we intend to invest up to \$100 million of capital into longer-term opportunities with new growth prospects. It is anticipated that these funds will be invested over a five-year period on an exploratory basis with the objective of generating attractive long-term returns.

2.4 Business developments

Successfully launched wireless service in Canada, providing more choices to Canadian customers

Building on the launch of wireless in the United States last year, Cogeco Communications further expanded its wireless service offerings with the launch in Canada in July 2025. This initial launch covered 13 markets across Québec and Ontario, and was subsequently expanded across the majority of its operating footprint in October 2025. Cogeco Mobile is available to new and existing Cogeco Internet subscribers who bring their own device, on a bundled basis.

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 47,000 ⁽ⁱ⁾ homes passed during fiscal 2025 and in total, over 296,000 ⁽ⁱ⁾ organically since the beginning of fiscal 2022.

In Canada, over the past years, Cogeco Connexion has strategically invested in numerous fibre-to-the-home Internet network expansion projects in Québec and Ontario. These initiatives, partially funded by provincial and federal government programs, aim to extend high-speed Internet access to underserved areas. Last year, Cogeco Connexion successfully completed 13 high-speed Internet network expansion projects, bringing enhanced connectivity to 180 Québec municipalities. In fiscal 2025, two network expansion projects were completed in Ontario, and additional 17 high-speed Internet network expansion projects are currently underway in various regions of Ontario, set to benefit 36 municipalities.

In the United States, in fiscal 2025, Breezeline continued network expansion projects in select areas of Virginia, leveraging government-subsidized broadband initiatives to bring high-speed Internet to underserved communities. Going forward, Breezeline will focus on network upgrades within its footprint and geographical fibre-to-the-home network expansions in Maryland and Virginia.

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.

2.5 Operating environment

The Corporation operates in an industry that provides essential services to residential and commercial consumers and is known for its resilience during various economic cycles. However, due to greater competitive intensity and changing video subscriber trends, the Corporation expects sustained pressure on its revenue and operating costs. In addition, adverse economic conditions, including the impact of the U.S. trade tariffs on the greater macroeconomic environment, for which the situation is constantly evolving, may cause customers to reduce or delay discretionary spending and/or result in higher costs and supply chain disruptions, which may pressure the Corporation's revenue and/or operating costs. To sustain its growth, the Corporation announced last year the adoption of a new operating model and a three-year transformation program centered on synergies, digitization, advanced analytics, network expansion and wireless, as well as transforming its radio business.

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

⁽ⁱ⁾ During the fourth quarter of fiscal 2025, homes passed were adjusted following an exhaustive review of the calculation of American homes passed. This change has been applied retrospectively to the comparative figures.

2.6 Key performance indicators

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

	Fiscal 2025 performance and results				Fiscal 2025 projections (constant currency) ⁽¹⁾	Achievement of the revised projections
	Actuals		In constant currency		July 15, 2025 Revised projections ⁽³⁾	
	% increase		% increase			
(In millions of Canadian dollars, except percentages)	\$ (decrease) ⁽⁴⁾		\$ (decrease) ⁽⁴⁾			
Financial guidelines						
Revenue	3,008	(2.1)	2,972	(3.3)	Low single digit decline	Achieved
Adjusted EBITDA ⁽²⁾	1,453	(0.1)	1,436	(1.3)	Stable	Achieved
Profit for the year ⁽⁵⁾	335	(4.1)	N/A	N/A	N/A	N/A
Net capital expenditures ⁽²⁾⁽⁶⁾	591	(8.0)	583	(9.3)	\$600 to \$650	Surpassed
Net capital expenditures in connection with network expansion projects	108	(21.0)	108	(21.4)	\$110 to \$150	Surpassed
Acquisition of property, plant and equipment ⁽⁵⁾	599	(9.7)	N/A	N/A	N/A	N/A
Free cash flow ⁽²⁾	514	8.1	511	7.4	Stable	Surpassed
Free cash flow, excluding network expansion projects ⁽²⁾	623	1.6	619	0.9	Stable	Achieved
Cash flows from operating activities ⁽⁵⁾	1,127	(4.9)	N/A	N/A	N/A	N/A

(1) Actual results and projections are presented in constant currency based on fiscal 2024 average foreign exchange rate of 1.3606 USD/CDN.

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

(3) Fiscal 2025 financial guidelines were revised at the time of issuing fiscal 2025 third-quarter results for revenue, net capital expenditures and free cash flow, as the Corporation expected additional pressure on its revenue, particularly in the United States, driven by increased competition, while net capital expenditures were expected to be lower than under the previous financial guidelines, partially resulting from operational efficiencies following the combination of the Canadian and U.S. management teams. In addition, due to some better-than-anticipated transformation-related cost savings and lower expected net capital expenditures, free cash flow financial guidelines were revised as well.

(4) Percentage of changes compared to fiscal 2024.

(5) These are presented as the most directly comparable IFRS Accounting Standards measures and are not presented as part of the Corporation's fiscal 2025 projections.

(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.

The Corporation achieved its revenue and adjusted EBITDA projections in constant currency mainly as a result of both the Canadian and American telecommunications segments being in line with expectations. As anticipated, the Corporation continued to face pressure on its revenue, particularly in the United States, driven by increased competition in its markets, especially for entry-level services and video services cord cutting. As the Corporation faced top-line headwinds, it has initiated several cost reduction initiatives and operating efficiencies across the organization, as part of its three-year transformation program, in order to minimize the revenue impact on adjusted EBITDA. As expected, these initiatives and operating efficiencies contributed in meeting its adjusted EBITDA projection.

On a constant currency basis, net capital expenditures, along with net capital expenditures in connection with network expansion projects, were lower than planned, surpassing the Corporation's projections, mostly due to operational

efficiencies and the timing of certain initiatives. As for free cash flow on a constant currency basis, the Corporation surpassed its projections mainly due to lower net capital expenditures, as explained above, including lower than expected capital spending in connection with network expansion projects. Excluding network expansion projects, free cash flow was in line with expectations.

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	2025	2024	2023 ⁽¹⁾
<i>(In thousands of Canadian dollars, except per share data)</i>	\$	\$	\$
Operations			
Revenue	3,008,101	3,073,985	3,081,136
Adjusted EBITDA ⁽²⁾	1,452,901	1,454,817	1,432,929
Acquisition, integration, restructuring and other costs	25,290	63,298	36,245
Impairment of property, plant and equipment, intangible assets and goodwill	2,433	15,229	88,000
Profit for the year	335,165	349,381	350,235
Profit for the year attributable to owners of the Corporation	84,968	96,746	70,630
Cash flow			
Cash flows from operating activities	1,126,848	1,185,150	968,214
Free cash flow ⁽¹⁾⁽²⁾	514,387	475,765	424,083
Acquisition of property, plant and equipment	599,294	664,004	806,237
Net capital expenditures ⁽²⁾⁽³⁾	591,398	642,747	702,913
Per share data ⁽⁴⁾			
Earnings per share			
Basic	8.94	8.63	4.53
Diluted	8.81	8.55	4.51
Dividends per share	3.688	3.416	2.924
As at	August 31, 2025	August 31, 2024	August 31, 2023
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$
Financial condition			
Cash and cash equivalents	75,577	77,746	363,854
Total assets	9,786,463	9,773,739	9,869,778
Long-term debt			
Current	45,543	370,108	43,325
Non-current	4,664,731	4,594,057	5,045,672
Net indebtedness ⁽²⁾	4,685,722	4,957,594	4,817,113
Long-term financial liabilities ⁽⁵⁾	4,686,228	4,603,891	5,046,221
Equity attributable to owners of the Corporation	862,951	810,437	925,863
Return on equity ⁽²⁾	10.2 %	11.1 %	7.7 %

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

(2) Adjusted EBITDA and net capital expenditures are total of segments measures. Free cash flow is a non-IFRS Accounting Standards measure. Net indebtedness is a capital management measure. Return on equity is a supplementary financial measure. These indicated terms do not have standardized definitions prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. For more information on these financial measures, please consult the "Non-IFRS Accounting Standards and other financial measures" section.

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

(4) Per multiple and subordinate voting shares.

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

3. Consolidated operating and financial results

3.1 Consolidated performance

Years ended August 31	2025			2024	Change	
	Actual ⁽¹⁾	Foreign exchange impact	In constant currency ⁽²⁾	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	3,008,101	(36,120)	2,971,981	3,073,985	(2.1)	(3.3)
Operating expenses	1,555,200	(19,254)	1,535,946	1,619,168	(4.0)	(5.1)
Adjusted EBITDA	1,452,901	(16,866)	1,436,035	1,454,817	(0.1)	(1.3)
Net capital expenditures	591,398	(8,395)	583,003	642,747	(8.0)	(9.3)

(1) For fiscal 2025, the average foreign exchange rate used for translation was 1.3962 USD/CDN.

(2) Fiscal 2025 in constant currency is translated at the average foreign exchange rate of fiscal 2024, which was 1.3606 USD/CDN.

Revenue

Years ended August 31	2025	2024	Change	Change in constant currency	Foreign exchange impact ⁽¹⁾
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications	1,495,308	1,510,506	(1.0)	(1.0)	—
American telecommunications	1,415,185	1,466,018	(3.5)	(5.9)	(36,120)
Cogeco Communications	2,910,493	2,976,524	(2.2)	(3.4)	(36,120)
Other	97,608	97,461	0.2	0.2	—
Consolidated	3,008,101	3,073,985	(2.1)	(3.3)	(36,120)

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

Fiscal 2025 revenue decreased by 2.1% (3.3% in constant currency). The decrease in constant currency is mainly due to:

- a decline in the American telecommunications segment's subscriber base, especially for entry-level services, and a higher proportion of customers subscribing to Internet-only services; and
- lower revenue in the Canadian telecommunications segment, mainly due to a lower revenue per customer as a result of a decline in video and wireline phone service subscribers, as an increasing proportion of customers subscribe to Internet-only services, as well as a competitive pricing environment. The decrease was offset in part by the cumulative effect of high-speed Internet service additions over the past year and revenue from the Niagara Regional Broadband Network ("NRBN") acquisition, which was completed on February 5, 2024.

Operating expenses

Years ended August 31	2025	2024	Change	Change in constant currency	Foreign exchange impact
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications	704,586	710,706	(0.9)	(1.0)	(1,135)
American telecommunications	711,775	759,658	(6.3)	(8.7)	(18,104)
Corporate and eliminations	33,271	42,894	(22.4)	(22.5)	(15)
Cogeco Communications	1,449,632	1,513,258	(4.2)	(5.5)	(19,254)
Other	105,568	105,910	(0.3)	(0.3)	—
Consolidated	1,555,200	1,619,168	(4.0)	(5.1)	(19,254)

Fiscal 2025 operating expenses decreased by 4.0% (5.1% in constant currency). The decrease in constant currency is mainly driven by cost reduction initiatives and operating efficiencies across the Corporation as a result of our ongoing three-year transformation program, in addition to:

- reduced video service costs resulting from a decline in TV subscriptions in both the American and Canadian telecommunications segments; and
- a \$2.6 million gain on disposals of certain property, plant and equipment recognized during the first quarter of fiscal 2025 within the Canadian telecommunications segment, partly offset by higher operating expenses, in part to drive subscriber growth, as well as from the NRBN acquisition.

Adjusted EBITDA

Years ended August 31	2025	2024	Change	Change in constant currency	Foreign exchange impact
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications	790,722	799,800	(1.1)	(1.0)	1,135
American telecommunications	703,410	706,360	(0.4)	(3.0)	(18,016)
Corporate and eliminations	(51,487)	(63,846)	19.4	19.4	15
Cogeco Communications	1,442,645	1,442,314	—	(1.1)	(16,866)
Other	10,256	12,503	(18.0)	(18.0)	—
Consolidated	1,452,901	1,454,817	(0.1)	(1.3)	(16,866)

Fiscal 2025 adjusted EBITDA remained stable as reported and decreased by 1.3% in constant currency. The decrease in constant currency is mainly due to lower revenue in both the American and Canadian telecommunications segments, offset in part by lower operating expenses driven by cost reduction initiatives and operating efficiencies across the Corporation, as explained above.

Net capital expenditures

Years ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Canadian telecommunications	298,889	(1,095)	297,794	356,274	(16.1)	(16.4)
American telecommunications	278,036	(7,285)	270,751	267,728	3.9	1.1
Corporate and eliminations	11,351	(15)	11,336	13,831	(17.9)	(18.0)
Cogeco Communications - net capital expenditures ⁽¹⁾	588,276	(8,395)	579,881	637,833	(7.8)	(9.1)
Capital intensity	20.2 %			21.4 %		
Other	3,122	—	3,122	4,914	(36.5)	(36.5)
Consolidated - net capital expenditures ⁽¹⁾	591,398	(8,395)	583,003	642,747	(8.0)	(9.3)

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

Net capital expenditures and capital intensity, excluding network expansion projects

Years ended August 31	2025		2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%
Net capital expenditures	588,276	(8,395)	579,881	637,833	(7.8)
Net capital expenditures in connection with network expansion projects	108,475	(550)	107,925	137,394	(21.0)
Cogeco Communications - net capital expenditures, excluding network expansion projects ⁽¹⁾	479,801	(7,845)	471,956	500,439	(4.1)
Capital intensity, excluding network expansion projects ⁽¹⁾	16.5 %			16.8 %	
Other	3,122	—	3,122	4,914	(36.5)
Consolidated - net capital expenditures, excluding network expansion projects ⁽¹⁾	482,923	(7,845)	475,078	505,353	(4.4)

(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 2025 net capital expenditures decreased by 8.0% (9.3% in constant currency), mostly due to operational efficiencies and lower spending in the Canadian telecommunications segment, which was partially due to the timing of certain initiatives.

Excluding network expansion projects, fiscal 2025 net capital expenditures decreased by 4.4% (6.0% in constant currency).

Fiscal 2025 capital intensity of Cogeco Communications was 20.2% compared to 21.4% for the prior year. The capital intensity decrease is mostly due to lower net capital expenditures, as explained above. Excluding network expansion projects, fiscal 2025 capital intensity of Cogeco Communications was 16.5% compared to 16.8% for the prior year.

3.2 Acquisition, integration, restructuring and other costs

Years ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Acquisition and integration costs	154	1,060	(85.5)
Restructuring and other severance costs ⁽¹⁾	24,328	50,609	(51.9)
Configuration and customization costs related to cloud computing and other arrangements	11,006	15,823	(30.4)
Reversal of costs related to litigation and regulatory decisions	—	(4,194)	—
Gain on sale and leaseback transactions	(13,844)	—	—
Other costs ⁽²⁾	3,646	—	—
	25,290	63,298	(60.0)

(1) Consists of severance charges, including accelerated share-based compensation expense, and other related costs.

(2) Mainly consists of other costs incurred in connection with certain initiatives undertaken.

Fiscal 2025 acquisition, integration, restructuring and other costs decreased by 60.0%, resulting mainly from:

- lower restructuring and other severance costs incurred, as last year's significantly higher costs were mostly related to severance charges recognized in connection with the strategic transformation announced in May 2024, in addition to severance charges related to other cost optimization initiatives;
- a \$13.8 million non-cash gain recognized during the first quarter of fiscal 2025 in connection with a sale of a building in Ontario, which was leased back for a period of two years, with an option to renew for an additional year; and
- lower configuration and customization costs related to cloud computing and other arrangements; offset in part by
- last year's reversal of a charge of \$4.2 million recognized following the Copyright Board decision issued in January 2024 on the redetermination of the 2014-2018 royalty rates; and
- other costs incurred in connection with certain initiatives undertaken in fiscal 2025.

3.3 Depreciation and amortization

Years ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Canadian telecommunications	342,423	323,594	5.8
American telecommunications	369,469	348,498	6.0
Corporate and eliminations	2,756	1,465	88.1
Cogeco Communications	714,648	673,557	6.1
Other	5,287	4,872	8.5
Consolidated	719,935	678,429	6.1

Fiscal 2025 depreciation and amortization expense amounted to \$719.9 million, an increase of 6.1% compared to the prior year, mainly due to a change in mix of assets in both the Canadian and American telecommunications segments and the appreciation of the US dollar against the Canadian dollar since last year in the American telecommunications segment.

3.4 Impairment of property, plant and equipment

During last year's fourth quarter, non-cash pre-tax impairment charges amounting to \$15.2 million, mostly related to assets under construction write-offs, were recognized in connection with cost optimization initiatives undertaken, mainly following the strategic partnerships announced in August 2024 to facilitate the development of wireless services in Canada under a capital-light operating model. During fiscal 2025, non-cash pre-tax impairment charges amounting to \$2.4 million, also mostly related to assets under construction write-offs, were recognized in connection with further cost optimization initiatives undertaken, as well as other initiatives in the Corporation's media activities.

3.5 Financial expense

Years ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Interest on long-term debt, excluding interest on lease liabilities	289,752	295,270	(1.9)
Interest on lease liabilities	4,195	3,498	19.9
Loss on debt extinguishment ⁽¹⁾	—	16,880	—
Change in fair value of forward contracts ⁽²⁾	14,940	—	—
Net foreign exchange gain	(3,853)	(3,729)	3.3
Interest and other income	(9,973)	(10,321)	(3.4)
Capitalized borrowing costs ⁽³⁾	(16,985)	(17,432)	(2.6)
Other	4,457	2,506	77.9
Financial expense	282,533	286,672	(1.4)
Loss on debt extinguishment ⁽¹⁾	—	(16,880)	—
Adjusted financial expense ⁽⁴⁾	282,533	269,792	4.7

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

(2) In connection with 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, please refer to sub-section 8.5 "Financial risk management".

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

Fiscal 2025 financial expense decreased by 1.4%, mostly due to:

- lower usage under the revolving facilities compared to last year;
- last year's non-cash loss on debt extinguishment of \$16.9 million recognized following the prepayment of the US\$1.6 billion Tranche 1 of the Senior Secured Term Loan B Facility and the amendment of the Senior Secured Revolving Facility in September 2023; and
- lower interest expense following the repayment of the US\$215 million Senior Secured Notes in June 2025 and the US\$25 million Senior Secured Notes Series A in September 2024; partly offset by
- higher interest expense following the issuance of the \$325 million Senior Secured Notes - Series 3 in February 2025 and the \$275 million Senior Unsecured Notes in February 2024;
- a \$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 its US\$215 million Senior Secured Notes; and
- the appreciation of the US dollar against the Canadian dollar.

Excluding last year's non-cash loss on debt extinguishment, financial expense for fiscal 2025 increased by 4.7%.

3.6 Income taxes

Years ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Current	47,743	20,995	—
Deferred	39,802	40,813	(2.5)
Income taxes	87,545	61,808	41.6
Effective income tax rate	20.7 %	15.0 %	38.0

Fiscal 2025 income tax expense increased by 41.6%, mainly due to:

- the impact of the Pillar Two global minimum tax and other recent changes in tax legislation, which applied to the Corporation starting on September 1st, 2024; and
- lower tax benefits related to financing costs in connection with past acquisitions; partly offset by
- favorable tax adjustments.

Current income taxes were higher in fiscal 2025 compared to the prior year, mainly for the same reasons as for the total income tax expense.

3.7 Profit for the year

Years ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages and earnings per share)</i>	\$	\$	%
Profit for the year	335,165	349,381	(4.1)
Profit for the year attributable to owners of the Corporation	84,968	96,746	(12.2)
Profit for the year attributable to non-controlling interest ⁽¹⁾	250,197	252,635	(1.0)
Adjusted profit attributable to owners of the Corporation ⁽²⁾	91,187	119,048	(23.4)
Basic earnings per share	8.94	8.63	3.6
Diluted earnings per share	8.81	8.55	3.0
Adjusted diluted earnings per share ⁽²⁾	9.46	10.52	(10.1)

(1) At August 31, 2025, 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.

Fiscal 2025 profit for the year and profit for the year attributable to owners of the Corporation decreased by 4.1% and 12.2%, respectively, mainly due to:

- higher depreciation and amortization expense; and
- higher income tax expense; partly offset by
- lower acquisition, integration, restructuring and other costs, mostly due to lower restructuring and other severance costs incurred compared to last year, as well as a pre-tax \$13.8 million non-cash gain recognized during the first quarter of fiscal 2025 in connection with a sale and leaseback transaction of a building in Ontario; and
- last year's non-cash pre-tax impairment charges of \$15.2 million, mostly related to assets under construction write-offs.

In addition, the decrease in profit for the year attributable to owners of the Corporation is also reflecting the impact of the reduced ownership in Cogeco Communications following a share repurchase transaction in December 2023.

Fiscal 2025 adjusted profit attributable to owners of the Corporation, which excludes the impact of acquisition, integration, restructuring and other costs, as well as non-cash impairment charges and non-cash loss on debt extinguishment (all net of tax and non-controlling interest), decreased by 23.4% 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.

4.1 Canadian telecommunications

Operating and financial results

Years ended August 31	2025		2024	Change	
	Actual ⁽¹⁾	Foreign exchange impact	In constant currency ⁽²⁾	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%
Revenue	1,495,308	—	1,495,308	1,510,506	(1.0)
Operating expenses	704,586	(1,135)	703,451	710,706	(0.9)
Adjusted EBITDA	790,722	1,135	791,857	799,800	(1.1)
Adjusted EBITDA margin ⁽³⁾	52.9 %			52.9 %	
Net capital expenditures	298,889	(1,095)	297,794	356,274	(16.1)
Capital intensity ⁽³⁾	20.0 %			23.6 %	

(1) For fiscal 2025, the average foreign exchange rate used for translation was 1.3962 USD/CDN.

(2) Fiscal 2025 in constant currency is translated at the average foreign exchange rate of fiscal 2024, which was 1.3606 USD/CDN.

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

Revenue

Fiscal 2025 revenue decreased by 1.0% as reported and in constant currency, mainly resulting from:

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

Operating expenses

Fiscal 2025 operating expenses decreased by 0.9% (1.0% in constant currency), mainly due to:

- cost reduction initiatives and operating efficiencies;
- reduced video service costs resulting in part from a decline in TV subscriptions; and
- a \$2.6 million gain on disposals of certain property, plant and equipment recognized during the first quarter of fiscal 2025; partly offset by
- higher operating expenses, in part to drive subscriber growth, and due to higher technology licensing costs; and
- the NRBN acquisition.

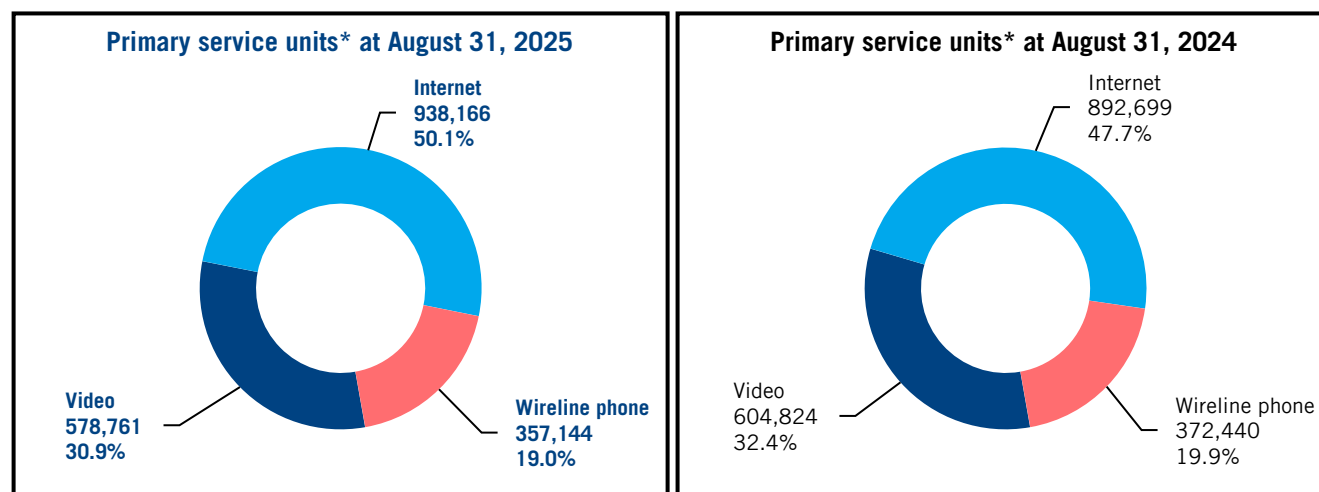
Adjusted EBITDA

Fiscal 2025 adjusted EBITDA decreased by 1.1% (1.0% in constant currency), resulting from lower revenue, offset in part by lower operating expenses mainly driven by cost reduction initiatives and operating efficiencies.

Net capital expenditures and capital intensity

Fiscal 2025 net capital expenditures decreased by 16.1% (16.4% in constant currency) and capital intensity was 20.0% compared to 23.6% last year, partially due to the timing of certain initiatives.

Primary service units



* Primary service units exclude mobile phone service subscribers due to wireless services' early stage of development.

	August 31, 2025	Net additions (losses)	
		Years ended August 31	
		2025	2024 ⁽¹⁾
Primary service units ⁽²⁾	1,874,071	4,108	(9,639)
Internet service subscribers	938,166	45,467	35,305
Video service subscribers	578,761	(26,063)	(30,135)
Wireline phone service subscribers	357,144	(15,296)	(14,809)

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

(2) Primary service units exclude mobile phone service subscribers due to wireless services' early stage of development.

Internet

Fiscal 2025 Internet service subscribers increased by 45,467.

Video

Fiscal 2025 video service subscriber net losses of 26,063 were mainly due to ongoing changes in video consumption trends, with an increasing proportion of customers subscribing to Internet-only services, partly offset by additions in network expansion areas.

Wireline phone

Fiscal 2025 wireline phone service subscriber net losses of 15,296 were mainly due to higher mobile phone substitution, partly offset by additions in network expansion areas.

Homes passed

Fiscal 2025 homes passed increased by 31,263.

4.2 American telecommunications

Operating and financial results

Years ended August 31	2025		2024	Change	
	Actual ⁽¹⁾	Foreign exchange impact	In constant currency ⁽²⁾	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%
Revenue	1,415,185	(36,120)	1,379,065	1,466,018	(3.5)
Operating expenses	711,775	(18,104)	693,671	759,658	(6.3)
Adjusted EBITDA	703,410	(18,016)	685,394	706,360	(0.4)
Adjusted EBITDA margin ⁽³⁾	49.7 %			48.2 %	
Net capital expenditures	278,036	(7,285)	270,751	267,728	3.9
Capital intensity ⁽³⁾	19.6 %			18.3 %	1.1

(1) For fiscal 2025, the average foreign exchange rate used for translation was 1.3962 USD/CDN.

(2) Fiscal 2025 in constant currency is translated at the average foreign exchange rate of fiscal 2024, which was 1.3606 USD/CDN.

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

Revenue

Fiscal 2025 revenue decreased by 3.5% (5.9% in constant currency). The decrease in constant currency is mainly due to a decline in the segment's subscriber base, especially for entry-level services, and to a higher proportion of customers subscribing to Internet-only services.

In local currency, revenue amounted to US\$1,013.6 million compared to US\$1,077.4 million for fiscal 2024.

Operating expenses

Fiscal 2025 operating expenses decreased by 6.3% (8.7% in constant currency). The decrease in constant currency is primarily due to:

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

Adjusted EBITDA

Fiscal 2025 adjusted EBITDA decreased by 0.4% (3.0% in constant currency). The decrease in constant currency is mainly due to lower revenue, offset in part by lower operating expenses driven by cost reduction initiatives and operating efficiencies.

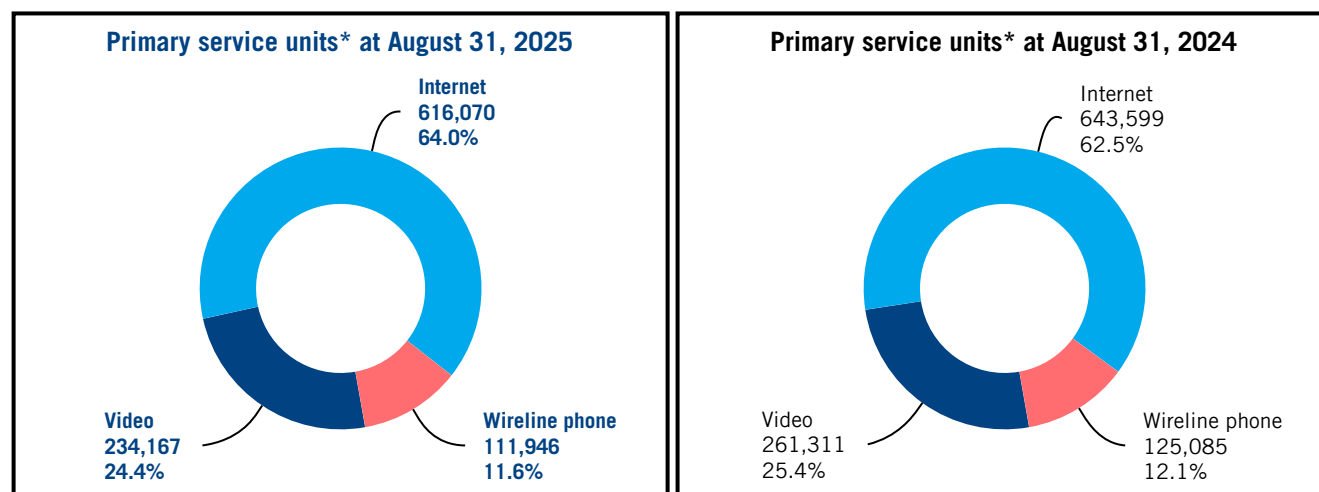
In local currency, adjusted EBITDA amounted to US\$503.8 million compared to US\$519.1 million for fiscal 2024.

Net capital expenditures and capital intensity

Fiscal 2025 net capital expenditures increased by 3.9% (1.1% in constant currency) and capital intensity was 19.6% compared to 18.3% last year, mainly resulting from higher customer premise equipment costs, partly offset by lower construction activity.

In local currency, net capital expenditures amounted to US\$199.2 million compared to US\$196.7 million for fiscal 2024.

Primary service units



* Primary service units exclude mobile phone service subscribers due to wireless services' early stage of development.

	August 31, 2025	Net additions (losses)	
		Years ended August 31	
		2025	2024
Primary service units⁽¹⁾	962,183	(67,812)	(68,736)
Internet service subscribers	616,070	(27,529)	(28,163)
Video service subscribers	234,167	(27,144)	(27,570)
Wireline phone service subscribers	111,946	(13,139)	(13,003)

(1) Primary service units exclude mobile phone service subscribers due to wireless services' early stage of development.

Internet

Fiscal 2025 Internet service subscriber net losses were 27,529, of which 2,914 were in Ohio, mainly due to a highly competitive environment, notably for entry-level Internet services. We have, however, reduced our net losses in Ohio in fiscal 2025, in part due to improved customer management resulting from investments made in the network infrastructure and new sales and marketing strategies.

Video

Fiscal 2025 video service subscriber net losses of 27,144 were mainly due to:

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

Wireline phone

Fiscal 2025 wireline phone service subscriber net losses of 13,139 were mainly due to:

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

Homes passed

Fiscal 2025 homes passed increased by 16,207⁽ⁱ⁾.

⁽ⁱ⁾ During the fourth quarter of fiscal 2025, homes passed were adjusted following an exhaustive 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, 2025, Cogeco held 28.4% of Cogeco Communications' equity shares, representing 79.9% of the votes attached to Cogeco Communications' voting shares.

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

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Management fees paid by Cogeco Communications	18,216	20,952

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

Years ended August 31	2025	2024
<i>(In number of units)</i>		
Stock options	143,978	203,326
ISUs	—	974
PSUs	89,991	31,473
DSUs	5,011	2,368

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

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Stock options	814	852
ISUs	136	80
PSUs	1,643	887
DSUs	269	97
	2,862	1,916

At August 31, 2025, the Corporation had a \$1.9 million payable to Cogeco Communications (\$3.1 million receivable at August 31, 2024).

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 (\$16.2 million in fiscal 2024) 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.

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

On December 13, 2023, Cogeco and Cogeco Communications entered into a series of transactions pursuant to the sale by Rogers Communications Inc. of its entire holdings in both companies to La Caisse. Cogeco repurchased for cancellation 5,969,390 of its subordinate voting shares from La Caisse for \$280.0 million. Concurrently, Cogeco sold 2,266,537 subordinate voting shares of its holding in Cogeco Communications to Cogeco Communications for \$116.5 million and 1,423,692 subordinate voting shares to La Caisse for \$73.2 million, following the conversion and cancellation of an equivalent number of Cogeco Communications multiple voting shares. The 2,266,537 subordinate voting shares repurchased by Cogeco Communications were repurchased for cancellation.

6. Cash flow analysis

Years ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Cash flows from operating activities	1,126,848	1,185,150	(4.9)
Cash flows used in investing activities	(586,480)	(921,518)	(36.4)
Cash flows used in financing activities	(539,264)	(546,916)	(1.4)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	(3,273)	(2,824)	15.9
Net change in cash and cash equivalents	(2,169)	(286,108)	(99.2)
Cash and cash equivalents, beginning of the year	77,746	363,854	(78.6)
Cash and cash equivalents, end of the year	75,577	77,746	(2.8)

6.1 Operating activities

Fiscal 2025 cash flows from operating activities decreased by 4.9%, mainly due to:

- higher restructuring and other severance costs paid;
- the timing of collection of trade and other receivables; and
- higher income taxes paid; partly offset by
- the timing of payments of trade and other payables.

6.2 Investing activities

Fiscal 2025 cash flows used in investing activities decreased by 36.4%, mainly due to:

- last year's \$190 million payments made to acquire 99 spectrum licences in the 3800 MHz spectrum auction;
- the decrease in acquisition of property, plant and equipment;
- cash flows used in connection with the acquisition of Niagara Regional Broadband Network last year; and
- net proceeds amounting to \$16.5 million received in connection with a sale and leaseback transaction of a building in Ontario during the first quarter of fiscal 2025.

Acquisition of property, plant and equipment

The following table shows the reconciliation between the cash payments for acquisition of property, plant and equipment, as reported within the investing section in the consolidated statements of cash flows, and the net capital expenditures, as presented in sub-section 3.1 "Consolidated performance".

Years ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Acquisition of property, plant and equipment	599,294	664,004	(9.7)
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the year	(7,896)	(21,257)	(62.9)
Net capital expenditures	591,398	642,747	(8.0)

6.3 Financing activities

Issuance and repayment of debt

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

Years ended August 31 (In thousands of Canadian dollars)	2025 \$	2024 \$	Explanations
Decrease in bank indebtedness	(11,884)	(7,830)	Related to the timing of working capital needs.
Net decrease under revolving facilities	(119,590)	(18,147)	Mainly related to the net 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 discounts and transaction costs	325,605	2,001,646	Mainly related to the issuance of the \$325 million Senior Secured Notes - Series 3 in February 2025. Last year's debt issuance was related to the issuance of two Term B loans, a US\$775 million 7-year loan and a US\$475 million 5-year loan, in connection with the refinancing of the First Lien Credit Facilities in September 2023, and the issuance of the \$275 million Senior Unsecured Notes in February 2024 and the Non-Revolver Term Credit Facility in December 2023.
Repayment of notes and credit facilities	(559,070)	(2,149,661)	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, which included additional repayments of US\$45 million and US\$100 million in May and August 2025, respectively, 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-Revolver Term Credit Facility. Last year's repayment was mainly related to the reimbursement of Tranche 1 of the Senior Secured Term Loan B Facility in September 2023.
Payment on settlement of forward contracts	(14,940)	—	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 its US\$215 million Senior Secured Notes.
Repayment of lease liabilities	(14,635)	(10,282)	Comparable.
Increase in deferred transaction costs	(498)	(2,716)	Related to the amendment of the term revolving facilities in May 2025. Last year's increase was related to the amendment of the Senior Secured Revolving Facility in September 2023 and of the term revolving facilities in May 2024.
	(395,012)	(186,990)	

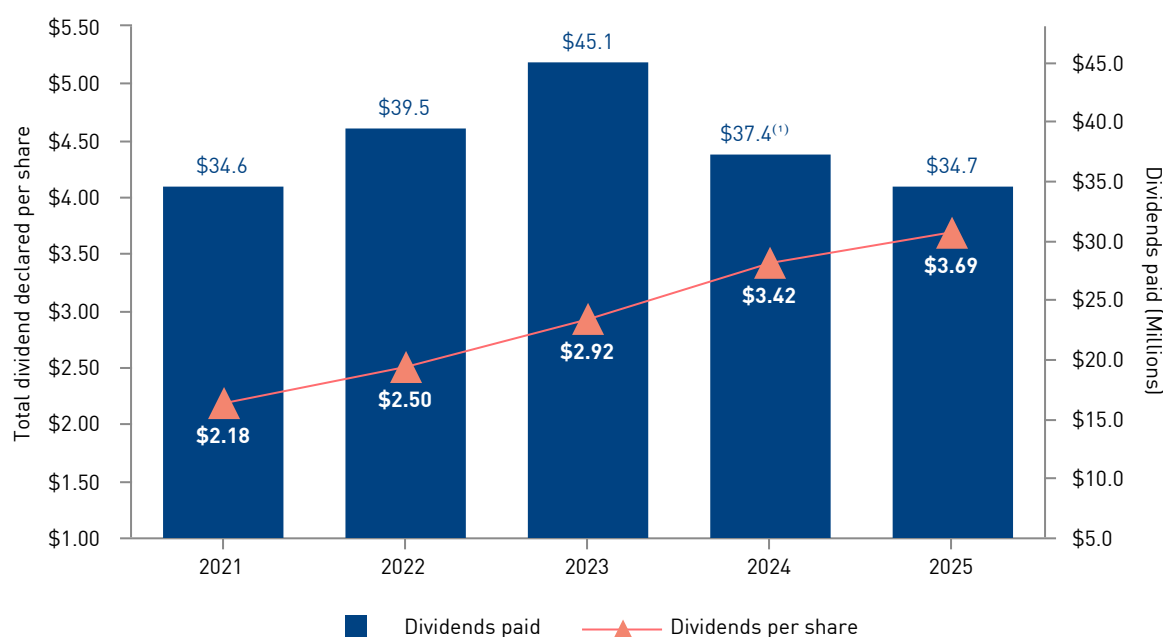
Dividends

During 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 fiscal 2024, quarterly eligible dividends of \$0.854 per share, totalling \$3.416 per share, were paid to the holders of multiple and subordinate voting shares, for a total of \$37.4 million. In addition, dividends paid on subordinate voting shares by a subsidiary to non-controlling interest during fiscal 2025 amounted to \$110.5 million compared to \$101.0 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 2025 and 2024:

Declaration date	Record date	Payment date	Dividend per share (in dollars)	
			Cogeco	Cogeco Communications
October 31, 2024	November 14, 2024	November 28, 2024	0.922	0.922
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
November 1, 2023	November 15, 2023	November 29, 2023	0.854	0.854
January 10, 2024	January 24, 2024	February 7, 2024	0.854	0.854
April 11, 2024	April 25, 2024	May 9, 2024	0.854	0.854
July 11, 2024	July 25, 2024	August 8, 2024	0.854	0.854
			3.416	3.416

During the last five fiscal years, dividends paid per share increased by 14.0% on a compounded annual basis. Total dividends and dividends per share over the last five fiscal years are as follows:



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

Purchase of subordinate voting shares for cancellation from La Caisse and disposal of shares in Cogeco Communications to La Caisse during the second quarter of fiscal 2024

On December 13, 2023, following a share buyback transaction, Cogeco repurchased for cancellation 5,969,390 of its subordinate voting shares from La Caisse for \$280.0 million and concurrently sold 1,423,692 subordinate voting shares of its holding in Cogeco Communications to La Caisse for \$73.2 million.

6.4 Free cash flow

Years ended August 31	2025 ⁽¹⁾	2024	Change	Change in constant currency ⁽²⁾	Foreign exchange impact ⁽²⁾
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Adjusted EBITDA	1,452,901	1,454,817	[0.1]	[1.3]	[16,866]
Share-based payment ⁽³⁾	7,046	14,634	[51.9]		
Proceeds from sale and leaseback and other disposals of property, plant and equipment	23,347	3,381	—		
Gain on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions ⁽⁴⁾	(18,128)	[658]	—		
Defined benefit plans expense, net of contributions	1,703	1,369	24.4		
Acquisition, integration, restructuring and other costs ⁽⁴⁾	(25,290)	[63,298]	[60.0]		
Financial expense	(282,533)	[286,672]	[1.4]		
Loss on debt extinguishment ⁽⁵⁾	—	16,880	—		
Amortization of deferred transaction costs and discounts on long-term debt ⁽⁵⁾	9,117	9,336	[2.3]		
Current income taxes	(47,743)	[20,995]	—		
Net capital expenditures	(591,398)	[642,747]	[8.0]		
Repayment of lease liabilities	(14,635)	[10,282]	42.3		
Free cash flow	514,387	475,765	8.1	7.4	[3,641]
Free cash flow, excluding network expansion projects ⁽⁶⁾	622,862	613,159	1.6	0.9	[4,191]

(1) For fiscal 2025, the average foreign exchange rate used for translation was 1.3962 USD/CDN.

(2) Fiscal 2025 in constant currency is translated at the average foreign exchange rate of fiscal 2024, which was 1.3606 USD/CDN.

(3) Fiscal 2024 amount includes an acceleration of non-cash share-based compensation, which was recognized within *Acquisition, integration, restructuring and other costs*.

(4) Includes a \$13.8 million non-cash gain recognized during the first quarter of fiscal 2025 in connection with a sale of a building in Ontario, which was leased back for a period of two years, with an option to renew for an additional year. On a net basis, the \$13.8 million non-cash gain had no impact on the free cash flow.

(5) Included within financial expense.

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

Fiscal 2025 free cash flow increased by 8.1% [7.4% in constant currency]. The variation in constant currency is mainly due to:

- lower net capital expenditures in the Canadian telecommunications segment;
- higher net proceeds from disposals of property, plant and equipment, including net proceeds amounting to \$16.5 million received during the first quarter of fiscal 2025 in connection with a sale and leaseback transaction of a building in Ontario; and
- lower restructuring and other severance costs incurred, included within *Acquisition, integration, restructuring and other costs*, as last year's significantly higher costs were mostly related to severance charges recognized in connection with the strategic transformation announced in May 2024; partly offset by
- higher current income taxes;
- lower adjusted EBITDA; and
- higher financial expense, net of last year's pre-tax \$16.9 million non-cash loss on debt extinguishment recognized in the first quarter of fiscal 2024.

Excluding network expansion projects, fiscal 2025 free cash flow amounted to \$622.9 million (\$618.7 million in constant currency), an increase of 1.6% [0.9% in constant currency] compared to the prior year.

7. Financial position

7.1 Working capital

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

At August 31	2025	2024	Change	Explanations
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	
Current assets				
Cash and cash equivalents	75,577	77,746	(2,169)	Refer to the "Cash flows analysis" section.
Trade and other receivables	148,752	131,929	16,823	Mainly related to the timing of collection of grants receivable in connection with network expansion projects. Refer to sub-section 8.5 "Financial risk management" for additional information on trade and other receivables.
Income taxes receivable	5,664	16,073	(10,409)	Mainly due to income tax refunds received.
Prepaid expenses and other	49,600	40,857	8,743	Mainly related to the increase in prepayments for services agreements.
Derivative financial instruments	2,947	3,875	(928)	Not significant.
	282,540	270,480	12,060	
Current liabilities				
Bank indebtedness	3,515	15,399	(11,884)	Refer to the "Cash flows analysis" section.
Trade and other payables	396,105	376,444	19,661	Mainly related to the timing of payments made to suppliers.
Provisions	41,562	58,882	(17,320)	Mainly related to the payment of restructuring costs previously recognized in connection with the organizational structure announced last year, partly offset by additional restructuring and programming provisions recognized during fiscal 2025.
Income tax liabilities	30,197	8,679	21,518	Related to the current income taxes expense for the period, partly offset by the payment of income tax installments.
Contract liabilities and other liabilities	59,023	61,736	(2,713)	Not significant.
Government subsidies received in advance	—	8,740	(8,740)	Mainly related to Cogeco Connexion's high-speed Internet network expansion projects in Québec.
Derivative financial instruments	3,109	240	2,869	Not significant.
Current portion of long-term debt	45,543	370,108	(324,565)	Mainly related to the redemption of the US\$215 million Senior Secured Notes in June 2025 and the US\$25 million Senior Secured Notes Series A in September 2024.
	579,054	900,228	(321,174)	
Working capital deficiency	(296,514)	(629,748)	333,234	

7.2 Other significant changes

At August 31 (In thousands of Canadian dollars)	2025 \$	2024 \$	Change \$	Explanations
Non-current assets				
Other assets	166,173	138,688	27,485	Mainly related to an increase in sales commissions.
Property, plant and equipment	3,315,203	3,340,793	(25,590)	Mainly related to the depreciation expense, partly offset by capital investments made during the period and the appreciation of the US dollar against the Canadian dollar.
Goodwill	2,166,652	2,132,661	33,991	Mainly related to the appreciation of the US dollar against the Canadian dollar.
Derivative financial instruments	17,635	46,539	(28,904)	Mainly related to the interest swap tranches maturing in October 2025 reclassified as current and changes in market interest rates.
Non-current liabilities				
Long-term debt	4,664,731	4,594,057	70,674	Mainly related to the issuance of the \$325 million Senior Secured Notes - Series 3 in February 2025 and the appreciation of the US dollar against the Canadian dollar, partly offset by the quarterly repayments on the Senior Secured Term B Facility, which included additional repayments of US\$45 million and US\$100 million in May and August 2025, respectively, as well as the net repayment of amounts drawn under Cogeco Communications' Term Revolving Facility.
Deferred tax liabilities	905,199	867,944	37,255	Mainly related to the timing of temporary differences and the appreciation of the US dollar against the Canadian dollar.

8. Capital resources and liquidity

8.1 Capital structure

The table below summarizes the Corporation's available liquidity:

At August 31 (In thousands of Canadian dollars)	2025 \$	2024 \$
Cash and cash equivalents	75,577	77,746
Cash with restrictions on use ⁽¹⁾	—	(8,740)
Amounts available under revolving credit facilities ⁽²⁾	901,793	787,426
Available liquidity ⁽³⁾	977,370	856,432

(1) Included within cash and cash equivalents (see Note 22 D) of the Corporation's consolidated financial statements).

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

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

The financial covenants related to the indebtedness of Cogeco are primarily based on a ratio of net indebtedness to adjusted EBITDA, computed on the basis of 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	2025	2024
Weighted average cost of indebtedness ⁽¹⁾	5.3 %	5.6 %
Fixed-rate indebtedness ⁽²⁾⁽³⁾	77 %	72 %
Weighted average term: long-term debt (in years)	4.5	4.8
Net indebtedness / adjusted EBITDA ratio ⁽³⁾	3.1	3.3

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

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

(3) Fixed-rate indebtedness 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, 2025 is presented in the table below. Additional details are provided in Note 20 of the consolidated financial statements.

<i>(In thousands of Canadian dollars, except number of shares)</i>	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 February 6, 2025, Cogeco Communications completed, pursuant to a private offering, the issuance of \$325 million senior secured notes, bearing interest at 4.743% and maturing in February 2035, in order to pre-finance the US\$215 million senior secured notes which matured in June 2025. Cogeco Communications used the net proceeds of the offering to repay existing indebtedness and for other general corporate purposes. The senior secured notes are direct and unsubordinated secured debt obligations of Cogeco Communications and rank equally and *pari passu*, with all other secured senior indebtedness of Cogeco Communications. Upon maturity on June 16, 2025, Cogeco Communications redeemed the US\$215 million Senior Secured Notes.

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

Term revolving facilities

On May 29, 2025, the Corporation and Cogeco Communications amended their term revolving facilities of \$100 million and \$750 million, respectively, by extending their maturity date to May 29, 2030.

Non-revolving facilities

On May 29, 2025, the Corporation amended its Non-Revolving Term Credit Facility by extending its maturity date to May 29, 2028 and slightly increasing the amount drawn by \$0.6 million, bringing the outstanding principal to \$70 million.

On June 30, 2025, Cogeco Communications proceeded to a first draw of \$4.8 million of its Senior Unsecured Non-Revolving Facility, having an aggregate principal amount of up to \$38.1 million, for a remaining availability of \$33.3 million. The credit facility, which was entered into with the Canada Infrastructure Bank in December 2022, can only be drawn to finance the network expansion projects undertaken in connection with Ontario's Accelerated High Speed Internet Program. At August 31, 2025, a \$3.0 million government grant was recognized related to this facility. On September 29, 2025, Cogeco Communications drew an additional \$6.3 million from the facility.

8.4 Cogeco Communications' credit ratings

At August 31, 2025	S&P	DBRS	Moody's
Cogeco Communications			
Senior Secured Notes	BBB-	BBB (low) (stable)	NR
Senior Unsecured Notes	BB+	BB (high) (stable)	NR
Corporate credit issuer rating	BB+ (negative outlook)	BB (high) (stable)	NR
U.S. subsidiaries			
First Lien Credit Facilities	BB	NR	B1 (negative outlook)
Corporate credit issuer rating	BB (negative outlook)	NR	B1 (negative outlook)

NR : Not rated

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 cash equivalents and trade accounts receivable, the maximum exposure of which is represented by the carrying amounts reported on the consolidated statements of financial position.

Credit risk from derivative financial instruments arises from the possibility that 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, 2025, 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 and cash equivalents with reputable financial institutions, for which management believes the risk of loss to be remote.

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

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

At August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Trade accounts receivable	100,768	103,869
Allowance for doubtful accounts	(6,610)	(5,279)
	94,158	98,590
Other accounts receivable ⁽¹⁾	54,594	33,339
	148,752	131,929

(1) Mainly related to receivables from government grants.

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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Less than 30 days past due	12,777	19,336
30 to 60 days past due	5,252	5,866
60 to 90 days past due	1,172	1,709
More than 90 days past due	1,287	849
	20,488	27,760

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

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Balance, beginning of the year	5,279	8,929
Provision for impaired receivables	26,666	27,294
Net use	(25,309)	(30,994)
Foreign currency translation adjustments	(26)	50
Balance, end of the year	6,610	5,279

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, 2025:

	Total amount	Amount used	Remaining availability
Corporation			
Term Revolving Facility	\$100.0 million	\$67.2 million	\$32.8 million
Cogeco Communications			
Term Revolving Facility	\$750.0 million	\$221.6 million	\$528.4 million
Senior Secured Revolving Facility - U.S. subsidiaries	\$343.6 million	\$3.0 million	\$340.6 million
	(US\$250.0 million)	(US\$2.2 million)	(US\$247.8 million)

The following table summarizes the contractual maturities of the financial liabilities and lease liabilities, and related capital amounts outstanding at August 31, 2025:

	Contractual cash flows						
	2026	2027	2028	2029	2030	Thereafter	Total
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$	\$
Bank indebtedness	3,515	—	—	—	—	—	3,515
Trade and other payables ⁽¹⁾	381,265	—	—	—	—	—	381,265
Notes and credit facilities ⁽²⁾	29,545	235,675	98,695	2,065,411	296,457	1,926,322	4,652,105
Lease liabilities	15,693	13,845	11,616	7,765	5,665	34,001	88,585
Balance due on business combinations	—	17,094	—	—	—	—	17,094
Other liabilities ⁽¹⁾	—	6,031	1,530	7	—	—	7,568
	430,018	272,645	111,841	2,073,183	302,122	1,960,323	5,150,132

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

(2) An amount of \$561.1 million of these loan agreements contain debt covenants. Covenant calculations are performed quarterly at each reporting date, as well as on a pro-forma basis when a business combination or disposal takes place. The covenants relate to the maintenance of certain financial ratios primarily linked to adjusted EBITDA 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:

	2026	2027	2028	2029	2030	Thereafter	Total
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$	\$
Interest payments on notes and credit facilities ⁽¹⁾	229,815	225,423	224,583	140,925	123,286	137,458	1,081,490
Interest payments on lease liabilities	3,695	2,942	2,318	1,862	1,590	7,404	19,811
Interest payments on balance due on business combinations	—	3,972	—	—	—	—	3,972
Interest receipts on derivative financial instruments ⁽¹⁾	(71,930)	(54,368)	(31,879)	(6,673)	—	—	(164,850)
Interest payments on derivative financial instruments ⁽¹⁾	47,333	40,262	27,077	6,030	—	—	120,702
	208,913	218,231	222,099	142,144	124,876	144,862	1,061,125

(1) Based on the principal amounts and interest rates prevailing on the outstanding debt at August 31, 2025 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, 2025, all of the Corporation's and Cogeco Communications' long-term debt was at fixed rate, except for the amounts drawn under the

Corporation's Term Revolving Facility and Non-Revolving Term Credit Facility, and under Cogeco Communications' Term Revolving Facility and First Lien Credit Facilities, which are subject to floating interest rates.

To reduce the risk on the floating interest rate instruments and mitigate the impact of interest rate variations, Cogeco Communications' U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at August 31, 2025:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate ⁽¹⁾	Maturity	Hedged item
Cash flow ⁽²⁾	US\$550 million	Term SOFR	3.82% - 4.18%	February 2027 - February 2029	Senior Secured Term Loan B - Tranche 3
Cash flow ⁽³⁾	US\$800 million	Term SOFR with a 39 bps floor	1.17% - 1.44%	October 2025 - July 2027	Senior Secured Term Loan B - Tranche 2

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

(2) Interest rate swaps amounting to US\$250 million matured in November 2024. In December 2024, new fixed interest rate swaps of the same amount were entered into, with maturities ranging from February 2028 to February 2029, and interest rates varying from 3.82% to 3.85%.

(3) In August 2025, US\$200 million interest rate swaps, with an October 2025 forward-start date, were entered into to partially renew the US\$400 million interest rate swaps maturing in October 2025. The new fixed interest rate swaps have a 3.25% interest rate and mature on August 31, 2028.

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 \$11.9 million based on the outstanding debt and swap agreements at August 31, 2025.

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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Financial assets (liabilities)		
Cash and cash equivalents	12,125	9,285
Trade and other payables	(14,521)	(13,965)
	(2,396)	(4,680)

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 \$0.2 million based on the outstanding balances at August 31, 2025.

The Corporation is also exposed to foreign exchange risk with respect to the annual interest, amounting to \$168.4 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 \$16.8 million based on the outstanding debt and swap agreements at August 31, 2025.

Additionally, Cogeco Communications faced exposure to foreign exchange risk associated with the June 2025 repayment of its US\$215 million Senior Secured Notes. In order to mitigate such risk, during the third quarter of fiscal 2025, Cogeco Communications entered into foreign currency forward contracts to partially hedge its exposure. At maturity in June 2025, a \$14.9 million realized loss related to these foreign currency forward contracts was recognized within *Financial expense*.

Type of relationship	Notional amount	Maturity	Weighted average exchange rate
Economic hedge	US\$210.2 million	June 16, 2025	1.4263

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

The following table shows the aggregate investment in foreign operations attributable to owners of Cogeco Communications and the notional amount of debt borrowed to hedge this investment at August 31, 2025:

Type of hedge	Notional amount of debt	Aggregate investment	Hedged item
Net investment	US\$150 million	US\$1,433 million	Net investment in foreign operations in US dollar

The exchange rate used to translate the US dollar currency to the Canadian dollar for the consolidated statement of financial position accounts at August 31, 2025 was \$1.3742 [\$1.3491 at August 31, 2024] 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 \$176.3 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 plans and Cogeco Communications' cash-settled ISU and PSU 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, 2025:

Type of relationship	Notional	Maturity	Average share price	Hedged item
Economic hedge	85,950 units	January 2026	\$62.91	Equity price exposure - DSU Plan

The following table shows Cogeco Communications' equity derivative contracts outstanding at August 31, 2025:

Type of relationship	Notional	Maturity	Average share price	Hedged item
Economic hedge	128,650 units	January 2026	\$66.45	Equity price exposure - DSU Plan
Economic hedge	74,100 units	November 2025	\$66.01	Equity price exposure - ISU / PSU Plans

At August 31, 2025, the fair value of the equity swaps was \$0.8 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, 2025 and 2024, the average rates prevailing used to convert the operating results of the American telecommunications segment were as follows:

Years ended August 31	2025	2024
	\$	\$
US dollar vs Canadian dollar	1.3962	1.3606

8.7 Contractual obligations, contingencies and guarantees

A) Contractual obligations

The following table presents the Corporation's contractual obligations at August 31, 2025, which are due in each of the next five years and thereafter:

Years ended August 31	2026	2027	2028	2029	2030	Thereafter	Total
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$	\$
Acquisition of property, plant and equipment ⁽¹⁾	134,400	8,173	1,968	—	—	—	144,541
Other long-term contracts ⁽²⁾	88,949	54,454	49,737	49,417	28,231	35,161	305,949
Lease commitments ⁽³⁾	10,009	56	26	7	5	5	10,108
Financial liabilities and lease liabilities, and related capital amounts ⁽⁴⁾	430,018	272,645	111,841	2,073,183	302,122	1,960,323	5,150,132
Interest payable on long-term debt, including the related derivative financial instruments ⁽⁴⁾	208,913	218,231	222,099	142,144	124,876	144,862	1,061,125
	872,289	553,559	385,671	2,264,751	455,234	2,140,351	6,671,855

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

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

At August 31, 2025, the Corporation had \$157.9 million of performance and payment bonds outstanding, issued in accordance with the rules established by Infrastructure Ontario in connection with Ontario's Accelerated High Speed Internet Program (AHSIP).

B) Contingencies

Final rates for aggregated wholesale Internet access services

The CRTC has been in the process of reviewing wireline wholesale rates since 2023 through several costing and related processes. During that time, rates have been set on an interim basis. Final rates are expected to be announced before the end of calendar 2025 for Cogeco Communications, other cable wholesale providers and fibre-to-the-home services. 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 customers retroactively back to 2023 if the final rates are lower than the interim rates.

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 full reimbursement of the rate increases and punitive damages. A hearing on the authorization of this class action took place on June 26, 2025. We are vigorously defending against this action. Due to the significant uncertainty surrounding the outcome of this application and its financial implications, the Corporation has not recorded any liability as at August 31, 2025.

Royalties payable for retransmission of distant television signals

On May 8, 2025, the Federal Court of Appeal granted an appeal by nine collective societies of a decision by the Copyright Board of Canada 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. On August 6, 2025, six broadcasting distribution undertakings ("BDUs"), including Cogeco Communications, sought leave to appeal the Federal Court of Appeal's decision to the Supreme Court of Canada. If upheld, the Federal Court of Appeal's decision will result in Cogeco Communications being subject to higher royalty rates for that period on a retroactive basis.

The Copyright Board has initiated a new proceeding to set the rates for subsequent tariff periods (2019-2023 and 2024-2028). Any decision from the Copyright Board that would align with the copyright collectives' proposed tariff rates for either of such subsequent periods could result in Cogeco Communications being subject to higher royalty rates. The Corporation has recognized a provision amounting to \$11.7 million in connection with this matter in its consolidated statement of financial position as of August 31, 2025.

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, 2025 and 2024, 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, 2025 and 2024, 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.

Long-term debt

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

Employees and contractual indemnification agreements

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

Sale of services

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

Purchase and development of assets

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

9. Quarterly operating results

9.1 Quarterly financial highlights

Three months ended	Fiscal 2025				Fiscal 2024			
	Nov. 30	Feb. 28	May 31	Aug. 31	Nov. 30 ⁽¹⁾	Feb. 29 ⁽¹⁾	May 31 ⁽¹⁾	Aug. 31
<i>(In thousands of Canadian dollars, except per share data)</i>	\$	\$	\$	\$	\$	\$	\$	\$
Operations								
Revenue	764,960	753,247	758,527	731,367	776,172	751,908	777,249	768,656
Adjusted EBITDA	371,084	356,905	367,828	357,084	366,033	347,782	369,786	371,216
Acquisition, integration, restructuring and other costs (gains)	(9,648)	8,644	8,996	17,298	3,265	1,222	46,634	12,177
Impairment of property, plant and equipment	—	—	2,565	(132)	—	—	—	15,229
Profit for the period	108,396	76,610	73,962	76,197	98,729	93,930	75,285	81,437
Profit for the period attributable to owners of the Corporation	29,809	18,172	20,504	16,483	34,541	23,997	18,960	19,248
Adjusted profit attributable to owners of the Corporation	27,221	20,329	23,146	20,491	40,038	24,346	29,102	25,562
Cash flow								
Cash flows from operating activities	208,655	250,080	401,375	266,738	236,919	286,382	335,126	326,723
Free cash flow ⁽¹⁾	152,451	112,805	147,535	101,596	142,078	100,468	90,164	143,055
Acquisition of property, plant and equipment	153,514	160,335	126,223	159,222	153,789	181,234	172,404	156,577
Net capital expenditures	150,916	158,859	125,752	155,871	146,667	171,756	169,754	154,570
Per share data ⁽²⁾ and related information								
Earnings per share								
Basic	3.13	1.91	2.16	1.74	2.23	2.32	1.99	2.02
Diluted	3.09	1.88	2.13	1.71	2.21	2.30	1.97	1.99
Adjusted diluted	2.82	2.11	2.40	2.12	2.57	2.33	3.02	2.65
Weighted average number of shares outstanding - diluted (in thousands)	9,648	9,643	9,643	9,643	15,598	10,429	9,643	9,648
Dividends per share	0.922	0.922	0.922	0.922	0.854	0.854	0.854	0.854

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

(2) Per multiple and subordinate voting share.

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			2025	2024	Change	
	Actual ⁽¹⁾	Foreign exchange impact	In constant currency ⁽²⁾	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	731,367	(767)	730,600	768,656	(4.9)	(5.0)
Operating expenses	374,283	(324)	373,959	397,440	(5.8)	(5.9)
Adjusted EBITDA	357,084	(443)	356,641	371,216	(3.8)	(3.9)
Net capital expenditures	155,871	(203)	155,668	154,570	0.8	0.7

(1) For the fourth quarter of fiscal 2025, the average foreign exchange rate used for translation was 1.3722 USD/CDN.

(2) Fiscal 2025 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3690 USD/CDN.

Revenue

Three months ended August 31	2025	2024	Change	Change in constant currency	Foreign exchange impact
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications	372,931	378,702	(1.5)	(1.5)	—
American telecommunications	335,762	369,049	(9.0)	(9.2)	(767)
Cogeco Communications	708,693	747,751	(5.2)	(5.3)	(767)
Other	22,674	20,905	8.5	8.5	—
Consolidated	731,367	768,656	(4.9)	(5.0)	(767)

For the fourth quarter of fiscal 2025, revenue decreased by 4.9% (5.0% in constant currency). The decrease in constant currency is mainly due to:

- a decline in the American telecommunications segment's subscriber base, especially for entry-level services, and a higher proportion of customers subscribing to Internet-only services, as well as a competitive pricing environment; and
- lower revenue in the Canadian telecommunications segment, mainly due to a lower revenue per customer as a result of a decline in video and wireline phone service subscribers, as an increasing proportion of customers subscribe to Internet-only services, as well as a competitive pricing environment. The decrease was partly offset by the cumulative effect of high-speed Internet service additions over the past year.

The overall decrease was further partly offset by higher revenue in the media activities, helped in part by ongoing growth of our digital advertising solutions and continued engagement from our listeners.

Operating expenses

Three months ended August 31	2025	2024	Change	Change in constant currency	Foreign exchange impact
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications	172,798	175,688	(1.6)	(1.7)	(17)
American telecommunications	166,327	185,588	(10.4)	(10.5)	(306)
Corporate and eliminations	7,563	10,819	(30.1)	(30.1)	(1)
Cogeco Communications	346,688	372,095	(6.8)	(6.9)	(324)
Other	27,595	25,345	8.9	8.9	—
Consolidated	374,283	397,440	(5.8)	(5.9)	(324)

For the fourth quarter of fiscal 2025, operating expenses decreased by 5.8% (5.9% in constant currency). The decrease in constant currency is mainly driven by cost reduction initiatives and operating efficiencies across the Corporation as a result of our ongoing three-year transformation program, in addition to:

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

Adjusted EBITDA

Three months ended August 31	2025	2024	Change	Change in constant currency	Foreign exchange impact
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications	200,133	203,014	(1.4)	(1.4)	17
American telecommunications	169,435	183,461	(7.6)	(7.9)	(461)
Corporate and eliminations	(11,014)	(16,057)	31.4	31.4	1
Cogeco Communications	358,554	370,418	(3.2)	(3.3)	(443)
Other	(1,470)	798	—	—	—
Consolidated	357,084	371,216	(3.8)	(3.9)	(443)

For the fourth quarter of fiscal 2025, adjusted EBITDA decreased by 3.8% (3.9% in constant currency). The decrease in constant currency is mainly due to lower revenue in both the American and Canadian telecommunications segments, offset in part by lower operating expenses driven by cost reduction initiatives and operating efficiencies across the Corporation, as explained above.

Net capital expenditures

Three months ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Canadian telecommunications	86,325	(49)	86,276	71,000	21.6	21.5
American telecommunications	66,295	(154)	66,141	76,238	(13.0)	(13.2)
Corporate and eliminations	1,654	—	1,654	5,015	(67.0)	(67.0)
Cogeco Communications - net capital expenditures ⁽¹⁾	154,274	(203)	154,071	152,253	1.3	1.2
Capital intensity	21.8 %			20.4 %		
Other	1,597	—	1,597	2,317	(31.1)	(31.1)
Consolidated - net capital expenditures ⁽¹⁾	155,871	(203)	155,668	154,570	0.8	0.7

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

Net capital expenditures and capital intensity, excluding network expansion projects

Three months ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Net capital expenditures	154,274	(203)	154,071	152,253	1.3	1.2
Net capital expenditures in connection with network expansion projects	57,818	(387)	57,431	56,911	1.6	0.9
Cogeco Communications - net capital expenditures, excluding network expansion projects	96,456	184	96,640	95,342	1.2	1.4
Capital intensity, excluding network expansion projects	13.6 %			12.8 %		
Other	1,597	—	1,597	2,317	(31.1)	(31.1)
Consolidated - net capital expenditures, excluding network expansion projects	98,053	184	98,237	97,659	0.4	0.6

For the fourth quarter of fiscal 2025, net capital expenditures increased by 0.8% (0.7% in constant currency), mainly due to higher capital spending related to customer premise equipment in the Canadian telecommunications segment. The increase is partly offset by the timing of certain initiatives in the Canadian telecommunications segment, as well as lower capital spending in the American telecommunications segment, mainly related to customer premise equipment.

Excluding network expansion projects, net capital expenditures for the fourth quarter of fiscal 2025 increased by 0.4% (0.6% in constant currency).

For the fourth quarter of fiscal 2025, capital intensity of Cogeco Communications was 21.8% compared to 20.4% for the same period of the prior year. The capital intensity increase is mainly due to lower revenue in both the American and Canadian telecommunications segments. Excluding network expansion projects, capital intensity of Cogeco Communications was 13.6% compared to 12.8% for the same period of the prior year.

Acquisition, integration, restructuring and other costs

Three months ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	<i>\$</i>	<i>\$</i>	<i>%</i>
Acquisition and integration costs	—	82	—
Restructuring costs ⁽¹⁾	14,704	9,413	56.2
Configuration and customization costs related to cloud computing and other arrangements	2,333	2,682	(13.0)
Other costs	261	—	—
	17,298	12,177	42.1

(1) Consists of severance charges, including accelerated share-based compensation expense, and other related costs.

For the fourth quarter of fiscal 2025, acquisition, integration, restructuring and other costs increased by 42.1%, mostly due to higher restructuring costs incurred compared to last year, as further cost optimization initiatives were undertaken.

Depreciation and amortization

Three months ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	<i>\$</i>	<i>\$</i>	<i>%</i>
Canadian telecommunications	84,352	84,356	—
American telecommunications	87,966	97,590	(9.9)
Corporate and eliminations	1,260	415	—
Cogeco Communications	173,578	182,361	(4.8)
Other	1,363	1,289	5.7
Consolidated	174,941	183,650	(4.7)

For the fourth quarter of fiscal 2025, depreciation and amortization expense amounted to \$174.9 million, a decrease of 4.7% compared to the same period of the prior year, mainly due to a lower level of capital assets in the American telecommunications segment.

Impairment of property, plant and equipment

During last year's fourth quarter, non-cash pre-tax impairment charges amounting to \$15.2 million, mostly related to assets under construction write-offs, were recognized in connection with cost optimization initiatives undertaken, mainly following the Corporation's strategic partnerships announced in August 2024 to facilitate the development of wireless services in Canada under a capital-light operating model.

Financial expense

Three months ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	<i>\$</i>	<i>\$</i>	<i>%</i>
Interest on long-term debt, excluding interest on lease liabilities	71,070	75,497	(5.9)
Interest on lease liabilities	1,054	950	10.9
Change in fair value of forward contracts ⁽¹⁾	4,144	—	—
Net foreign exchange gain	(1,645)	(3,186)	(48.4)
Interest and other income	(2,636)	(2,608)	1.1
Capitalized borrowing costs ⁽²⁾	(1,890)	(6,922)	(72.7)
Other	1,409	730	93.0
Financial expense	71,506	64,461	10.9

(1) 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, please refer to sub-section 8.5 "Financial risk management".

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

For the fourth quarter of fiscal 2025, financial expense increased by 10.9%, mainly due to:

- lower capitalized interest, mostly due to last year's capitalized interest recognized during the fourth quarter in connection with debt incurred for previously acquired spectrum licences;
- a \$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 its US\$215 million Senior Secured Notes; and
- higher interest expense following the issuance of the \$325 million Senior Secured Notes - Series 3 in February 2025; partly offset by
- lower usage under Cogeco Communications' Term Revolving Facility compared to last year; and
- lower interest expense following the repayment of the US\$215 million Senior Secured Notes in June 2025.

Income taxes

Three months ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Current	11,861	682	—
Deferred	5,413	13,580	(60.1)
Income taxes	17,274	14,262	21.1
Effective income tax rate	18.5 %	14.9 %	24.2

For the fourth quarter of fiscal 2025, income tax expense increased by 21.1%, mainly due to:

- the impact of the Pillar Two global minimum tax and other recent changes in tax legislation, which applied to the Corporation starting on September 1st, 2024; and
- lower tax benefits related to financing costs in connection with past acquisitions; partly offset by
- favorable tax adjustments.

Current income taxes were higher in the fourth quarter of fiscal 2025 compared to the same period of the prior year, mainly for the same reasons as for the total income tax expense.

Profit for the period

Three months ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages and earnings per share)</i>	\$	\$	%
Profit for the period	76,197	81,437	(6.4)
Profit for the period attributable to owners of the Corporation	16,483	19,248	(14.4)
Profit for the period attributable to non-controlling interest ⁽¹⁾	59,714	62,189	(4.0)
Adjusted profit attributable to owners of the Corporation	20,491	25,562	(19.8)
Basic earnings per share	1.74	2.02	(13.9)
Diluted earnings per share	1.71	1.99	(14.1)
Adjusted diluted earnings per share	2.12	2.65	(20.0)

(1) At August 31, 2025, 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 2025, profit for the period and profit for the period attributable to owners of the Corporation decreased by 6.4% and 14.4%, respectively, mainly as a result of:

- lower adjusted EBITDA;
- higher financial expense; and
- higher acquisition, integration, restructuring and other costs; partly offset by
- last year's non-cash pre-tax impairment charges of \$15.2 million, mostly related to assets under construction write-offs; and
- lower depreciation and amortization expense.

For the fourth quarter of fiscal 2025, adjusted profit attributable to owners of the Corporation, which excludes the impact of acquisition, integration, restructuring and other costs, as well as non-cash impairment charges (both net of tax and non-controlling interest), decreased by 19.8% compared to the same period of the prior year.

Canadian telecommunications

Operating and financial results

Three months ended August 31			2025	2024	Change	
	Actual ⁽¹⁾	Foreign exchange impact	In constant currency ⁽²⁾	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	372,931	—	372,931	378,702	(1.5)	(1.5)
Operating expenses	172,798	(17)	172,781	175,688	(1.6)	(1.7)
Adjusted EBITDA	200,133	17	200,150	203,014	(1.4)	(1.4)
Adjusted EBITDA margin	53.7 %			53.6 %		
Net capital expenditures	86,325	(49)	86,276	71,000	21.6	21.5
Capital intensity	23.1 %			18.7 %		

(1) For the fourth quarter of fiscal 2025, the average foreign exchange rate used for translation was 1.3722 USD/CDN.

(2) Fiscal 2025 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3690 USD/CDN.

Revenue

For the fourth quarter of fiscal 2025, revenue decreased by 1.5% as reported and in constant currency, mainly resulting from:

- a lower revenue per customer as a result of a decline in video and wireline phone service subscribers, as an increasing proportion of customers subscribe to Internet-only services, as well as a competitive pricing environment; partly offset by
- a higher Internet service subscriber base.

Operating expenses

For the fourth quarter of fiscal 2025, operating expenses decreased by 1.6% (1.7% 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 operating expenses, in part to drive subscriber growth.

Adjusted EBITDA

For the fourth quarter of fiscal 2025, adjusted EBITDA decreased by 1.4% as reported and in constant currency, resulting from lower revenue, offset in part by lower operating expenses mainly driven by cost reduction initiatives and operating efficiencies.

Net capital expenditures and capital intensity

For the fourth quarter of fiscal 2025, net capital expenditures increased by 21.6% (21.5% in constant currency) and capital intensity was 23.1% compared to 18.7% 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

	August 31, 2025	Net additions (losses)	
		Three months ended August 31	
		2025	2024
Primary service units ⁽¹⁾	1,874,071	6,096	(2,327)
Internet service subscribers	938,166	16,988	9,707
Video service subscribers	578,761	(7,308)	(7,877)
Wireline phone service subscribers	357,144	(3,584)	(4,157)

(1) Primary service units exclude mobile phone service subscribers due to wireless services' early stage of development.

Internet

Fiscal 2025 fourth-quarter Internet service subscribers increased by 16,988.

Video

Fiscal 2025 fourth-quarter video service subscriber net losses of 7,308 were mainly due to ongoing changes in video consumption trends, with an increasing proportion of customers subscribing to Internet-only services, partly offset by additions in network expansion areas.

Wireline phone

Fiscal 2025 fourth-quarter wireline phone service subscriber net losses of 3,584 were mainly due to higher mobile phone substitution, partly offset by additions in network expansion areas.

Homes passed

Fiscal 2025 fourth-quarter homes passed increased by 10,797.

American telecommunications

Operating and financial results

Three months ended August 31			2025	2024	Change	
	Actual ⁽¹⁾	Foreign exchange impact	In constant currency ⁽²⁾	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	335,762	(767)	334,995	369,049	(9.0)	(9.2)
Operating expenses	166,327	(306)	166,021	185,588	(10.4)	(10.5)
Adjusted EBITDA	169,435	(461)	168,974	183,461	(7.6)	(7.9)
Adjusted EBITDA margin	50.5 %			49.7 %		
Net capital expenditures	66,295	(154)	66,141	76,238	(13.0)	(13.2)
Capital intensity	19.7 %			20.7 %		

(1) For the fourth quarter of fiscal 2025, the average foreign exchange rate used for translation was 1.3722 USD/CDN.

(2) Fiscal 2025 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3690 USD/CDN.

Revenue

For the fourth quarter of fiscal 2025, revenue decreased by 9.0% (9.2% in constant currency). The decrease in constant currency is mainly due to a decline in the segment's subscriber base, especially for entry-level services, and to a higher proportion of customers subscribing to Internet-only services, as well as a competitive pricing environment.

In local currency, revenue amounted to US\$244.7 million compared to US\$269.6 million for the same period of fiscal 2024.

Operating expenses

For the fourth quarter of fiscal 2025, operating expenses decreased by 10.4% (10.5% in constant currency). The decrease in constant currency is primarily due to:

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

Adjusted EBITDA

For the fourth quarter of fiscal 2025, adjusted EBITDA decreased by 7.6% (7.9% in constant currency). The decrease in constant currency is mainly due to lower revenue, offset in part by lower operating expenses driven by cost reduction initiatives and operating efficiencies.

In local currency, adjusted EBITDA amounted to US\$123.4 million compared to US\$134.0 million for the same period of fiscal 2024.

Net capital expenditures and capital intensity

For the fourth quarter of fiscal 2025, net capital expenditures decreased by 13.0% (13.2% in constant currency) and capital intensity was 19.7% compared to 20.7% for the same period of the prior year, mainly due to lower capital spending related to customer premise equipment.

In local currency, net capital expenditures amounted to US\$48.3 million compared to US\$55.7 million for the same period of fiscal 2024.

Primary service units

	August 31, 2025	Net additions (losses)	
		Three months ended August 31	
		2025	2024
Primary service units ⁽¹⁾	962,183	(15,498)	(19,118)
Internet service subscribers	616,070	(6,341)	(8,731)
Video service subscribers	234,167	(6,092)	(7,436)
Wireline phone service subscribers	111,946	(3,065)	(2,951)

(1) Primary service units exclude mobile phone service subscribers due to wireless services' early stage of development.

Internet

Fiscal 2025 fourth-quarter Internet service subscriber net losses of 6,341 were mainly due to:

- a highly competitive environment, notably for entry-level Internet services; partly offset by
- net additions of 1,280 Internet service subscribers in Ohio, in part due to improved customer management resulting from investments made in the network infrastructure and new sales and marketing strategies.

Video

Fiscal 2025 fourth-quarter video service subscriber net losses of 6,092 were mainly due to:

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

Wireline phone

Fiscal 2025 fourth-quarter wireline phone service subscriber net losses of 3,065 were mainly due to:

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

Homes passed

Fiscal 2025 fourth-quarter homes passed increased by 4,314 ⁽ⁱⁱ⁾.

⁽ⁱⁱ⁾ During the fourth quarter of fiscal 2025, homes passed were adjusted following an exhaustive 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	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Cash flows from operating activities	266,738	326,723	(18.4)
Cash flows used in investing activities	(161,327)	(160,007)	0.8
Cash flows used in financing activities	(275,212)	(141,899)	93.9
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	(330)	(2,206)	(85.0)
Net change in cash and cash equivalents	(170,131)	22,611	—
Cash and cash equivalents, beginning of the period	245,708	55,135	—
Cash and cash equivalents, end of the period	75,577	77,746	(2.8)

Operating activities

For the fourth quarter of fiscal 2025, cash flows from operating activities decreased by 18.4%, mainly due to:

- lower cash from other non-cash operating activities, primarily due to the timing of payments of trade and other payables, and of the collection of trade and other receivables; and
- lower adjusted EBITDA.

Investing activities

For the fourth quarter of fiscal 2025, cash flows used in investing activities increased by 0.8%, primarily due to the increase in acquisition of property, plant and equipment over last year.

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 presented in the "Consolidated performance" sub-section above.

Three months ended August 31	2025	2024	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%
Acquisition of property, plant and equipment	159,222	156,577	1.7
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(3,351)	(2,007)	67.0
Net capital expenditures	155,871	154,570	0.8

Financing activities

Issuance and repayment of debt

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

Three months ended August 31	2025	2024	Explanations
<i>(In thousands of Canadian dollars)</i>	\$	\$	
Increase (decrease) in bank indebtedness	2,401	(2,676)	Related to the timing of working capital needs.
Net increase (decrease) under revolving facilities	213,484	(94,549)	Mainly related to the funds drawn under Cogeco Communications' Term Revolving Facility during the fourth quarter of fiscal 2025. Last year's repayment was related to the repayment of amounts drawn under the revolving facilities.
Issuance of long-term debt, net of discounts and transaction costs	1,694	—	Related to funds drawn under the Senior Unsecured Non-Revolving Facility.
Repayment of notes and credit facilities	(437,932)	(8,189)	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, which included an additional repayment of US\$100 million in August 2025.
Payment on settlement of forward contracts	(14,940)	—	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 its US\$215 million Senior Secured Notes.
Repayment of lease liabilities	(3,900)	(2,816)	Comparable.
Increase in deferred transaction costs	(95)	(179)	Comparable.
	(239,288)	(108,409)	

Dividends

During the fourth quarter of fiscal 2025, a quarterly eligible dividend of \$0.922 per share was paid to the holders of multiple and subordinate voting shares, totalling \$8.7 million, compared to a quarterly eligible dividend paid of \$0.854 per share, or \$8.0 million, in the fourth quarter of fiscal 2024. In addition, dividends paid on subordinate voting shares by a subsidiary to non-controlling interest during the fourth quarter of fiscal 2025 amounted to \$27.6 million compared to \$25.5 million for the same period of the prior year.

Free cash flow

Three months ended August 31	2025 ⁽¹⁾	2024	Change	Change in constant currency ⁽²⁾	Foreign exchange impact ⁽²⁾
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Adjusted EBITDA	357,084	371,216	(3.8)	(3.9)	(443)
Share-based payment	1,371	2,752	(50.2)		
Proceeds from disposals of property, plant and equipment	606	594	2.0		
Loss (gain) on disposals and write-offs of property, plant and equipment	(39)	430	—		
Defined benefit plans expense, net of contributions	396	512	(22.7)		
Acquisition, integration, restructuring and other costs	(17,298)	(12,177)	42.1		
Financial expense	(71,506)	(64,461)	10.9		
Amortization of deferred transaction costs and discounts on long-term debt ⁽³⁾	2,614	2,257	15.8		
Current income taxes	(11,861)	(682)	—		
Net capital expenditures	(155,871)	(154,570)	0.8		
Repayment of lease liabilities	(3,900)	(2,816)	38.5		
Free cash flow	101,596	143,055	(29.0)	(29.1)	(125)
Free cash flow, excluding network expansion projects	159,414	199,966	(20.3)	(20.5)	(512)

(1) For the fourth quarter of fiscal 2025, the average foreign exchange rate used for translation was 1.3722 USD/CDN.

(2) Fiscal 2025 fourth-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2024, which was 1.3690 USD/CDN.

(3) Included within financial expense.

For the fourth quarter of fiscal 2025, free cash flow decreased by 29.0% (29.1% in constant currency). The variation in constant currency is mainly due to:

- lower adjusted EBITDA;
- higher current income taxes;
- higher financial expense; and
- higher acquisition, integration, restructuring and other costs.

Excluding network expansion projects, free cash flow for the fourth quarter of fiscal 2025 amounted to \$159.4 million (\$158.9 million in constant currency), a decrease of 20.3% (20.5% in constant currency) compared to the same period of the prior year.

10. Fiscal 2026 financial guidelines

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

The Corporation presents its fiscal 2026 financial guidelines on a constant currency basis and believes this presentation enables an improved understanding of the Corporation's underlying financial performance, undistorted by the effects of changes in foreign currency rates. Measures on a constant currency basis are considered non-IFRS Accounting Standards measures and ratios, and do not have any standardized meaning prescribed by IFRS Accounting Standards and therefore, may not be comparable to similar measures presented by other companies. The financial guidelines exclude the impact from possible business acquisitions and/or disposals, and do not take into consideration unusual adjustments that could result from regulatory environment changes (including changes to Internet wholesale rates), and/or unforeseeable legal matters or non-recurring items.

Cogeco

Fiscal 2026 will be the second year of a three-year transformation program, where investments are made in order to set the Corporation on a path to sustainable growth. The Corporation's fiscal 2026 financial guidelines are primarily driven by those of Cogeco Communications, which are described below.

The following table outlines the Corporation's fiscal 2026 financial guidelines ranges compared to fiscal 2025 actual results, on a constant currency and consolidated basis:

	October 29, 2025	
	Projections ⁽¹⁾	Actual
	Fiscal 2026 (constant currency) ⁽²⁾	Fiscal 2025
<i>(In millions of Canadian dollars, except percentages)</i>	\$	\$
Financial guidelines		
Revenue	Decrease of 1% to 3%	3,008
Adjusted EBITDA	Decrease of 0% to 2%	1,453
Net capital expenditures	\$565 to \$605	591
Net capital expenditures in connection with network expansion projects	\$100 to \$140	108
Free cash flow	Increase of 0% to 10% ⁽³⁾	514
Free cash flow, excluding network expansion projects	Increase of 0% to 10% ⁽³⁾	623

(1) Percentage of changes compared to fiscal 2025.

(2) Fiscal 2026 financial guidelines are based on a USD/CDN constant exchange rate of 1.3962 USD/CDN.

(3) The assumed current income tax effective rate is approximately 11.5%.

Cogeco Communications

On a constant currency basis, Cogeco Communications expects fiscal 2026 revenue to decrease by 1% to 3%, resulting mostly from a growing Internet subscriber base, a decline in video and wireline phone subscriptions, as well as a competitive pricing environment. On a constant currency basis, fiscal 2026 adjusted EBITDA is expected to decrease by 0% to 2%, as we continue to face revenue pressures in the U.S., and are investing into new sales and marketing capabilities, especially in the U.S., as part of our three-year transformation program, while generating additional operational efficiencies. In addition, fiscal 2026 adjusted EBITDA reflects operating costs and investments to scale wireless in Canada.

Net capital expenditures are anticipated to be between \$560 and \$600 million, including net investments of approximately \$100 to \$140 million in growth-oriented network expansions, which will increase the Corporation's footprint in Canada and the United States. Capital intensity is expected to range between 19% and 21%, or 15% and 17% excluding network expansion projects.

On a constant currency basis, free cash flow and free cash flow, excluding network expansion projects are expected to increase by 0% to 10%, due to lower financial expense, partially offset by higher current income tax and continued growth-oriented investments.

The following table outlines Cogeco Communications' fiscal 2026 financial guidelines ranges compared to fiscal 2025 actual results, on a constant currency and consolidated basis:

	October 29, 2025	
	Projections ⁽¹⁾	Actual
	Fiscal 2026 (constant currency) ⁽²⁾	Fiscal 2025
<i>(In millions of Canadian dollars, except percentages)</i>	\$	\$
Financial guidelines		
Revenue	Decrease of 1% to 3%	2,910
Adjusted EBITDA	Decrease of 0% to 2%	1,443
Net capital expenditures	\$560 to \$600	588
Net capital expenditures in connection with network expansion projects	\$100 to \$140	108
Capital intensity	19% to 21%	20.2 %
Capital intensity, excluding network expansion projects	15% to 17%	16.5 %
Free cash flow	Increase of 0% to 10% ⁽³⁾	517
Free cash flow, excluding network expansion projects	Increase of 0% to 10% ⁽³⁾	626

(1) Percentage of changes compared to fiscal 2025.

(2) Fiscal 2026 financial guidelines are based on a USD/CDN constant exchange rate of 1.3962 USD/CDN.

(3) The assumed current income tax effective rate is approximately 11.5%.

11. 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".

12. Uncertainties and main risk factors

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

Enterprise risk management

The Corporation strives to continually strengthen its risk management practices to safeguard and increase shareholder value. The objective 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.

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.

12.1 Competitive environment

The Corporation operates in a highly competitive environment. Competition 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.

Competition stems from various sources. This includes large traditional phone companies, cable operators and mobile operators enhancing their offerings with products such as exclusive, direct-to-consumer video content, investing in fibre-to-the-home ("FTTH") and in fixed-wireless access ("FWA"), expanding their 5G networks and using wholesale access regulation to access markets outside of their traditional wireline operating footprints. Other competitive threats arise from other service-based Internet providers in Canada who use wholesale Internet regulation, companies and municipalities building new facilities in the Corporation's markets, U.S. communities deploying open access broadband networks, and new entrants using satellite technology for Internet access. Global technology and streaming giants also continue to increase their presence in various content markets, which may lead to higher customer churn due to expanded media content choices.

To mitigate competitive risks, the Corporation prioritizes offering high quality products, superior customer service and compelling value. Additionally, the Corporation has launched wireless services in the United States in fiscal 2024, and in Canada in July 2025. In both instances, the services are offered principally via MVNO agreements, and are available to new and existing Internet customers on a bundled basis.

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

Intense competition in the Canadian and American telecommunications segments.

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

In Canada, Internet resale-based providers and larger, integrated phone, cable and mobile providers can currently use 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. Recently, 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.

Growing competition for video services.

The Corporation faces ongoing competition in Canada and the U.S. from a number of companies offering video services, including other broadcasting distribution undertakings ("BDUs"), and 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. These trends are expected to continue to increase and the Corporation could be materially adversely affected if, as a result, there was a further acceleration in video cord-cutting.

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

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

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

Launch of wireless services.

In fiscal 2023, the Corporation, through Cogeco Communications, began offering wireless services in Canada, in the city of Sept-Îles, Québec. The Corporation further expanded its wireless offerings in July 2025, adding 12 additional markets across Québec and Ontario, and subsequently expanded across the majority of its operating footprint in October 2025.

Our wireless services are principally provided pursuant to two key supplier agreements: a five-year MVNO agreement with a national wireless network operator giving Cogeco Communications access to its wireless network, pursuant to the terms of the CRTC's MVNO access regime established in Telecom Regulatory Policy 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 provides that incumbent wireless carriers are 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.

The Corporation has also been providing wireless services in the United States 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.

12.2 Business risks

Economic conditions

The Corporation is influenced by general economic conditions, consumer confidence and spending, and the demand for its products and services. Adverse economic conditions, such as heightened inflation, 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. 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 ARPU's, while a decline in the creditworthiness of its customers could increase its bad debt expense. In addition, geopolitical conditions and trade friction could lead to increased supplier, energy and other input costs, supply chain disruptions and instability in financial markets.

Strategic planning

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

Programming and content

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

In Canada, the market for video content services is characterized by high levels of supplier concentration and vertical integration. Some of the large integrated communications service providers with whom the Corporation competes in Canada own broadcast television content assets. This vertical integration could result in content being withheld from the Corporation or being made available at inflated prices or unattractive terms. In order to limit the power of vertically integrated entities on the public's access to diverse and quality programming services, the CRTC adopted 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. While the Corporation has generally been able to obtain satisfactory distribution agreements with programming service suppliers in Canada to date, it may not be able to maintain its current arrangements, or conclude new arrangements that are economically viable; therefore the number of video channels may change from year to year.

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

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

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 as well as on its adjusted EBITDA should the Corporation fail to pass on the incremental increase in costs of programming to its customers.

Access to support structures and municipal rights of ways

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

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

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

Access to mobile network infrastructure sites

The Corporation's Canadian wireless business strategy, including any future expansion of our own radio access network components, such as small-cell infrastructure, necessary for advanced 5G coverage and capacity, is critically dependent on securing physical access to numerous sites. Our ability to effectively deploy and maintain a competitive mobile offering hinges on timely site acquisition, which involves 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—can slow our network deployment, increase capital expenditure, and ultimately hinder our ability to offer high-quality, competitive wireless services, which would 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.

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 evolve 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. 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, business or reputation, including the potential write down of goodwill and other assets recorded on acquisition if results do not materialize as expected. To mitigate its risk, the Corporation follows a proactive and structured mergers and acquisitions process and evolves and enhances its integration procedures, as needed.

As part of its strategy, the Corporation may engage in divestitures of certain non-core assets for which there is a financial risk linked to the valuation, sale process and post-transaction obligations. If market conditions fluctuate or if the divestiture is not executed efficiently, the Corporation may not achieve the anticipated financial return. This could result in a loss 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 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 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 brand across thirteen states in the East Coast and Midwest, represent 47.0% 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. Furthermore, these activities expose the Corporation to currency risk as most of them are carried out in US dollars. These factors could have a material adverse effect on the Corporation's operating and financial results.

Talent management and succession planning

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

Labour relations

Collective bargaining agreements are in place with some of the Corporation's employees 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.

12.3 Regulatory matters

Regulatory risks- Canadian and American telecommunications

The Corporation's telecommunications operations are subject to extensive and evolving laws, regulations and policies at the federal, provincial, state and local levels. In Canada, we are primarily regulated under the *Broadcasting Act*, the *Telecommunications Act*, and the *Radiocommunication Act* and the respective regulations thereunder while in the United States, we are regulated mainly by the *Communications Act of 1934*. In addition, our operations in both Canada and the U.S. are subject to other legislation relating to copyright and intellectual property, data protection, privacy of personal information, spam, e-commerce, direct marketing and digital advertising which have become more prevalent in recent years. Changes to existing laws and regulations, the adoption of new laws and regulations as well as periodic reviews of

copyright royalties payable in relation to the use by the Corporation of protected content could have negative financial, operational or competitive consequences on the Corporation's business, financial condition, prospects and results of operations by increasing its costs, limiting its revenues and/or imposing additional restrictions on its operations.

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

Canada

Wholesale High-Speed Access Framework

Over the past year, the Corporation has been, and continues to be, involved in several challenges of the CRTC's wholesale access framework for Internet services, seeking to disqualify Canada's national dominant telecommunications companies, Bell Canada ("Bell"), Telus Communications Inc. ("Telus") and Rogers Communications Inc. ("Rogers") from using it. In August 2024, the CRTC issued its revised framework, Telecom Regulatory Policy CRTC 2024-180 ("TRP 2024-180"), which mandated that Bell, Telus and SaskTel provide aggregated wholesale access to their fibre-to-the-premises ("FTTP") facilities across Canada. It also required cable carriers, including Cogeco Communications, to continue providing wholesale access to their hybrid fibre-coaxial facilities, but they are not required to provide wholesale access to their FTTP facilities. In addition, the decision prohibited both incumbent telephone and cable companies, including their brands and affiliates, from using aggregated wholesale high-speed access ("HSA") services within their traditional wireline serving territories. These companies, however, can access aggregated wholesale HSA services out-of-territory. The decision did not set any interim or final wholesale rates, although the CRTC issued interim FTTP rates on October 25, 2024, with final rates for both FTTP and other access technologies expected to follow before the end of 2025. Finally, TRP 2024-180 also maintained the mandate for Cogeco Communications to continue providing disaggregated wholesale access, with the long-term status of the disaggregated access regime subject to a subsequent Commission decision.

On June 20, 2025, the CRTC decided, in Telecom Decision CRTC 2025-154 ("TD 2025-154"), to reject appeals from Cogeco Communications and several other parties to review its policy of allowing Bell, Telus and Rogers to use regulated wholesale Internet access outside of their traditional wireline operating footprints. Cogeco Communications, together with Eastlink, sought leave to appeal TD 2025-154. The Federal Court of Appeal granted leave in September 2025, with a schedule for the proceedings pending.

On August 6, 2025, Cabinet issued an Order in Council declining to vary TRP 2024-180, in response to a petition filed by Cogeco Communications, together with the Competitive Network Operators of Canada, Eastlink and SaskTel, requesting that TRP 2024-180 be varied to disqualify Bell, Rogers and Telus from using wholesale HSA. Cogeco Communications, together with Eastlink, has brought an application for judicial review of the Order in Council, which remains pending before the Federal Court of Appeal. On September 18, 2025, Cogeco Communications, along with Eastlink and SaskTel, filed a further petition to Cabinet to vary TD 2025-154 by disqualifying Bell, Rogers and Telus from using wholesale HSA on the basis of additional evidence not available in November 2024.

The use of wholesale HSA by Canada's largest telecommunications carriers, as well as the eventual implementation of final 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, and adversely affect its growth, business and profitability.

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. If the Supreme Court of Canada denies the application for leave or upholds the Federal Court of Appeal's decision, Cogeco Communications will be 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 subsequent tariff periods (2019-2023 and 2024-2028). Any decision from the Copyright Board that would align with the copyright collectives' proposed tariff rates for either of such subsequent periods could result in Cogeco Communications being subject to higher royalty rates, 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

Bill C-8 was introduced in the House of Commons on June 18, 2025. It is a revival of a similar bill (Bill C-26) that failed to pass in the previous parliamentary session. If passed as currently drafted, Bill C-8 would grant the Government of Canada broad and discretionary authority to issue classified orders and compel the removal of telecommunications equipment and services from designated high-risk vendors. As currently proposed, the bill could create a financial and governance burden to the Corporation, as it explicitly prohibits companies from receiving compensation for losses incurred while complying with government orders. Furthermore, non-compliance is subject to severe administrative monetary penalties, with liability extending to both the organization and its officers and directors.

Spectrum Transfer Moratorium and Review of Spectrum Transfer Framework

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

Limitations on the Distribution of Distant Signals

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

Privacy and AI

Bill C-27, the *Digital Charter Implementation Act*, and its *Artificial Intelligence and Data Act* ("AIDA") component did not pass the last parliamentary session and died on the order paper when the Canadian Parliament was prorogued on January 6, 2025. However, similar legislation is expected to be reintroduced, possibly in 2025.

Consumer Protection

In June 2024, Bill C-69, the *Budget Implementation Act, 2024, No. 1* received royal assent. Bill C-69 makes a number of amendments to the *Telecommunications Act*, including requirements for providers to offer a self-service option to modify or cancel plans and to provide certain notices before contract expiry. Bill C-69 also prohibits the charging of certain fees related to activation, switching carriers or the modification of service arrangements, and requires the CRTC to set out details on how providers should comply with these amendments. While Bill C-69 has passed, these provisions are to come into force at a later date to be fixed by the Governor in Council. In November 2024, the CRTC launched public consultations to enact these new requirements, which have now closed. CRTC decisions on these issues are pending.

Parliament also passed Bill C-288, *An Act to amend the Telecommunications Act (transparent and accurate broadband services information)*, which amends the *Telecommunications Act* by requiring Canadian carriers to make easily available certain information in respect of the fixed broadband services they offer, and obligates the CRTC to hold a public hearing to determine how carriers should comply with this obligation. The CRTC launched a consultation to enact these requirements in December 2024 and held a public hearing on the matter in June 2025, at which we appeared. A decision is pending.

The implementation of these legislative amendments in a way that would impose significant restrictions on our activities or make customer acquisition and retention more difficult and expensive could have an adverse material effect on the Corporation's growth, business and profitability.

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, replaces interim requirements adopted in March 2023, with lower reporting thresholds that will capture a greater number of network outages. In October 2025, the Corporation, along with other telecommunications service providers, brought an application to the CRTC to review and vary TD 2025-225. Among other things, the application asks 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. In addition, the CRTC 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 consumer protection requirements or network resiliency measures that affect how we design and manage our networks, this could have an adverse material effect on the Corporation's growth, business and profitability.

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.

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 broadband use. 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. The FTC could seek to reissue the rules by initiating a new rulemaking process. The application of the rules could make it easier and faster for consumers to terminate subscription 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 personally identifiable information about its customers is subject to a variety of federal and state privacy requirements, including those imposed specifically on cable operators by Section 631 of the *Communications Act of 1934*. Non-compliance with laws and privacy requirements could expose the Corporation to significant monetary penalties. Further, the enactment of new privacy laws and regulations at the state or federal levels that would increase regulation on our operations could result in additional costs of compliance or litigation.

Consumer Protection

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

12.4 Technology risks

Network, infrastructure and IT systems

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

Network failure

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

Dependence on technology systems

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

Cyber threats

Cybersecurity threats have grown in frequency and complexity in recent years. 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 2025, the Corporation did not experience any cybersecurity breach which could have had material impacts. 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, 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 uses a wide variety of data in the course of its business, including financial, technological, strategic, personal and commercial information. The Corporation's data ranks among its most valuable assets and is therefore protected according to its sensitivity and criticality, taking into account, among other things, risks as well as legal requirements, governance standards and common best practices, which are extensive and constantly evolving.

The Corporation strives to protect information based on high standards and, in the case of personal information more specifically, does not disclose that information without the individual's consent, unless otherwise required or authorized by law, or in accordance with the Privacy Policy of each subsidiary. The Corporation does not sell, trade or exchange that information either. In the course of the Corporation's business, it collects, uses and manages various data, including personal information, and it aligns with internal policies, standards, procedures, guidelines, business rules and safeguards that are in place, to ensure that this information is protected and treated appropriately under applicable laws. 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. 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. 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 with the Corporation's Code of Ethics and the Acceptable Use Policy.

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

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

Artificial Intelligence

The Corporation recognizes the transformative potential of AI in enhancing operational efficiency, driving innovation, and creating sustainable value for its stakeholders. By leveraging AI, the Corporation is beginning to streamline processes, optimize resource allocation, and gain deeper insights into market trends, all of which contribute to long-term growth and competitiveness. The adoption of emerging technologies, such as generative AI, comes with inherent risks that require careful and diligent management and oversight. These include privacy, security and ethical concerns, algorithmic biases, and the potential for unintended consequences in decision-making processes. The Corporation has created an AI Governance Committee to oversee its AI adoption efforts and ensure responsible AI use. 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 the business and results of operations.

12.5 Financial risks

Indebtedness, access to capital and liquidity

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

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

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

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

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

Interest rate volatility can also impact interest cost on floating interest rate instruments and increase the cost of refinancing maturing indebtedness, 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, particularly, a downgrade below investment grade of secured debt currently rated as investment grade, could materially increase its cost of capital and reduce access to capital.

Dividend

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

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 draft legislation released on February 4 and April 29, 2022 relating to the Organization for Economic Co-operation and Development's ("OECD") Base Erosion and

Profit Shifting ("BEPS") project on hybrid transactions. The Corporation will continue to monitor the release and progress of these draft rules for potential impact.

United States Tax

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) will be restored to 30% of EBITDA (as calculated for tax purposes) as of fiscal 2026. 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 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, Maryland and Virginia. These digital infrastructure investment projects can generally be subject to some penalties for late delivery which could have an adverse impact on the Corporation's liquidity.

12.6 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 networks.

Climate change

The effects of global climate change are increasing the severity and frequency of natural disaster threats on the Corporation's business, such as weather-related events, and may result in increased operational and capital costs. Some of the more significant climate-related risks that the Corporation has identified include: 1) increased operational and capital costs as a result of damage to facilities and/or equipment because of extreme weather events or increased variability in weather patterns; and 2) increased operational and capital costs due to longer term shifts in climate patterns such as chronic heat waves, flooding or wildfires. Some of the Corporation's facilities are located in areas more prone to weather-related events such as Breezeline's operations in Florida, though none of our facilities and infrastructure are completely immune to damage due to the increasing occurrence of climate-related weather events across the continent. The magnitude of the effects of climate change could be unpredictable and mitigating it does not rest on one company and therefore, the Corporation's plans may not successfully mitigate the consequences of a natural disaster alone. This could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations. Measures taken to mitigate climate-related risks include business continuity and disaster recovery plans and strategies.

The Corporation adheres to Science Based Targets initiative ("SBTi") guidelines to reduce our greenhouse gas ("GHG") emissions. As a result, the Corporation has established both near-term (2030) and net-zero (2050) targets and plans and progress is monitored on a regular basis. A detailed description of our environmental risk mitigation activities can be found in our Sustainability Report available on the Corporation's website at corpo.cogeco.com, under "Sustainability - Sustainability Practices".

12.7 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. The new federal plastic registry in Canada will impose additional constraints on our international vendor partners. Because their ability to report varies, the Corporation's reporting accuracy and timeliness may be at risk, potentially exposing us to public scrutiny.

Furthermore, Canada has adopted legislation that addresses greenwashing and social washing through Bill C-59, the *Fall Economic Statement Implementation Act, 2023* and its amendments to the *Competition Act*. The provisions require that

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

12.8 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, the misappropriation of company assets, and the deliberate manipulation of financial reporting. The current global economic climate may amplify these risks, potentially leading to increased fraudulent activity 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 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 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 two years subsequently. Furthermore, the Code of Ethics is to be read and acknowledged by all employees at the time of hiring and on an annual basis thereafter. Despite these efforts, the Corporation may experience 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.

12.9 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 the Audet family and shareholders or other stakeholders of Cogeco Inc. and of the shareholders or other stakeholders of Cogeco Communications could differ and that the interests of these shareholders or stakeholders be adversely affected by such situations.

12.10 Litigation

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

12.11 Public health and safety

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

13. Controls and procedures

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

The CEO and CFO, supported by management, evaluated the overall design and effectiveness of the Corporation's DC&P and ICFR at August 31, 2025, 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, 2025.

14. Accounting policies

14.1 Critical accounting policies and estimates

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

Revenue recognition

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

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

Residential	<ul style="list-style-type: none">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; andRevenue from data services, long-distance and other pay-per-use services is recognized on a monthly basis as the services are provided.
Commercial	<ul style="list-style-type: none">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	<ul style="list-style-type: none">Revenue mainly from Internet wholesale-based providers and advertising, which is recognized as the services are provided.

Business combinations

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

Capitalization of property, plant and equipment

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

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

Contingencies

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

Measurement of long-lived assets

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

Deferred taxes

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

14.2 Accounting policy developments

Initial application of amendments to accounting standards

Supplier Finance Arrangements - Amendments to IAS 7, Statement of Cash Flows, and IFRS 7, Financial Instruments: Disclosures

In May 2023, the IASB issued *Supplier Finance Arrangements*, which amended IAS 7 and IFRS 7, introducing new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendments were effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Effective September 1, 2024, the Corporation applied these amendments, which had no impact on the consolidated financial statements.

Future changes to accounting standards

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

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*, which amended IFRS 9 and IFRS 7, to clarify when a financial asset or a financial liability is recognized and derecognized and to introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of financial assets with environmental, social and governance ("ESG")-linked features, non-recourse loans and contractually linked instruments, and introduce disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation is currently assessing the impact of these amendments on its consolidated financial statements, but does not expect to have any material impact.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:

- improved comparability in the statement of profit or loss by introducing three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide two new defined subtotals, i.e. operating profit and profit before financing and income taxes;
- enhanced transparency of management-defined performance measures by requiring companies to disclose explanations of those company-specific measures that are related to the income statement; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

The IASB also made consequential amendments to other accounting standards, including IAS 7, *Statement of Cash Flows*, IAS 33, *Earnings per Share*, and IAS 34, *Interim Financial Reporting*.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is currently assessing the impact of these new and amended accounting standards on its consolidated financial statements presentation and disclosure. Based on a high level assessment, the Corporation currently expects the following to be the most significant impacts on the presentation and disclosure of its consolidated financial statements:

- **Consolidated statements of profit or loss:** Although there will be no impact on the Corporation's reported profit for the period/year, the presentation of the Corporation's consolidated statements of profit or loss will change, including presenting the two new defined subtotals and classifying income and expenses into the IFRS 18 defined categories. Certain line items presented may also change as a result of the application of the new 'useful structured summary' concept and the enhanced principles on aggregation and disaggregation.
 - **Consolidated statements of cash flows:** The starting point will change from profit for the period/year to the new operating profit subtotal to be reported, while interest paid will move from cash flows from operating activities to cash flows from financing activities.
 - **Notes to the consolidated financial statements:** Certain financial measures and related information currently reported as 'non-IFRS Accounting Standards and other financial measures' in the Corporation's management's discussion and analysis are expected to be considered 'management-defined performance measures' under IFRS 18 (e.g. adjusted EBITDA and adjusted profit attributable to owners of the Corporation). Accordingly, specific required disclosures for these management-defined performance measures will need to be provided within a single note to the consolidated financial statements.
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15. Non-IFRS Accounting Standards and other financial measures

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

Financial measures presented on a constant currency basis for the three-month period and year ended August 31, 2025 are translated at the average foreign exchange rate of the comparable periods of the prior year, which were 1.3690 USD/CDN and 1.3606 USD/CDN, respectively.

Non-IFRS Accounting Standards measures

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

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

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

Specified financial measures	Usefulness	Calculation	Most directly comparable IFRS Accounting Standards measures
Organic revenue in constant currency and adjusted EBITDA in constant currency	Organic revenue in constant currency and adjusted EBITDA in constant currency are used by management to analyze the Corporation's revenue and adjusted EBITDA growth excluding the effect of changes in foreign exchange rates and the impact of acquisitions, in order to facilitate period-to-period comparisons. Management believes these measures are used by certain investors and analysts to evaluate the Corporation's performance.	Revenue in constant currency (as calculated per above) deduct: - impact of acquisitions. Adjusted EBITDA in constant currency (as calculated per above) deduct: - impact of acquisitions.	Revenue and adjusted EBITDA.
Free cash flow and free cash flow, excluding network expansion projects	<p>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.</p> <p>Free cash flow excludes certain items that management believes could affect the comparability of the Corporation's financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring. During the first quarter of fiscal 2024, the Corporation updated the free cash flow calculation to exclude loss (gain) on debt modification and/or extinguishment, as applicable, following the reimbursement of Tranche 1 of the Senior Secured Term Loan B Facility and the amendment of the Senior Secured Revolving Facility. During the fourth quarter of fiscal 2024, the Corporation updated its calculation of free cash flow and free cash flow, excluding network expansion projects, to include proceeds on disposals of property, plant and equipment, which includes proceeds from sale and leaseback transactions, in order to better align the sources and uses of cash in connection to capital expenditures. Comparative figures were restated to conform to the current presentation.</p> <p>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.</p>	<p>Free cash flow:</p> <ul style="list-style-type: none"> - Adjusted EBITDA <p>add:</p> <ul style="list-style-type: none"> - amortization of deferred transaction costs and discounts on long-term debt; - loss (gain) on debt modification and/or extinguishment; - share-based payment; - proceeds from sale and leaseback and other disposals of property, plant and equipment; - loss (gain) on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions; and - defined benefit plans expense, net of contributions <p>deduct:</p> <ul style="list-style-type: none"> - acquisition, integration, restructuring and other costs (gains); - financial expense; - current income taxes; - net capital expenditures; and - repayment of lease liabilities. <p>Free cash flow, excluding network expansion projects:</p> <ul style="list-style-type: none"> - Free cash flow <p>add:</p> <ul style="list-style-type: none"> - net capital expenditures in connection with network expansion projects. 	Cash flows from operating activities

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

Adjusted profit attributable to owners of the Corporation

	Three months ended August 31		Years ended August 31	
	2025	2024	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Profit for the period attributable to owners of the Corporation	16,483	19,248	84,968	96,746
Acquisition, integration, restructuring and other costs	17,298	12,177	25,290	63,298
Impairment of property, plant and equipment	(132)	15,229	2,433	15,229
Loss on debt extinguishment ⁽¹⁾	—	—	—	16,880
Tax impact for the above items	(4,239)	(7,173)	(8,814)	(25,151)
Non-controlling interest impact for the above items	(8,919)	(13,919)	(12,690)	(47,954)
Adjusted profit attributable to owners of the Corporation	20,491	25,562	91,187	119,048

(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-section 3.5 "Financial expense".

Constant currency basis and foreign exchange impact reconciliation

Consolidated

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

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

Three months ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Free cash flow	101,596	(125)	101,471	143,055	(29.0)	(29.1)

Years ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Free cash flow	514,387	(3,641)	510,746	475,765	8.1	7.4

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	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Operating expenses	7,563	(1)	7,562	10,819	(30.1)	(30.1)
Management fees – Cogeco Inc.	3,451	—	3,451	5,238	(34.1)	(34.1)
Adjusted EBITDA	(11,014)	1	(11,013)	(16,057)	31.4	31.4

Years ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Operating expenses	33,271	(15)	33,256	42,894	(22.4)	(22.5)
Management fees – Cogeco Inc.	18,216	—	18,216	20,952	(13.1)	(13.1)
Adjusted EBITDA	(51,487)	15	(51,472)	(63,846)	19.4	19.4

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

Three months ended and fiscal years	Aug. 31	Fiscal 2025	Nov. 30 ⁽¹⁾	Feb. 29 ⁽¹⁾	May 31 ⁽¹⁾	Aug. 31	Fiscal 2024	Fiscal 2023 ⁽¹⁾
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities	266,738	1,126,848	236,919	286,382	335,126	326,723	1,185,150	968,214
Changes in other non-cash operating activities	(8,190)	(1,640)	58,495	1,097	(73,787)	(44,264)	(58,459)	102,422
Income taxes paid (received)	5,669	15,451	2,903	(7,639)	3,502	6,124	4,890	91,968
Current income taxes	(11,861)	(47,743)	(8,042)	(8,881)	(3,390)	(682)	(20,995)	(31,973)
Interest paid	77,297	277,573	65,038	70,842	65,253	74,150	275,283	243,321
Financial expense	(71,506)	(282,533)	(84,294)	(70,808)	(67,109)	(64,461)	(286,672)	(255,010)
Loss on debt extinguishment ⁽²⁾	—	—	16,880	—	—	—	16,880	—
Amortization of deferred transaction costs and discounts on long-term debt ⁽²⁾	2,614	9,117	2,691	2,059	2,329	2,257	9,336	12,672
Net capital expenditures ⁽³⁾	(155,871)	(591,398)	(146,667)	(171,756)	(169,754)	(154,570)	(642,747)	(702,913)
Proceeds from sale and leaseback and other disposals of property, plant and equipment ⁽¹⁾	606	23,347	255	1,644	888	594	3,381	2,653
Repayment of lease liabilities	(3,900)	(14,635)	(2,100)	(2,472)	(2,894)	(2,816)	(10,282)	(7,271)
Free cash flow ⁽¹⁾	101,596	514,387	142,078	100,468	90,164	143,055	475,765	424,083
Net capital expenditures in connection with network expansion projects	57,818	108,475	31,660	24,390	24,433	56,911	137,394	172,835
Free cash flow, excluding network expansion projects ⁽¹⁾	159,414	622,862	173,738	124,858	114,597	199,966	613,159	596,918

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

(2) Included within financial expense.

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

Available liquidity reconciliation

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

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

Net capital expenditures, excluding network expansion projects

Three months ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Acquisition of property, plant and equipment	159,222			156,577	1.7	
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(3,351)			(2,007)	67.0	
Net capital expenditures	155,871	(203)	155,668	154,570	0.8	0.7
Net capital expenditures in connection with network expansion projects	57,818	(387)	57,431	56,911	1.6	0.9
Net capital expenditures, excluding network expansion projects	98,053	184	98,237	97,659	0.4	0.6

Years ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Acquisition of property, plant and equipment	599,294			664,004	(9.7)	
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(7,896)			(21,257)	(62.9)	
Net capital expenditures	591,398	(8,395)	583,003	642,747	(8.0)	(9.3)
Net capital expenditures in connection with network expansion projects	108,475	(550)	107,925	137,394	(21.0)	(21.4)
Net capital expenditures, excluding network expansion projects	482,923	(7,845)	475,078	505,353	(4.4)	(6.0)

Free cash flow, excluding network expansion projects

Three months ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Free cash flow	101,596	(125)	101,471	143,055	(29.0)	(29.1)
Net capital expenditures in connection with network expansion projects	57,818	(387)	57,431	56,911	1.6	0.9
Free cash flow, excluding network expansion projects	159,414	(512)	158,902	199,966	(20.3)	(20.5)

Years ended August 31	2025			2024	Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Free cash flow	514,387	(3,641)	510,746	475,765	8.1	7.4
Net capital expenditures in connection with network expansion projects	108,475	(550)	107,925	137,394	(21.0)	(21.4)
Free cash flow, excluding network expansion projects	622,862	(4,191)	618,671	613,159	1.6	0.9

Non-IFRS Accounting Standards ratios

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

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

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

Total of segments measures

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

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

Adjusted EBITDA reconciliation

	Three months ended August 31		Years ended August 31	
	2025	2024	2025	2024
(In thousands of Canadian dollars)	\$	\$	\$	\$
Profit for the period	76,197	81,437	335,165	349,381
Income taxes	17,274	14,262	87,545	61,808
Financial expense	71,506	64,461	282,533	286,672
Impairment of property, plant and equipment	(132)	15,229	2,433	15,229
Depreciation and amortization	174,941	183,650	719,935	678,429
Acquisition, integration, restructuring and other costs	17,298	12,177	25,290	63,298
Adjusted EBITDA	357,084	371,216	1,452,901	1,454,817

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, transaction costs and other add: - bank indebtedness deduct: - cash and cash equivalents, excluding cash with restrictions on use.
Net indebtedness to adjusted EBITDA ratio	Net indebtedness to adjusted EBITDA ratio is a measure used by management to assess the Corporation's and Cogeco Communications' financial leverage and their capital structure decisions, including the issuance of new debt, and to manage the Corporation's and Cogeco Communications' debt maturity risks.	Net indebtedness divided by the twelve-month trailing adjusted EBITDA.
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.

Adjusted EBITDA to adjusted financial expense ratio is no longer disclosed as it is no longer used and calculated by management on a consolidated basis.

Supplementary financial measures

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

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

Consolidated financial statements

Consolidated Financial Statements

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Management's responsibility

Related to the consolidated financial statements

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

In fulfilling its responsibilities, management of Cogeco Inc. and its subsidiaries has developed, and continues to improve administrative and accounting systems in order to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and maintains internal accounting controls to ensure that financial records are reliable for preparing the consolidated financial statements. The Board of Directors carries out its responsibility for the consolidated financial statements in this annual report principally through its Audit Committee, which reviews the annual consolidated financial statements of the Corporation and recommends their approval to the Board of Directors. The Committee periodically meets with management, 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 29, 2025

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, 2025 and 2024, 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 policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at August 31, 2025 and 2024, 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 Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended August 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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

Key Audit Matter Description

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

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

How the Key Audit Matter Was Addressed in the Audit

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

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

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards 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

¹ CPA auditor, public accountancy permit No. A144765

Montréal, Québec
October 29, 2025

Consolidated statements of profit or loss

Years ended August 31	Notes	2025	2024
<i>(In thousands of Canadian dollars, except per share data)</i>		\$	\$
Revenue	5	3,008,101	3,073,985
Operating expenses	8	1,555,200	1,619,168
Acquisition, integration, restructuring and other costs	9	25,290	63,298
Depreciation and amortization	10, 15, 16	719,935	678,429
Impairment of property, plant and equipment	15	2,433	15,229
Financial expense	11	282,533	286,672
Profit before income taxes		422,710	411,189
Income taxes	12	87,545	61,808
Profit for the year		335,165	349,381
Profit for the year attributable to:			
Owners of the Corporation		84,968	96,746
Non-controlling interest		250,197	252,635
		335,165	349,381
Earnings per share			
Basic	13	8.94	8.63
Diluted	13	8.81	8.55

Consolidated statements of comprehensive income

Years ended August 31	Note	2025	2024
(In thousands of Canadian dollars)		\$	\$
Profit for the year		335,165	349,381
Other comprehensive income (loss)			
Items to be subsequently reclassified to profit or loss			
<i>Cash flow hedging adjustments</i>			
Net change in fair value of hedging derivative financial instruments		(32,281)	(65,332)
Related income taxes		8,554	17,313
		(23,727)	(48,019)
<i>Foreign currency translation adjustments</i>			
Net foreign currency translation differences on a net investment in foreign operations		43,913	(7,748)
Net changes on translation of long-term debt designated as a hedge of a net investment in foreign operations		(8,548)	1,560
Related income taxes		869	(904)
		36,234	(7,092)
		12,507	(55,111)
Items not to be subsequently reclassified to profit or loss			
<i>Defined benefit plans actuarial adjustments</i>			
Remeasurement of net defined benefit liability or asset	23 B)	5,741	5,726
Related income taxes		(1,521)	(1,518)
		4,220	4,208
		16,727	(50,903)
Comprehensive income for the year		351,892	298,478
Comprehensive income for the year attributable to:			
Owners of the Corporation		88,488	83,712
Non-controlling interest		263,404	214,766
		351,892	298,478

Consolidated statements of changes in shareholders' equity

Years ended August 31, 2025 and 2024 (In thousands of Canadian dollars)	Equity attributable to owners of the Corporation				Equity attributable to non-controlling interest	Total shareholders' equity
	Share capital	Share-based payment reserve	Accumulated other comprehensive income (loss)	Retained earnings		
	\$	\$	\$	\$	\$	\$
	(Note 20)		(Note 21)			
Balance at August 31, 2023	104,882	10,380	60,197	750,404	2,517,286	3,443,149
Profit for the year	—	—	—	96,746	252,635	349,381
Other comprehensive income (loss) for the year	—	—	(15,666)	2,632	(37,869)	(50,903)
Comprehensive income (loss) for the year	—	—	(15,666)	99,378	214,766	298,478
Share-based payment (Note 20 D))	—	6,619	—	—	4,575	11,194
Issuance of subordinate voting shares by a subsidiary to non-controlling interest	—	(26)	—	—	462	436
Dividends (Note 20 C))	—	—	—	(37,356)	(100,999)	(138,355)
Purchase of subordinate voting shares for cancellation from La Caisse (Note 20 B))	(47,771)	—	—	(232,253)	—	(280,024)
Purchase and cancellation of subordinate voting shares by a subsidiary (Note 20 B))	—	—	—	150,049	(266,549)	(116,500)
Transaction costs and income taxes related to share buyback transactions	—	—	—	(17,470)	(1,863)	(19,333)
Effect of changes in ownership of a subsidiary on non-controlling interest ⁽¹⁾	—	—	—	(16,020)	205,698	189,678
Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	(2,862)	—	—	—	—	(2,862)
Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	2,184	(2,300)	—	116	—	—
Acquisition by a subsidiary from non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	—	—	—	—	(5,002)	(5,002)
Distribution by a subsidiary to non-controlling interest of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	—	(2,180)	—	132	2,048	—
Total contributions from (distributions to) shareholders	(48,449)	2,113	—	(152,802)	(161,630)	(360,768)
Balance at August 31, 2024	56,433	12,493	44,531	696,980	2,570,422	3,380,859
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

(1) Relates mainly to the impact of the disposal of a subsidiary's shares in the December 2023 share buyback transaction (Note 20 B)).

Consolidated statements of financial position

At August 31	Notes	2025	2024
(In thousands of Canadian dollars)		\$	\$
Assets			
Current			
Cash and cash equivalents	22 D)	75,577	77,746
Trade and other receivables	24 A)	148,752	131,929
Income taxes receivable		5,664	16,073
Prepaid expenses and other		49,600	40,857
Derivative financial instruments		2,947	3,875
		282,540	270,480
Non-current			
Other assets	14	166,173	138,688
Property, plant and equipment	15	3,315,203	3,340,793
Intangible assets	16 A)	3,834,417	3,837,794
Goodwill	16 B)	2,166,652	2,132,661
Derivative financial instruments		17,635	46,539
Deferred tax assets	12	3,843	6,784
		9,786,463	9,773,739
Liabilities and Shareholders' equity			
Liabilities			
Current			
Bank indebtedness		3,515	15,399
Trade and other payables		396,105	376,444
Provisions	17	41,562	58,882
Income tax liabilities		30,197	8,679
Contract liabilities and other liabilities	18	59,023	61,736
Government subsidies received in advance		—	8,740
Derivative financial instruments		3,109	240
Current portion of long-term debt	19	45,543	370,108
		579,054	900,228
Non-current			
Long-term debt	19	4,664,731	4,594,057
Derivative financial instruments		12,049	8,257
Contract liabilities and other liabilities	18	17,703	9,697
Accrued employee benefits		14,447	12,697
Deferred tax liabilities	12	905,199	867,944
		6,193,183	6,392,880
Shareholders' equity			
Equity attributable to owners of the Corporation			
Share capital	20 B)	55,149	56,433
Share-based payment reserve		12,302	12,493
Accumulated other comprehensive income	21	45,552	44,531
Retained earnings		749,948	696,980
		862,951	810,437
Equity attributable to non-controlling interest		2,730,329	2,570,422
		3,593,280	3,380,859
		9,786,463	9,773,739

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

On behalf of the Board of Directors,

(signed) Louis Audet
Director

(signed) James C. Cherry
Director

Consolidated statements of cash flows

Years ended August 31 (In thousands of Canadian dollars)	Notes	2025 \$	2024 \$
Cash flows from operating activities			
Profit for the year		335,165	349,381
Adjustments for:			
Depreciation and amortization	10, 15, 16	719,935	678,429
Impairment of property, plant and equipment	15	2,433	15,229
Financial expense	11	282,533	286,672
Income taxes	12	87,545	61,808
Share-based payment		7,046	14,634
Gain on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions	15	(18,128)	(658)
Defined benefit plans expense, net of contributions		1,703	1,369
		1,418,232	1,406,864
Changes in other non-cash operating activities	22 A)	1,640	58,459
Interest paid		(277,573)	(275,283)
Income taxes paid		(15,451)	(4,890)
		1,126,848	1,185,150
Cash flows from investing activities			
Acquisition of property, plant and equipment	15, 22 B)	(599,294)	(664,004)
Acquisition of spectrum licences	16 A)	(12,379)	(203,220)
Business combinations, net of cash and cash equivalents acquired	7	1,089	(58,190)
Subsidies received in advance and other		757	515
Proceeds from sale and leaseback and other disposals of property, plant and equipment	15	23,347	3,381
		(586,480)	(921,518)
Cash flows from financing activities			
Decrease in bank indebtedness		(11,884)	(7,830)
Net decrease under revolving facilities		(119,590)	(18,147)
Issuance of long-term debt, net of discounts and transaction costs		325,605	2,001,646
Repayment of notes and credit facilities		(559,070)	(2,149,661)
Payment on settlement of forward contracts	24 A)	(14,940)	—
Repayment of lease liabilities		(14,635)	(10,282)
Increase in deferred transaction costs		(498)	(2,716)
Purchase of subordinate voting shares for cancellation from La Caisse	20 B)	—	(280,024)
Disposal of shares in a subsidiary to non-controlling interest (La Caisse)	20 B)	—	73,178
Transaction costs related to share buyback transactions		—	(7,297)
Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	20 B)	(2,819)	(2,862)
Dividends paid on multiple and subordinate voting shares	20 C)	(34,685)	(37,356)
Issuance of subordinate voting shares by a subsidiary to non-controlling interest		3,302	436
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		409	(5,002)
Dividends paid on subordinate voting shares by a subsidiary to non-controlling interest	20 C)	(110,459)	(100,999)
		(539,264)	(546,916)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency			
		(3,273)	(2,824)
Net change in cash and cash equivalents			
		(2,169)	(286,108)
Cash and cash equivalents, beginning of the year		77,746	363,854
Cash and cash equivalents, end of the year	22 D)	75,577	77,746

Notes to the consolidated financial statements

Years ended August 31, 2025 and 2024

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 2025 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 29, 2025.

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 under the Breezeline brand in thirteen U.S. states: Connecticut, Delaware, Florida, Maine, Maryland, Massachusetts, New Hampshire, New York, Ohio, Pennsylvania, South Carolina, Virginia and West Virginia.

C) Foreign currency translation

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

	Closing rates as of August 31		Average rates for fiscal years	
	2025	2024	2025	2024
US dollar vs Canadian dollar	1.3742	1.3491	1.3962	1.3606

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 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	<ul style="list-style-type: none">• 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• Revenue from data services, long-distance and other pay-per-use services is recognized on a monthly basis as the services are provided.
Commercial	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Revenue mainly from Internet wholesale-based providers and advertising, which is recognized as the services are provided.

Contract liabilities

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

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

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

Contract costs

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

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

C) Property, plant and equipment - owned assets

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

D) Intangible assets

Finite-life intangible assets

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

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

Indefinite-life intangible assets

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

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

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

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

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

E) Goodwill

Goodwill is carried at cost, is not amortized and arises from business acquisitions. It is mainly attributable to the expected 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.

Property, plant and equipment

Buildings and leasehold improvements	10 to 40 years
Networks and infrastructure ⁽¹⁾	3 to 20 years
Customer premise equipment	2 to 5 years
Vehicles and equipment ⁽²⁾	3 to 10 years

Finite-life intangible assets

Customer relationships	Up to 8 years
Trade name	20 years

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

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

G) Impairment of long-lived assets

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

Management assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset, 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 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 growth and net capital expenditures for each CGU based on past experience and expected growth for the CGU. Cash flows beyond that period are extrapolated using an estimated terminal growth rate determined with regard to projected growth rates for the specific markets in which the CGU's participate and are not considered to exceed the long-term average growth rates for those markets.

Significant estimates and judgment involved:

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

H) Income taxes

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

- Current tax expense is tax the Corporation expects to pay or receive based on its taxable income or loss during the year. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period, including any adjustments to taxes payable or receivable related to previous years.
- Deferred tax assets and liabilities arise from temporary differences between the carrying amounts of the assets and liabilities recognized in the statements of financial position and their corresponding tax bases. Deferred tax

assets and liabilities are calculated using enacted or substantively enacted tax rates that will apply in the period in which the asset is realized or the liability is settled. A deferred tax asset is recognized for unused losses, tax credits, and deductible temporary differences to the extent it is probable that future taxable income will be available to use the asset.

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

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

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

J) Derivative financial instruments and hedge accounting

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

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

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

Cash flow hedge

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

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

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

Net investment hedges

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

K) Contingencies

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

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

L) Acquisition, integration, restructuring and other costs

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

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

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

4. Accounting policy developments

Initial application of amendments to accounting standards

Supplier Finance Arrangements - Amendments to IAS 7, Statement of Cash Flows, and IFRS 7, Financial Instruments: Disclosures

In May 2023, the IASB issued *Supplier Finance Arrangements*, which amended IAS 7 and IFRS 7, introducing new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendments were effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Effective September 1, 2024, the Corporation applied these amendments, which had no impact on the consolidated financial statements.

Future changes to accounting standards

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

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*, which amended IFRS 9 and IFRS 7, to clarify when a financial asset or a financial liability is recognized and derecognized and to introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of financial assets with environmental, social and governance ("ESG")-linked features, non-recourse loans and contractually linked instruments, and introduce disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation is currently assessing the impact of these amendments on its consolidated financial statements, but does not expect to have any material impact.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:

- improved comparability in the statement of profit or loss by introducing three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide two new defined subtotals, i.e. operating profit and profit before financing and income taxes;
- enhanced transparency of management-defined performance measures by requiring companies to disclose explanations of those company-specific measures that are related to the income statement; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

The IASB also made consequential amendments to other accounting standards, including IAS 7, *Statement of Cash Flows*, IAS 33, *Earnings per Share*, and IAS 34, *Interim Financial Reporting*.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is currently assessing the impact of these new and amended accounting standards on its consolidated financial statements presentation and disclosure. Based on a high level assessment, the Corporation currently expects the following to be the most significant impacts on the presentation and disclosure of its consolidated financial statements:

- **Consolidated statements of profit or loss:** Although there will be no impact on the Corporation's reported profit for the period/year, the presentation of the Corporation's consolidated statements of profit or loss will change, including presenting the two new defined subtotals and classifying income and expenses into the IFRS 18 defined categories. Certain line items presented may also change as a result of the application of the new 'useful structured summary' concept and the enhanced principles on aggregation and disaggregation.
 - **Consolidated statements of cash flows:** The starting point will change from profit for the period/year to the new operating profit subtotal to be reported, while interest paid will move from cash flows from operating activities to cash flows from financing activities.
 - **Notes to the consolidated financial statements:** Certain financial measures and related information currently reported as 'non-IFRS Accounting Standards and other financial measures' in the Corporation's management's discussion and analysis are expected to be considered 'management-defined performance measures' under IFRS 18 (e.g. adjusted EBITDA and adjusted profit attributable to owners of the Corporation). Accordingly, specific required disclosures for these management-defined performance measures will need to be provided within a single note to the consolidated financial statements.
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5. Revenue

Years ended August 31 <i>(In thousands of Canadian dollars)</i>	Cogeco Communications						Other	Consolidated		
	Canadian telecommunications		American telecommunications		Sub-total					
	2025	2024	2025	2024	2025	2024		2025	2024	2025
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Residential ⁽¹⁾	1,234,812	1,257,113	1,229,222	1,273,542	2,464,034	2,530,655	—	—	2,464,034	2,530,655
Commercial	193,708	186,754	176,296	178,234	370,004	364,988	—	—	370,004	364,988
Other ⁽²⁾	66,788	66,639	9,667	14,242	76,455	80,881	97,608	97,461	174,063	178,342
	1,495,308	1,510,506	1,415,185	1,466,018	2,910,493	2,976,524	97,608	97,461	3,008,101	3,073,985

(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 and advertising.

6. Segment information

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

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

Year ended August 31, 2025 <i>(In thousands of Canadian dollars)</i>	Cogeco Communications				Other	Consolidated
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Sub-total		
	\$	\$	\$	\$		
Revenue ⁽¹⁾	1,495,308	1,415,185	—	2,910,493	97,608	3,008,101
Operating expenses	704,586	711,775	33,271	1,449,632	105,568	1,555,200
Management fees – Cogeco Inc.	—	—	18,216	18,216	(18,216)	—
Adjusted EBITDA	790,722	703,410	(51,487)	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 property, plant and equipment				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⁾	298,889	278,036	11,351	588,276	3,122	591,398

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

(1) For fiscal 2025, revenue by geographic market included \$1,592.9 million in Canada and \$1,415.2 million in the United States, respectively. For the prior year, revenue included \$1,608.0 million in Canada and \$1,466.0 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.

The following tables set out certain segmented and geographic market information at August 31, 2025 and 2024:

Segmented information

At August 31, 2025						
(In thousands of Canadian dollars)	Cogeco Communications					Total
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Sub-total	Other	
	\$	\$	\$	\$	\$	\$
Property, plant and equipment	1,586,717	1,664,920	30,774	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
At August 31, 2024						
(In thousands of Canadian dollars)	Cogeco Communications					Total
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Sub-total	Other	
	\$	\$	\$	\$	\$	\$
Property, plant and equipment	1,608,109	1,676,063	21,222	3,305,394	35,399	3,340,793
Intangible assets	1,604,312	2,207,902	—	3,812,214	25,580	3,837,794
Goodwill	247,143	1,885,518	—	2,132,661	—	2,132,661

Geographic market information

	At August 31, 2025		
	Canada	United States	Total
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$
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

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

7. Business combinations

Fiscal 2024 - Niagara Regional Broadband Network acquisition

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

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

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

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

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

8. Operating expenses

Years ended August 31	2025	2024
(In thousands of Canadian dollars)	\$	\$
Salaries, employee benefits and outsourced services	522,986	563,125
Service delivery costs ⁽¹⁾	746,846	754,994
Customer related costs ⁽²⁾	129,476	127,762
Other external purchases ⁽³⁾	155,892	173,287
	1,555,200	1,619,168

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

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

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

9. Acquisition, integration, restructuring and other costs

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Acquisition and integration costs	154	1,060
Restructuring and other severance costs ⁽¹⁾	24,328	50,609
Configuration and customization costs related to cloud computing and other arrangements	11,006	15,823
Reversal of costs related to litigation and regulatory decisions	—	(4,194)
Gain on sale and leaseback transactions	(13,844)	—
Other costs ⁽²⁾	3,646	—
	25,290	63,298

(1) Consists of severance charges, including accelerated share-based compensation expense, and other related costs.

(2) Mainly consists of other costs incurred in connection with certain initiatives undertaken.

Restructuring and other severance costs

Fiscal 2024

In May 2024, Cogeco Communications announced a strategic transformation aimed at achieving operational excellence, while generating synergies to power future growth, by combining the commercial, operational and technical functions of the Canadian and U.S. telecommunications businesses into a simpler North American organization. Additionally, in August 2024, Cogeco Communications announced strategic partnerships with a national wireless network operator and with a supplier of wireless technology platforms to facilitate the development of wireless services in Canada under a capital-light operating model. In light of these partnerships, further cost optimization initiatives were undertaken to reduce future expenses related to offering wireless services in Canada.

Fiscal 2025

Restructuring costs incurred during fiscal 2025 were mainly related to additional severance charges in connection with the organizational structure announced last year, as well as further cost optimization initiatives undertaken during fiscal 2025.

10. Depreciation and amortization

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Canadian telecommunications	342,423	323,594
American telecommunications	369,469	348,498
Corporate and eliminations	2,756	1,465
Cogeco Communications	714,648	673,557
Other ⁽¹⁾	5,287	4,872
Consolidated	719,935	678,429

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

11. Financial expense

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Interest on long-term debt, excluding interest on lease liabilities	289,752	295,270
Interest on lease liabilities	4,195	3,498
Loss on debt extinguishment ⁽¹⁾	—	16,880
Change in fair value of forward contracts ⁽²⁾	14,940	—
Net foreign exchange gain	(3,853)	(3,729)
Interest and other income	(9,973)	(10,321)
Capitalized borrowing costs ⁽³⁾	(16,985)	(17,432)
Other	4,457	2,506
	282,533	286,672

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

(2) In connection with 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 (see Note 24).

(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, 2025, the weighted average interest rate used for the capitalization of borrowing costs was 5.05% (6.51% for 2024).

12. Income taxes

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Current	47,743	20,995
Deferred	39,802	40,813
	87,545	61,808

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	2025	2024
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$
Profit before income taxes	422,710	411,189
Combined Canadian income tax rate	26.5 %	26.5 %
Income taxes at combined Canadian income tax rate	112,018	108,965
Difference in operations' statutory income tax rates	126	155
Recognition of previously unrecognized capital losses	(2,257)	(235)
Impact on income taxes arising from non-deductible expenses and non-taxable profit	(52)	3,767
Pillar Two global minimum tax ⁽¹⁾	4,350	—
Tax impacts related to foreign operations	(25,889)	(51,472)
Other	(751)	628
Income taxes at effective income tax rate	87,545	61,808
Effective income tax rate	20.7 %	15.0 %

(1) In June 2024, Bill C-69, the *Budget Implementation Act, 2024, No. 1*, which includes the introduction of the *Global Minimum Tax Act*, received royal assent and is enacted for Canadian financial reporting purposes. The *Global Minimum Tax Act* is largely based on the Organisation for Economic Co-operation and Development ("OECD") rules and is effective for fiscal years beginning on or after December 31, 2023 (September 1, 2024 for the Corporation). The Pillar Two model rules impose a 15% global minimum tax applicable to large multinational enterprises, to be applied in each country. In May 2023, the IASB issued *International Tax Reform—Pillar Two Model Rules*, which amended IAS 12, *Income Taxes*, to introduce a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Corporation applied this exception and it recognized the Pillar Two impact 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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Property, plant and equipment	(437,492)	(427,336)
Intangible assets and goodwill	(746,584)	(687,289)
Contract liabilities and other liabilities	9,280	9,150
Interest carryforward	91,375	57,188
Non-capital losses and other tax credits carryforwards, net of unrecognized benefits related to tax losses	167,113	178,316
Other	14,952	8,811
Net deferred tax liabilities	(901,356)	(861,160)
Consolidated financial statements presentation:		
Deferred tax assets	3,843	6,784
Deferred tax liabilities	(905,199)	(867,944)
Net deferred tax liabilities	(901,356)	(861,160)

The movements in deferred tax asset and liability balances during fiscal 2025 and 2024 were as follows:

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
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$
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)

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

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, 2025, 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
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$
United States	18,841	721,560	740,401

The Corporation and its subsidiaries also had accumulated capital losses in Canada amounting to \$1,048 million which can be carried forward indefinitely and used against Canadian capital gains, and \$138 million of unrealized foreign exchange temporary differences, the benefits of which have not been recognized in these consolidated financial statements.

13. Earnings per share

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

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars, except number of shares)</i>	\$	\$
Profit for the year attributable to owners of the Corporation	84,968	96,746
Weighted average number of multiple and subordinate voting shares outstanding	9,502,331	11,210,397
Effect of dilutive incentive share units	69,994	54,899
Effect of dilutive performance share units	71,965	54,770
Weighted average number of diluted multiple and subordinate voting shares outstanding	9,644,290	11,320,066

14. Other assets

At August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Contract costs ⁽¹⁾	140,838	118,846
Transaction costs	3,079	3,356
Pension plan assets ⁽²⁾	19,214	14,788
Other	3,042	1,698
	166,173	138,688

(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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Balance, beginning of the year	118,846	92,183
Additions	68,253	61,155
Amortization	(47,234)	(34,307)
Foreign currency translation adjustments	973	(185)
Balance, end of the year	140,838	118,846

15. Property, plant and equipment

At August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Owned assets	3,225,969	3,256,338
Right-of-use assets	89,234	84,455
	3,315,203	3,340,793

A) Owned assets

Years ended August 31, 2025 and 2024 (In thousands of Canadian dollars)	Land, buildings and leasehold improvements	Networks and infrastructure	Customer premise equipment	Vehicles and equipment	Assets under construction	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance at August 31, 2023	209,177	5,755,201	973,986	492,720	320,587	7,751,671
Acquisitions through business combinations	134	51,858	665	494	4,011	57,162
Additions ⁽¹⁾	—	—	—	—	642,747	642,747
Assets under construction put into service	9,081	508,549	170,411	51,929	(739,970)	—
Disposals, write-offs and other	(967)	(113,319)	(106,294)	(22,019)	(401)	(243,000)
Foreign currency translation adjustments	(191)	(10,902)	(5,247)	(591)	(134)	(17,065)
Balance at August 31, 2024	217,234	6,191,387	1,033,521	522,533	226,840	8,191,515
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
Accumulated depreciation and impairment losses						
Balance at August 31, 2023	101,236	3,511,625	620,781	330,620	—	4,564,262
Depreciation expense	8,025	367,324	177,833	56,384	—	609,566
Disposals and write-offs	(498)	(112,062)	(105,803)	(21,914)	—	(240,277)
Impairment	692	—	—	—	13,211	13,903
Foreign currency translation adjustments	(92)	(6,837)	(4,855)	(493)	—	(12,277)
Balance at August 31, 2024	109,363	3,760,050	687,956	364,597	13,211	4,935,177
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	—	—	—	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
Carrying amounts						
At August 31, 2024	107,871	2,431,337	345,565	157,936	213,629	3,256,338
At August 31, 2025	113,062	2,517,947	267,025	154,088	173,847	3,225,969

(1) In fiscal 2025, the Corporation received \$48.8 million of government assistance, which was accounted for as a deduction of the cost of property, plant and equipment (\$52.5 million in 2024), including the amount recognized in connection to the high-speed Internet network expansion projects.

Impairment

During the fourth quarter of fiscal 2024, non-cash pre-tax impairment charges, mostly related to assets under construction write-offs, were recognized in connection with cost optimization initiatives undertaken, mainly following the strategic partnerships announced in August 2024 to facilitate the development of wireless services in Canada under a capital-light operating model. During fiscal 2025, non-cash pre-tax impairment charges, also mostly related to assets under construction write-offs, were recognized in connection with further cost optimization initiatives undertaken, as well as other initiatives in the Corporation's media activities.

Sale and leaseback

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

B) Right-of-use assets

Years ended August 31, 2025 and 2024 (In thousands of Canadian dollars)	Land and buildings \$	Other ⁽¹⁾ \$	Total \$
Balance at August 31, 2023	47,952	28,942	76,894
Acquisitions through business combinations	354	288	642
Additions	10,877	12,971	23,848
Modifications, disposals and write-offs	(2,560)	(41)	(2,601)
Depreciation expense	(6,717)	(5,898)	(12,615)
Impairment	(1,326)	—	(1,326)
Foreign currency translation adjustments	(347)	(40)	(387)
Balance at August 31, 2024	48,233	36,222	84,455
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

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

16. Intangible assets and goodwill

A) Intangible assets

Years ended August 31, 2025 and 2024 (In thousands of Canadian dollars)	Finite useful life		Indefinite useful life			Total
	Customer relationships	Trade name ⁽¹⁾	Distribution licences and franchise rights	Spectrum licences	Radio broadcasting licences	
	\$	\$	\$	\$	\$	\$
Cost						
Balance at August 31, 2023	461,349	7,600	3,046,986	397,397	85,569	3,998,901
Acquisitions through business combinations	9,257	368	—	—	—	9,625
Additions ⁽²⁾	—	—	—	203,220	—	203,220
Fully amortized	(25,987)	—	—	—	—	(25,987)
Foreign currency translation adjustments	(956)	—	(6,149)	—	—	(7,105)
Balance at August 31, 2024	443,663	7,968	3,040,837	600,617	85,569	4,178,654
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
Accumulated amortization and impairment losses						
Balance at August 31, 2023	236,923	174	—	14,329	59,989	311,415
Amortization expense	55,807	441	—	—	—	56,248
Fully amortized	(25,987)	—	—	—	—	(25,987)
Foreign currency translation adjustments	(816)	—	—	—	—	(816)
Balance at August 31, 2024	265,927	615	—	14,329	59,989	340,860
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
Carrying amounts						
At August 31, 2024	177,736	7,353	3,040,837	586,288	25,580	3,837,794
At August 31, 2025	123,917	6,833	3,079,420	598,667	25,580	3,834,417

(1) Comprised of the NRBN and oxio brands.

(2) Comprised of the spectrum licences acquired, as well as the related capitalized borrowing costs. Fiscal 2024 includes the spectrum licences acquired in the 3800 MHz spectrum auction.

Fiscal 2024 - Spectrum licences auction

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

B) Goodwill

Years ended August 31, 2025 and 2024

(In thousands of Canadian dollars)

Cost	
Balance at August 31, 2023	2,145,768
Acquisitions through business combinations ⁽¹⁾	20,495
Foreign currency translation adjustments	(5,590)
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
Accumulated impairment losses	
Balance at August 31, 2024 and August 31, 2025	28,012
Carrying amounts	
At August 31, 2024	2,132,661
At August 31, 2025	2,166,652

(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 (see Note 7).

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	2025				2024			
Operating segments / CGUs	Goodwill	Distribution licences and franchise rights	Spectrum licences	Radio broadcasting licences	Goodwill	Distribution licences and franchise rights	Spectrum licences	Radio broadcasting licences
(In thousands of Canadian dollars)	\$	\$	\$	\$	\$	\$	\$	\$
Canadian telecommunications	246,054	967,000	598,667	—	247,143	967,000	586,288	—
American telecommunications	1,920,598	2,112,420	—	—	1,885,518	2,073,837	—	—
Media ⁽¹⁾ - Radio broadcasting	—	—	—	25,580	—	—	—	25,580
Total	2,166,652	3,079,420	598,667	25,580	2,132,661	3,040,837	586,288	25,580

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

During the fourth quarter, the Corporation and its subsidiary, Cogeco Communications, performed their annual impairment test and the recoverable amount of each CGU was determined to be higher than its carrying amount. As a result, there was no impairment identified for the years ended August 31, 2025 and 2024.

The recoverable amount of each CGU was calculated based on the value in use. The future cash flow projections were derived from the most recent budget and the five-year strategic plan approved by senior management. The projections 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 in connection to the telecommunications and media services and 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 profiles of the individual CGUs.

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

	Pre-tax discount rate	2025 Terminal growth rate	Pre-tax discount rate	2024 Terminal growth rate
	%	%	%	%
Operating segments				
Canadian telecommunications	9.2	2.0	9.2	2.0
American telecommunications	9.4	2.0	11.3	2.5
Media	9.1	0.5	11.9	0.5

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

	Increase in pre-tax discount rate	Decrease in terminal growth rate
	%	%
Operating segments		
Canadian telecommunications	(1)	(1)
American telecommunications	1.2	1.8
Media	1.3	1.8

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

17. Provisions

Year ended August 31, 2025	Withholding and stamp taxes ⁽¹⁾	Programming and content costs ⁽²⁾	Royalties for retransmission of distant TV signals ⁽³⁾	Restructuring and other severance costs ⁽⁴⁾	Other ⁽⁵⁾	Total
	\$	\$	\$	\$	\$	\$
<i>(In thousands of Canadian dollars)</i>						
Balance, beginning of the year	7,104	7,786	9,533	33,150	1,309	58,882
Provisions made during the year	—	10,826	2,153	14,841	2,150	29,970
Provisions used during the year	—	(4,505)	—	(37,278)	(2,071)	(43,854)
Provisions reversed during the year	—	(4,045)	—	(192)	—	(4,237)
Foreign currency translation adjustments	543	(8)	—	266	—	801
Balance, end of the year	7,647	10,054	11,686	10,787	1,388	41,562

(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 periodical audits from service providers.

(3) Relates to the 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 severance costs and other related costs in connection with the strategic transformation announced last year, which combined the Canadian and U.S. telecommunications teams into a simpler North American organization, and other cost optimization initiatives undertaken [see Note 9].

(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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Advance billings	49,105	52,655
Deferred customer connection fees	17,741	16,820
Customer deposits and prepayments	538	401
Contract liabilities	67,384	69,876
Other liabilities	9,342	1,557
	76,726	71,433
Current	59,023	61,736
Non-current	17,703	9,697

Contract liabilities

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Balance, beginning of the year	69,876	69,598
Revenue deferred in the previous period and recognized in the current period	(62,035)	(61,547)
Net additions arising from operations	58,599	61,111
Additions arising from business combinations	—	843
Foreign currency translation adjustments	944	(129)
Balance, end of the year	67,384	69,876

19. Long-term debt

At August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Notes and credit facilities	4,604,232	4,866,353
Lease liabilities	88,948	80,718
Balance due on business combinations	17,094	17,094
	4,710,274	4,964,165
Less current portion	45,543	370,108
	4,664,731	4,594,057

A) Notes and credit facilities

At August 31	Maturity	Interest rate ⁽¹⁾	2025	2024
<i>(In thousands of Canadian dollars, except percentages)</i>		%	\$	\$
Corporation				
Term Revolving Facility				
Revolving loan	May 2030	—	—	59,000
Revolving loan - US\$47.6 million	May 2030	4.46 ⁽²⁾	65,412	—
Non-Revolving Term Credit Facility				
Term loan	May 2028	—	—	71,833
Term loan - US\$50 million	May 2028	4.48 ⁽³⁾	68,518	—
Subsidiaries				
Term Revolving Facility				
Revolving loan - US\$159 million (US\$237.5 million at August 31, 2024)	May 2030	4.19 ⁽⁴⁾	218,498	320,411
Senior Secured Notes				
Series A - US\$25 million	—	—	—	33,727
Series B - US\$150 million	September 2026	4.29	206,036	202,181
Senior Secured Notes - US\$215 million	—	—	—	289,925
Senior Secured Notes - Series 1	September 2031	2.99	497,900	497,588
Senior Secured Notes - Series 2	February 2033	5.30	298,457	298,293
Senior Secured Notes - Series 3	February 2035	4.74	323,343	—
Senior Unsecured Notes	February 2029	6.13	272,343	271,677
Senior Unsecured Non-Revolving Facility	November 2042	5.75	1,711	—
First Lien Credit Facilities				
Senior Secured Term Loan B Facility				
Tranche 2 - US\$868.5 million (US\$877.5 million at August 31, 2024)	September 2028	4.13 ⁽⁵⁾	1,183,349	1,170,893
Tranche 3 - US\$618.4 million (US\$771.1 million at August 31, 2024)	September 2030	7.26 ⁽⁶⁾	833,884	1,023,005
Farm Credit - US\$467.9 million (US\$472.6 million at August 31, 2024)	September 2028	7.57 ⁽⁷⁾	634,781	627,820
Senior Secured Revolving Facility	September 2028	—	—	—
			4,604,232	4,866,353
Less current portion			29,545	359,220
			4,574,687	4,507,133

(1) Interest rate as of August 31, 2025, which excludes the impact of deferred transaction costs and commitment fees but includes the impact of the outstanding interest rate swaps and cross-currency swaps, as applicable.

(2) An amount of US\$47.6 million drawn under the Corporation's Term Revolving Facility was hedged until September 29, 2025, using a cross-currency swap agreement which sets the amount redeemable at maturity at \$65.8 million.

(3) An amount of US\$50 million drawn under the Corporation's Non-Revolving Term Credit Facility was hedged until September 29, 2025, using a cross-currency swap agreement which sets the amount redeemable at maturity at \$69.2 million.

(4) An amount of US\$159 million drawn under Cogeco Communications' Term Revolving Facility was hedged until September 29, 2025, using a cross-currency swap agreement which sets the amount redeemable at maturity at \$220.0 million.

(5) As of August 31, 2025, a U.S. subsidiary had outstanding interest rate swap agreements to fix the interest rate on an amount of US\$800 million of the Senior Secured Term Loan B Facility - Tranche 2. These agreements have the effect of converting the floating SOFR base rate, or the 39 bps SOFR floor if higher, into fixed rates ranging from 1.17% to 1.44%, plus an applicable credit spread, for maturities between October 31, 2025 and July 31, 2027. The interest rate includes the impact of the outstanding interest rate swaps.

(6) As of August 31, 2025, a U.S. subsidiary had outstanding interest rate swap agreements to fix the interest rate on an amount of US\$550 million of the Senior Secured Term Loan B Facility - Tranche 3. These agreements have the effect of converting the floating SOFR base rate into fixed rates ranging from 3.82% to 4.18%, plus an applicable credit spread, for maturities between February 28, 2027 and February 28, 2029. The interest rate includes the impact of the outstanding interest rate swaps.

(7) 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 May 29, 2025, the Corporation amended the facility by extending its maturity date to May 29, 2030.

Cogeco's revolving facility is secured by a first priority security interest on substantially all present and future real and personal property and undertaking of every nature and kind of the Corporation and certain of its subsidiaries, excluding the capital stock and assets of the Corporation's subsidiary, Cogeco Communications, and guaranteed by its subsidiaries, excluding Cogeco Communications and its subsidiaries.

Non-Revolving Term Credit Facility

On December 11, 2023, Cogeco entered into a 3-year Non-Revolving Term Credit Facility to partially finance its \$280.0 million share buyback transaction (see Note 20 B)). On May 29, 2025, the Corporation amended the facility by extending its maturity date to May 29, 2028 and slightly increasing the amount drawn by \$0.6 million, bringing the outstanding principal 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.

Subsidiaries

Term Revolving Facility

Cogeco Communications benefits from a Term Revolving Facility of \$750 million, including a swingline with a limit of \$30 million. On May 29, 2025, Cogeco Communications amended the facility by extending its maturity date to May 29, 2030.

Cogeco Communications' revolving facility is indirectly secured by a first priority security interest on substantially all present and future real and personal property and undertaking of every nature and kind of Cogeco Communications and its subsidiaries, except for the unrestricted subsidiaries.

Both the Corporation's and Cogeco Communications' revolving facilities have a sustainability-linked loan ("SLL") structure. The SLL structure incorporates ESG-linked incentive pricing terms which reduce or increase the cost of funding, depending on the annual performance against specific targets related to Cogeco's GHG annual emissions reduction and digital inclusion initiatives by deploying high-speed Internet networks in underserved and unserved areas of Canada. The revolving facilities are available in Canadian and US dollars, and interest rates are based on prime rate loans 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 facilities can be repaid at any time without penalty and provide for certain permitted encumbrances, including purchased money obligations, existing funded obligations and charges granted by any subsidiary prior to the date when it becomes a subsidiary, subject to a maximum amount. The provisions under the revolving facilities provide for restrictions on the operations and activities of both corporations and their subsidiaries, except for the unrestricted / excluded subsidiaries. Generally, the most significant restrictions relate to asset dispositions, permitted liens, permitted investments, distributions to shareholders including dividends on multiple and subordinate voting shares and share repurchases, as well as the incurrence and maintenance of certain financial ratios primarily linked to adjusted EBITDA.

Senior Unsecured Notes

In February 2024, Cogeco Communications completed, pursuant to a private placement, the issuance of \$275 million Senior Unsecured Notes maturing on February 27, 2029. Cogeco Communications used the net proceeds of the offering to repay existing indebtedness and for other general corporate purposes. The Senior Unsecured Notes are direct and unsubordinated unsecured debt obligations of Cogeco Communications and rank equally and *pari passu* with all other unsecured senior indebtedness of Cogeco Communications.

Senior Secured Notes

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.

Upon maturity on June 16, 2025, Cogeco Communications redeemed the US\$215 million Senior Secured Notes.

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 Non-Revolving Facility

On June 30, 2025, Cogeco Communications proceeded to a first draw of \$4.8 million of its Senior Unsecured Non-Revolving Facility, having an aggregate principal amount of up to \$38.1 million, for a remaining availability of \$33.3 million. The credit facility, which was entered into with the Canada Infrastructure Bank in December 2022, can only be drawn to finance the network expansion projects undertaken in connection with Ontario's Accelerated High Speed Internet Program. At August 31, 2025, a \$3.0 million government grant was recognized related to this facility. On September 29, 2025, Cogeco Communications drew an additional \$6.3 million from the facility.

First Lien Credit Facilities

On September 29, 2023, Cogeco Communications amended the First Lien Credit Facilities related to its U.S. operations, as follows:

- the issuance of the US\$775 million 7-year Term Loan B - Tranche 3;
- the issuance of the US\$475 million 5-year Farm Credit Term Loan B; and
- an increase in the credit limit of the Senior Secured Revolving Facility from US\$150 million to US\$250 million and the extension of the maturity date to September 2028.

The proceeds from the issued Term B loans, together with US\$150 million drawn on the Senior Secured Revolving Facility and US\$200 million of cash on hand, were used to reimburse the existing US\$1.6 billion Tranche 1 of the Senior Secured Term Loan B Facility. The prepayment of Tranche 1 of the Senior Secured Term Loan B Facility and the amendment of the Senior Secured Revolving Facility were accounted for as a debt extinguishment. As a result, a loss on debt extinguishment of \$16.9 million was recognized during the first quarter of fiscal 2024, within financial expense.

On September 1, 2021, in connection with the financing of the Ohio broadband systems acquisition, a U.S. subsidiary of Cogeco Communications completed the issuance of the \$1.1 billion (US\$900 million) Tranche 2 of the Senior Secured Term Loan B Facility, maturing on September 1, 2028.

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, 2025, therefore no excess cash flows prepayments are applicable in fiscal 2025. 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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Lease liabilities	88,948	80,718
Less current portion	15,998	10,888
	72,950	69,830
At August 31	2025	2024
Weighted average interest rate on lease liabilities	4.46 %	4.43 %
Weighted average lease term (in years)	4.5	5.1
Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Expenses for variable lease payments not included in the measurement of lease liabilities	5,313	10,555
Expenses for short-term leases	266	1,065
Expenses for leases of low value assets	8	32

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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Principal on fixed-rate long-term debt	3,571,779	3,519,727
Principal on floating rate long-term debt	1,186,005	1,491,474
Principal on long-term debt	4,757,784	5,011,201

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, 2025	Multiple voting shares		Subordinate voting shares	
	Number of shares	Amount	Number of shares	Amount
<i>(In thousands of Canadian dollars, except number of shares)</i>		\$		\$
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

Year ended August 31, 2024	Multiple voting shares		Subordinate voting shares	
	Number of shares	Amount	Number of shares	Amount
<i>(In thousands of Canadian dollars, except number of shares)</i>		\$		\$
Issued and outstanding, August 31, 2023	1,602,217	10	14,009,952	112,118
Purchase of subordinate voting shares for cancellation from La Caisse	—	—	(5,969,390)	(47,771)
Issued and outstanding, August 31, 2024	1,602,217	10	8,040,562	64,347
Shares held in trust, August 31, 2023 ⁽¹⁾	—	—	(104,349)	(7,246)
Subordinate voting shares acquired	—	—	(48,672)	(2,862)
Subordinate voting shares distributed to employees	—	—	31,828	2,184
Shares held in trust, August 31, 2024 ⁽¹⁾	—	—	(121,193)	(7,924)
Issued and outstanding, net of shares held in trust, August 31, 2024	1,602,217	10	7,919,369	56,423

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

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

On December 13, 2023, Cogeco and Cogeco Communications entered into a series of transactions pursuant to the sale by Rogers Communications Inc. of its entire holdings in both companies to Caisse de dépôt et placement du Québec ("La Caisse"). Cogeco repurchased for cancellation 5,969,390 of its subordinate voting shares from La Caisse for \$280.0 million, resulting in a non taxable eligible deemed dividend for tax purposes. Concurrently, Cogeco sold 2,266,537 subordinate voting shares of its holding in Cogeco Communications to Cogeco Communications for \$116.5 million and 1,423,692 subordinate voting shares to La Caisse for \$73.2 million, following the conversion and cancellation of an equivalent number of Cogeco Communications multiple voting shares. The 2,266,537 subordinate voting shares repurchased by Cogeco Communications were repurchased for cancellation, resulting in a non taxable eligible deemed dividend for tax purposes. Cogeco maintained its controlling interest over Cogeco Communications, and as a result of this transaction La Caisse became an anchor investor in Cogeco Communications, with a holding of 6,809,339 subordinate voting shares, representing approximately 16.1% of all outstanding Cogeco Communications shares at the time.

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, 2025 and 2024:

Declaration date	Record date	Payment date	Dividend per share (in dollars)	
			Cogeco	Cogeco Communications
October 31, 2024	November 14, 2024	November 28, 2024	0.922	0.922
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
November 1, 2023	November 15, 2023	November 29, 2023	0.854	0.854
January 10, 2024	January 24, 2024	February 7, 2024	0.854	0.854
April 11, 2024	April 25, 2024	May 9, 2024	0.854	0.854
July 11, 2024	July 25, 2024	August 8, 2024	0.854	0.854
			3.416	3.416
Years ended August 31			2025	2024
<i>(In thousands of Canadian dollars)</i>			\$	\$
Attributable to owners of the Corporation				
Dividends on multiple voting shares			5,909	5,473
Dividends on subordinate voting shares			28,776	31,883
			34,685	37,356
Attributable to non-controlling interest				
Dividends on subordinate voting shares			110,459	100,999

At its October 29, 2025 meeting, the Board of Directors of Cogeco declared a quarterly dividend of \$0.987 per share for multiple and subordinate voting shares, payable on November 26, 2025 to shareholders of record on November 12, 2025. 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. Fiscal 2024 amounts include the expense directly related to the acceleration of certain share-based awards, in connection with the strategic transformation announced in May 2024, which was recognized within *Acquisition, integration, restructuring and other costs*.

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Stock options	977	1,109
SARs	130	47
ISUs	2,142	3,957
PSUs	4,128	6,128
DSUs	3,424	3,393
	10,801	14,634

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 2025 and 2024, no stock options were granted to employees by Cogeco and no stock options were outstanding at August 31, 2025 and 2024. 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	2025		2024	
	Options	Weighted average exercise price	Options ⁽¹⁾	Weighted average exercise price
<i>(In Canadian dollars, except number of options)</i>		\$		\$
Outstanding, beginning of the year	1,017,216	80.16	913,338	85.91
Granted	217,053	70.83	263,579	61.06
Exercised ⁽²⁾	(52,901)	62.42	(7,680)	56.82
Cancelled	(116,904)	88.19	(152,021)	82.77
Outstanding, end of the year	1,064,464	78.26	1,017,216	80.16
Exercisable, end of the year	607,215	84.50	598,963	84.54

(1) In January 2024, the number of subordinate voting shares reserved for the purpose of the Stock Option Plan was increased by 1,000,000, from 3,432,500 to 4,432,500. Of the 4,432,500 subordinate voting shares reserved for issuance, 1,023,126 remain available at August 31, 2025.

(2) The weighted average share price for options exercised during the year was \$70.01 (\$56.82 in 2024).

At August 31, 2025, 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, 2025	Options outstanding			Options exercisable	
	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number exercisable	Weighted average exercise price \$
Range of exercise prices					
\$					
56.14 to 62.00	215,986	8.41	60.87	47,252	60.52
62.01 to 69.00	175,090	1.94	64.73	172,019	64.72
69.01 to 84.00	277,668	8.42	70.39	39,704	69.48
84.01 to 100.00	189,860	3.25	89.20	175,510	88.80
100.01 to 114.30	205,860	4.52	108.51	172,730	109.85
	1,064,464	5.68	78.26	607,215	84.50

The weighted average fair value of stock options granted for the year ended August 31, 2025 was \$10.15 (\$8.82 in 2024) 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	2025	2024
	%	%
Expected dividend yield	5.15	5.63
Expected volatility ⁽¹⁾	25.18	26.17
Risk-free interest rate	3.05	3.53
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 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.
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Under the SAR plan of Cogeco Communications, changes in the outstanding number of SARs were as follows:

Years ended August 31	2025		2024	
	SARs	Weighted average exercise price	SARs	Weighted average exercise price
(In Canadian dollars, except number of SARs)		\$		\$
Outstanding, beginning of the year	32,607	61.62	—	—
Granted	45,766	70.83	73,676	61.62
Exercised ⁽¹⁾	(3,181)	61.62	—	—
Cancelled	(40,505)	67.03	(41,069)	61.62
Outstanding, end of the year	34,687	67.45	32,607	61.62
Exercisable, end of the year	3,340	61.62	—	—

(1) The weighted average share price for SARs exercised during the year was \$71.39.

The weighted average fair value of SARs granted for the year ended August 31, 2025 was \$7.97 (\$9.22 in 2024) 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	2025	2024
	%	%
Expected dividend yield	6.08	5.59
Expected volatility ⁽¹⁾	24.16	26.73
Risk-free interest rate	3.05	3.50
Expected life (in years)	5.9	5.3

(1) The expected volatility is based on the historical volatility of Cogeco Communications' subordinate voting shares for a period equivalent to the expected life of the SARs.

ISU, 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 shares on the relevant record date, and the dividend equivalents are credited to the individual's account as additional DSUs. DSUs are redeemable and payable in cash or in shares, upon an individual ceasing to be a member of the Board or in the event of the death of the member.

Under the ISU, PSU and DSU plans of the Corporation, changes in the outstanding number of ISUs, PSUs and DSUs were as follows:

	ISUs	PSUs	DSUs
Balance at August 31, 2023	46,917	48,148	80,386
Granted/Issued	36,978	35,336	14,391
Performance-based additional units granted	—	103	—
Distributed/Redeemed	(15,336)	(16,492)	—
Cancelled	(6,866)	(8,001)	—
Dividend equivalents	—	3,628	6,008
Balance at August 31, 2024	61,693	62,722	100,785
Granted/Issued ^{(1) (2) (3)}	22,476	22,476	6,310
Performance-based additional units granted	—	—	—
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

(1) The weighted average fair value of the ISUs granted was \$61.61 in 2025 (\$59.45 in 2024).

(2) The weighted average fair value of the PSUs granted was \$61.61 in 2025 (\$59.40 in 2024).

(3) The weighted average fair value of the DSUs issued was \$62.14 in 2025 (\$60.44 in 2024).

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, 2023	68,837	101,703	90,542
Granted/Issued	45,178	70,704	26,066
Performance-based additional units granted	—	1,225	—
Distributed/Redeemed	(32,017)	(45,282)	—
Cancelled	(18,047)	(27,213)	—
Dividend equivalents	—	6,751	6,574
Balance at August 31, 2024	63,951	107,888	123,182
Granted/Issued ^{(1) (2) (3)}	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

(1) The weighted average fair value of the ISUs granted was \$70.83 in 2025 (\$61.58 in 2024).

(2) The weighted average fair value of the PSUs granted was \$70.83 in 2025 (\$61.30 in 2024).

(3) The weighted average fair value of the DSUs issued was \$65.85 in 2025 (\$61.62 in 2024).

21. Accumulated other comprehensive income

Years ended August 31, 2025 and 2024 (In thousands of Canadian dollars)	Cash flow hedge reserve \$	Foreign currency translation \$	Total \$
Balance at August 31, 2023	27,031	33,166	60,197
Other comprehensive loss for the year	(14,060)	(1,606)	(15,666)
Balance at August 31, 2024	12,971	31,560	44,531
Other comprehensive income (loss) for the year	(6,810)	7,831	1,021
Balance at August 31, 2025	6,161	39,391	45,552

22. Additional cash flows information

A) Changes in other non-cash operating activities

Years ended August 31 (In thousands of Canadian dollars)	2025 \$	2024 \$
Trade and other receivables	(14,758)	10,189
Prepaid expenses and other	(8,488)	2,918
Other assets	(21,629)	(27,150)
Trade and other payables	60,951	46,602
Provisions	(19,022)	25,900
Contract liabilities and other liabilities	4,586	—
	1,640	58,459

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 (In thousands of Canadian dollars)	2025 \$	2024 \$
Acquisition of property, plant and equipment	599,294	664,004
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the year	(7,896)	(21,257)
Net capital expenditures	591,398	642,747

C) Changes in liabilities arising from financing activities

Years ended August 31, 2025 and 2024 (In thousands of Canadian dollars)	Bank indebtedness	Long-term debt		Balance due on business combinations	Total
		Notes and credit facilities	Lease liabilities		
	\$	\$	\$	\$	\$
Balance at August 31, 2023	23,229	5,019,513	69,484	—	5,112,226
Decrease in bank indebtedness	(7,830)	—	—	—	(7,830)
Net decrease under the revolving facilities	—	(18,147)	—	—	(18,147)
Issuance of long-term debt, net of discounts and transaction costs	—	2,001,646	—	—	2,001,646
Repayment of notes and credit facilities	—	(2,149,661)	—	—	(2,149,661)
Repayment of lease liabilities	—	—	(10,282)	—	(10,282)
Total cash flows used in financing activities excluding equity	(7,830)	(166,162)	(10,282)	—	(184,274)
Interest paid on lease liabilities	—	—	(3,452)	—	(3,452)
Total cash flow changes	(7,830)	(166,162)	(13,734)	—	(187,726)
Loss on debt extinguishment ⁽¹⁾	—	16,552	—	—	16,552
Effect of changes in foreign exchange rates	—	(12,170)	(65)	—	(12,235)
Amortization of discounts, transaction costs and other	—	8,620	—	—	8,620
Net increase in lease liabilities	—	—	24,327	—	24,327
Assumed through business combinations	—	—	706	—	706
Increase in balance due on business combinations	—	—	—	17,094	17,094
Total non-cash changes	—	13,002	24,968	17,094	55,064
Balance at August 31, 2024	15,399	4,866,353	80,718	17,094	4,979,564
Decrease in bank indebtedness	(11,884)	—	—	—	(11,884)
Net decrease under revolving facilities	—	(119,590)	—	—	(119,590)
Issuance of long-term debt, net of discounts and 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
Amortization of discounts, transaction costs and other	—	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

(1) Out of the \$16.9 million loss on debt extinguishment recorded in fiscal 2024 in connection with the refinancing of the First Lien Credit Facilities, a portion amounting to \$0.3 million is presented in *Other Assets*, as it pertained to the Senior Secured Revolving Facility.

D) Cash and cash equivalents

At August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Cash	75,577	69,006
Cash with restrictions on use	—	8,740
	75,577	77,746

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 \$13.6 million (\$12.9 million in 2024) for the year ended August 31, 2025 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, 2024 and the next required valuation is at August 31, 2025, which is expected to be completed in February 2026. For the executive officers' plans, the most recent actuarial valuation was at August 31, 2023 and the next required valuation is at August 31, 2026, to be completed in February 2027.

The following table provides a reconciliation of the change in the defined benefit obligation and the plan assets at fair value, and a statement of the funded status at August 31:

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	<i>\$</i>	<i>\$</i>
Defined benefit obligation ⁽¹⁾		
Defined benefit obligation, beginning of the year	106,122	100,403
Current service cost	2,064	2,519
Interest cost	5,123	5,228
Contributions by plan participants	216	247
Benefits paid	(5,969)	(5,580)
Actuarial loss (gain) on obligation arising from:		
Experience adjustments	(422)	(335)
Changes in demographic assumptions	—	(388)
Changes in financial assumptions	(1,141)	4,028
Defined benefit obligation, end of the year	105,993	106,122
Plan assets at fair value		
Plan assets at fair value, beginning of the year	125,141	115,227
Interest income	5,949	5,906
Return on plan assets, except amounts included in interest income	3,791	8,651
Administrative expense	(403)	(282)
Contributions by plan participants	216	247
Employer contributions	531	972
Benefits paid	(5,969)	(5,580)
Plan assets at fair value, end of the year	129,256	125,141
Funded status		
Plan assets at fair value	129,256	125,141
Defined benefit obligation	105,993	106,122
Plan surplus	23,263	19,019
Effect of asset ceiling	(4,049)	(4,231)
Net defined benefit asset	19,214	14,788

(1) The weighted average duration of the defined benefit obligation is 11 years at August 31, 2025 and 2024.

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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Recognized in operating expenses (salaries, employee benefits and outsourced services)		
Current service cost	2,064	2,519
Administrative expense	403	282
Recognized in financial expense (other)		
Net interest income	(621)	(450)
	1,846	2,351

Defined benefit costs recognized in other comprehensive income

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Actuarial loss (gain) arising from:		
Experience adjustments	(422)	(335)
Changes in demographic assumptions	—	(388)
Changes in financial assumptions	(1,141)	4,028
Return on plan assets, except amounts included in interest income	(3,791)	(8,651)
Change in asset ceiling, excluding interest	(387)	(380)
	(5,741)	(5,726)

Changes in the asset ceiling

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Balance, beginning of the year	4,231	4,383
Interest on asset ceiling	205	228
Change in asset ceiling, excluding interest	(387)	(380)
Balance, end of the year	4,049	4,231

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 \$0.8 million in 2026.

Plan assets consist of:

At August 31	2025	2024
	%	%
Equity securities ⁽¹⁾	57.9	57.3
Debt securities ⁽¹⁾	22.1	22.3
Deposits in trust ⁽²⁾	18.2	18.8
Real estate	1.0	1.0
Other	0.8	0.6
Total	100	100

(1) All equity and debt securities have a quoted price in active markets and do not include securities issued by the Corporation or Cogeco Communications.

(2) Deposits in trust prescribed by the Canada Revenue Agency for funded supplemental employee retirement plans are non-interest bearing.

The significant weighted average assumptions used in measuring the Corporation's defined benefit obligation and defined benefit costs are as follows:

At August 31	2025	2024
	%	%
Defined benefit obligation		
Discount rate	4.95	4.85
Rate of compensation increase ⁽¹⁾	3.00	3.00
Mortality table	CPM-2014	CPM-2014
Defined benefit costs		
Discount rate	5.15	4.95
Rate of compensation increase	3.00	3.00
Mortality table	CPM-2014	CPM-2014

(1) Increase of 3.00% from January 1, 2026 (3.00% in 2025).

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 is monitored monthly and adjusted as needed.

Interest rate risk

A decrease in the interest rate on investment-grade fixed-rate corporate bonds will reduce the discount rate used and increase the present value of the defined benefit obligation. However, the increase in the obligation would be partly offset by an increase in the value of plan investments in debt securities.

Salary risk

Active members' expected benefits are linked to their pre-retirement compensation. The present value of the defined benefit obligation is calculated using management's best estimate of the expected rate of compensation increase for plan members. Increasing that assumption would increase the defined benefit obligation.

D) Sensitivity analysis

The sensitivity analysis of the defined benefit obligation was calculated based on reasonably possible changes to each key actuarial assumption without considering simultaneous changes to several key actuarial assumptions. A change in one actuarial assumption could trigger a change in another actuarial assumption, which could amplify or mitigate the impact of

the change in these assumptions on the present value of the defined benefit obligation. The actual results of items subject to estimates may differ.

At August 31, 2025	Change in assumption	Increase in the defined benefit obligation
<i>(In thousands of Canadian dollars, except percentages)</i>	%	\$
Discount rate decrease	0.25	2,889
Expected rate of compensation increase	0.25	110

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 cash equivalents and trade accounts receivable, the maximum exposure of which is represented by the carrying amounts reported on the consolidated statements of financial position.

Credit risk from derivative financial instruments arises from the possibility that 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, 2025, 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 and cash equivalents with reputable financial institutions, for which management believes the risk of loss to be remote.

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

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

At August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Trade accounts receivable	100,768	103,869
Allowance for doubtful accounts	(6,610)	(5,279)
	94,158	98,590
Other accounts receivable ⁽¹⁾	54,594	33,339
	148,752	131,929

(1) Mainly related to receivables from government grants.

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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Less than 30 days past due	12,777	19,336
30 to 60 days past due	5,252	5,866
60 to 90 days past due	1,172	1,709
More than 90 days past due	1,287	849
	20,488	27,760

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

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Balance, beginning of the year	5,279	8,929
Provision for impaired receivables	26,666	27,294
Net use	(25,309)	(30,994)
Foreign currency translation adjustments	(26)	50
Balance, end of the year	6,610	5,279

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, 2025:

	Total amount	Amount used	Remaining availability
Corporation			
Term Revolving Facility	\$100.0 million	\$67.2 million	\$32.8 million
Cogeco Communications			
Term Revolving Facility	\$750.0 million	\$221.6 million	\$528.4 million
Senior Secured Revolving Facility - U.S. subsidiaries	\$343.6 million	\$3.0 million	\$340.6 million
	(US\$250.0 million)	(US\$2.2 million)	(US\$247.8 million)

The following table summarizes the contractual maturities of the financial liabilities and lease liabilities, and related capital amounts outstanding at August 31, 2025:

	Contractual cash flows						
	2026	2027	2028	2029	2030	Thereafter	Total
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$	\$
Bank indebtedness	3,515	—	—	—	—	—	3,515
Trade and other payables ⁽¹⁾	381,265	—	—	—	—	—	381,265
Notes and credit facilities ⁽²⁾	29,545	235,675	98,695	2,065,411	296,457	1,926,322	4,652,105
Lease liabilities	15,693	13,845	11,616	7,765	5,665	34,001	88,585
Balance due on business combinations	—	17,094	—	—	—	—	17,094
Other liabilities ⁽¹⁾	—	6,031	1,530	7	—	—	7,568
	430,018	272,645	111,841	2,073,183	302,122	1,960,323	5,150,132

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

(2) An amount of \$561.1 million of these loan agreements contain debt covenants. Covenant calculations are performed quarterly at each reporting date, as well as on a pro-forma basis when a business combination or disposal takes place. The covenants relate to the maintenance of certain financial ratios primarily linked to adjusted EBITDA 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:

	2026	2027	2028	2029	2030	Thereafter	Total
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$	\$
Interest payments on notes and credit facilities ⁽¹⁾	229,815	225,423	224,583	140,925	123,286	137,458	1,081,490
Interest payments on lease liabilities	3,695	2,942	2,318	1,862	1,590	7,404	19,811
Interest payments on balance due on business combinations	—	3,972	—	—	—	—	3,972
Interest receipts on derivative financial instruments ⁽¹⁾	(71,930)	(54,368)	(31,879)	(6,673)	—	—	(164,850)
Interest payments on derivative financial instruments ⁽¹⁾	47,333	40,262	27,077	6,030	—	—	120,702
	208,913	218,231	222,099	142,144	124,876	144,862	1,061,125

(1) Based on the principal amounts and interest rates prevailing on the outstanding debt at August 31, 2025 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, 2025, all of the Corporation's and Cogeco Communications' long-term debt was at fixed rate, except for the amounts drawn under the Corporation's Term Revolving Facility and Non-Revolving Term Credit Facility, and under Cogeco Communications' Term Revolving Facility and First Lien Credit Facilities, which are subject to floating interest rates.

To reduce the risk on the floating interest rate instruments and mitigate the impact of interest rate variations, Cogeco Communications' U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at August 31, 2025:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate ⁽¹⁾	Maturity	Hedged item
Cash flow ⁽²⁾	US\$550 million	Term SOFR	3.82% - 4.18%	February 2027 - February 2029	Senior Secured Term Loan B - Tranche 3
Cash flow ⁽³⁾	US\$800 million	Term SOFR with a 39 bps floor	1.17% - 1.44%	October 2025 - July 2027	Senior Secured Term Loan B - Tranche 2

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

(2) Interest rate swaps amounting to US\$250 million matured in November 2024. In December 2024, new fixed interest rate swaps of the same amount were entered into, with maturities ranging from February 2028 to February 2029, and interest rates varying from 3.82% to 3.85%.

(3) In August 2025, US\$200 million interest rate swaps, with an October 2025 forward-start date, were entered into to partially renew the US\$400 million interest rate swaps maturing in October 2025. The new fixed interest rate swaps have a 3.25% interest rate and mature on August 31, 2028.

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 \$11.9 million based on the outstanding debt and swap agreements at August 31, 2025.

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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Financial assets (liabilities)		
Cash and cash equivalents	12,125	9,285
Trade and other payables	(14,521)	(13,965)
	(2,396)	(4,680)

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 \$0.2 million based on the outstanding balances at August 31, 2025.

The Corporation is also exposed to foreign exchange risk with respect to the annual interest, amounting to \$168.4 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 \$16.8 million based on the outstanding debt and swap agreements at August 31, 2025.

Additionally, Cogeco Communications faced exposure to foreign exchange risk associated with the June 2025 repayment of its US\$215 million Senior Secured Notes. In order to mitigate such risk, during the third quarter of fiscal 2025, Cogeco Communications entered into foreign currency forward contracts to partially hedge its exposure. At maturity in June 2025, a \$14.9 million realized loss related to these foreign currency forward contracts was recognized within *Financial expense* (see Note 11).

Type of relationship	Notional amount	Maturity	Weighted average exchange rate
Economic hedge	US\$210.2 million	June 16, 2025	1.4263

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

The following table shows the aggregate investment in foreign operations attributable to owners of Cogeco Communications and the notional amount of debt borrowed to hedge this investment at August 31, 2025:

Type of hedge	Notional amount of debt	Aggregate investment	Hedged item
Net investment	US\$150 million	US\$1,433 million	Net investment in foreign operations in US dollar

The exchange rate used to translate the US dollar currency to the Canadian dollar for the consolidated statement of financial position accounts at August 31, 2025 was \$1.3742 [\$1.3491 at August 31, 2024] 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 \$176.3 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 plans and Cogeco Communications' cash-settled ISU and PSU 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, 2025:

Type of relationship	Notional	Maturity	Average share price	Hedged item
Economic hedge	85,950 units	January 2026	\$62.91	Equity price exposure - DSU Plan

The following table shows Cogeco Communications' equity derivative contracts outstanding at August 31, 2025:

Type of relationship	Notional	Maturity	Average share price	Hedged item
Economic hedge	128,650 units	January 2026	\$66.45	Equity price exposure - DSU Plan
Economic hedge	74,100 units	November 2025	\$66.01	Equity price exposure - ISU / PSU Plans

At August 31, 2025, the fair value of the equity swaps was \$0.8 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 and cash equivalents, trade and other receivables, bank indebtedness and trade and other payables approximates fair value because of the short-term nature of these instruments;
- 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	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Notes and credit facilities	4,604,232	4,629,382	4,866,353	4,792,120

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 and cash equivalents, bank indebtedness and long-term debt.

The provisions of financing agreements of the Corporation and its subsidiary, Cogeco Communications, provide for restrictions on their activities. Generally, the most significant restrictions relate to permitted investments and dividends on multiple and subordinate voting shares, as well as the maintenance of certain financial ratios primarily linked to adjusted EBITDA and net indebtedness. At August 31, 2025 and 2024, 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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Long-term debt, including the current portion	4,710,274	4,964,165
Discounts, transaction costs and other	47,510	47,036
Long-term debt before discounts, transaction costs and other	4,757,784	5,011,201
Bank indebtedness	3,515	15,399
Cash and cash equivalents, excluding cash with restrictions on use ⁽¹⁾	(75,577)	(69,006)
Net indebtedness	4,685,722	4,957,594

(1) See Note 22 D).

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, 2025	August 31, 2024
<i>(In thousands of Canadian dollars, except ratios and percentages)</i>	\$	\$
Components of debt ratio		
Net indebtedness ⁽¹⁾	4,527,171	4,803,629
Adjusted EBITDA ⁽¹⁾	1,442,645	1,442,314
Debt ratio and other financial measure		
Fixed-rate indebtedness ⁽²⁾	77 %	72 %
Net indebtedness / adjusted EBITDA	3.1	3.3

(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 (see Note 19).

Adjusted EBITDA to adjusted financial expense ratio is no longer disclosed as it is no longer used and calculated by management on a consolidated basis.

D) Categories of financial instruments

At August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Financial assets		
Financial assets measured and classified at amortized cost	224,329	209,675
Derivative financial instruments in designated hedge relationships	20,582	49,072
	244,911	258,747
Financial liabilities		
Financial liabilities measured and classified at amortized cost	5,030,394	5,276,867
Derivative financial instruments in designated hedge relationships	12,049	8,257
	5,042,443	5,285,124

25. Related party transactions

A) Management fees and other related party transactions

Cogeco is the parent company of Cogeco Communications and at August 31, 2025 held 28.4% of Cogeco Communications' equity shares, representing 79.9% of the votes attached to Cogeco Communications' voting shares.

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

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Management fees paid by Cogeco Communications	18,216	20,952

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

Years ended August 31	2025	2024
<i>(In number of units)</i>		
Stock options	143,978	203,326
ISUs	—	974
PSUs	89,991	31,473
DSUs	5,011	2,368

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

Years ended August 31	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Stock options	814	852
ISUs	136	80
PSUs	1,643	887
DSUs	269	97
	2,862	1,916

At August 31, 2025, the Corporation had a \$1.9 million payable to Cogeco Communications (\$3.1 million receivable at August 31, 2024).

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

On December 13, 2023, as referred to in Note 20 B), Cogeco and Cogeco Communications entered into a series of transactions pursuant to the sale by Rogers Communications Inc. of its entire holdings in both companies. Cogeco sold to Cogeco Communications 2,266,537 subordinate voting shares of its holdings in Cogeco Communications for \$116.5 million, following the conversion and cancellation of an equivalent number of Cogeco Communications multiple voting shares. The subordinate voting shares were repurchased for cancellation, and represented approximately 5.1% of all outstanding Cogeco Communications shares at the time.

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	2025	2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Salaries and other short-term employee benefits	9,755	9,540
Share-based payments and post-employment benefits	8,832	6,413
	18,587	15,953

In addition, during fiscal 2025, the Corporation recognized \$2.3 million (\$16.2 million in fiscal 2024) 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, 2025, and are due in each of the next five years and thereafter:

	2026	2027	2028	2029	2030	Thereafter
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$
Acquisition of property, plant and equipment ⁽¹⁾	134,400	8,173	1,968	—	—	—
Other long-term contracts ⁽²⁾	88,949	54,454	49,737	49,417	28,231	35,161
Lease commitments ⁽³⁾	10,009	56	26	7	5	5
	233,358	62,683	51,731	49,424	28,236	35,166

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

At August 31, 2025, the Corporation had \$157.9 million of performance and payment bonds outstanding, issued in accordance with the rules established by Infrastructure Ontario in connection with Ontario's Accelerated High Speed Internet Program (AHSIP).

B) Contingencies

Final rates for aggregated wholesale Internet access services

The CRTC has been in the process of reviewing wireline wholesale rates since 2023 through several costing and related processes. During that time, rates have been set on an interim basis. Final rates are expected to be announced before the end of calendar 2025 for Cogeco Communications, other cable wholesale providers and fibre-to-the-home services. 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 customers retroactively back to 2023 if the final rates are lower than the interim rates.

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 full reimbursement of the rate increases and punitive damages. A hearing on the authorization of this class action took place on June 26, 2025. We are vigorously defending against this action. Due to the significant uncertainty surrounding the outcome of this application and its financial implications, the Corporation has not recorded any liability as at August 31, 2025.

Royalties payable for retransmission of distant television signals

On May 8, 2025, the Federal Court of Appeal granted an appeal by nine collective societies of a decision by the Copyright Board of Canada 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. On August 6, 2025, six broadcasting distribution undertakings ("BDUs"), including Cogeco Communications, sought leave to appeal the Federal Court of Appeal's decision to the Supreme Court of Canada. If upheld, the Federal Court of Appeal's decision will result in Cogeco Communications being subject to higher royalty rates for that period on a retroactive basis.

The Copyright Board has initiated a new proceeding to set the rates for subsequent tariff periods (2019-2023 and 2024-2028). Any decision from the Copyright Board that would align with the copyright collectives' proposed tariff rates for either of such subsequent periods could result in Cogeco Communications being subject to higher royalty rates. The Corporation has recognized a provision amounting to \$11.7 million in connection with this matter in its consolidated statement of financial position as of August 31, 2025.

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, 2025 and 2024, 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, 2025 and 2024, 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.

Long-term debt

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

Employees and contractual indemnification agreements

The Corporation's subsidiary, Cogeco Media, indemnifies certain of its on-air hosts against charges, costs and expenses as a result of any lawsuit resulting from judicial or administrative proceedings in which they are named as a defending party and arising from the performance of their services. The Corporation has purchased employees' and contractuels' 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 2025, the Corporation's subsidiary, Cogeco Media, entered into non-monetary transactions. An amount of \$2.1 million (\$2.2 million in 2024) of revenue and \$2.2 million (\$2.3 million in 2024) of operating expenses was recorded.

Glossary of selected industry terms

5G Networks: The fifth generation of wireless communication technology and most advanced standard in mobile networks, succeeding 4G. 5G 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.

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.

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 exclude 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

Credit ratings

Cogeco Communications

At August 31, 2025	S&P	DBRS	Moody's
Cogeco Communications			
Senior Secured Notes	BBB-	BBB (low) (stable)	NR
Senior Unsecured Notes	BB+	BB (high) (stable)	NR
Corporate credit issuer rating	BB+ (negative outlook)	BB (high) (stable)	NR
U.S. subsidiaries			
First Lien Credit Facilities	BB	NR	B1 (negative outlook)
Corporate credit issuer rating	BB (negative outlook)	NR	B1 (negative outlook)

NR : Not rated

Share information

At August 31, 2025	Registrar / Transfer agent	
Number of multiple voting shares (20 votes per share) outstanding	1,602,217	Computershare Trust Company of Canada 320 Bay Street 14th Floor Toronto, ON M5H 4A6 Tel.: 514-982-7555 Tel.: 1-800-564-6253 Fax: 416-263-9394
Number of subordinate voting shares (1 vote per share) outstanding	8,040,562	
Stock exchange listing	The Toronto Stock Exchange	
Trading symbol	CGO	

Dividends

Dividend declaration

At its October 29, 2025 meeting, the Board of Directors of Cogeco declared a quarterly eligible dividend of \$0.987 per share for multiple and subordinate voting shares, payable on November 26, 2025 to shareholders of record on November 12, 2025. The declaration, amount and date of any future dividend will continue to be considered and approved by the Board of Directors of the Corporation based upon the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board of Directors, at its sole discretion, deems relevant. There is therefore no assurance that dividends will be declared, and if declared, the amount and frequency may vary.

Trading statistics

					2025
Quarters ended	Nov. 30	Feb. 28	May 31	Aug. 31	Total
<i>(In Canadian dollars, except subordinate voting share volumes)</i>	\$	\$	\$	\$	
The Toronto Stock Exchange					
High	63.15	65.34	66.21	69.50	
Low	53.45	51.56	53.41	57.08	
Close	61.40	59.00	65.59	60.28	
Volume (subordinate voting shares)	932,357	1,832,986	1,061,661	1,489,895	5,316,899

					2024
Quarters ended	Nov. 30	Feb. 29	May 31	Aug. 31	Total
<i>(in Canadian dollars, except subordinate voting share volumes)</i>	\$	\$	\$	\$	
The Toronto Stock Exchange					
High	51.02	62.49	59.58	55.95	
Low	44.62	46.69	47.45	46.25	
Close	46.81	57.43	47.45	53.93	
Volume (subordinate voting shares)	1,137,717	1,926,036	1,130,995	1,298,640	5,493,388

Primary service units statistics

	August 31, 2025	May 31, 2025	February 28, 2025	November 30, 2024	August 31, 2024
CONSOLIDATED					
Homes passed ⁽¹⁾	3,922,760	3,907,649	3,896,949	3,888,255	3,875,290
Primary service units ⁽²⁾	2,836,254	2,845,656	2,862,759	2,881,126	2,899,958
Internet service subscribers	1,554,236	1,543,589	1,544,585	1,541,263	1,536,298
Video service subscribers	812,928	826,328	835,941	849,625	866,135
Wireline phone service subscribers	469,090	475,739	482,233	490,238	497,525
CANADA					
Homes passed	2,129,525	2,118,728	2,110,560	2,104,532	2,098,262
Primary service units ⁽²⁾	1,874,071	1,867,975	1,865,624	1,868,636	1,869,963
Internet service subscribers	938,166	921,178	911,749	903,390	892,699
Video service subscribers	578,761	586,069	590,269	596,841	604,824
Wireline phone service subscribers	357,144	360,728	363,606	368,405	372,440
UNITED STATES					
Homes passed ⁽¹⁾	1,793,235	1,788,921	1,786,389	1,783,723	1,777,028
Primary service units ⁽²⁾	962,183	977,681	997,135	1,012,490	1,029,995
Internet service subscribers	616,070	622,411	632,836	637,873	643,599
Video service subscribers	234,167	240,259	245,672	252,784	261,311
Wireline phone service subscribers	111,946	115,011	118,627	121,833	125,085

(1) During the fourth quarter of fiscal 2025, homes passed were adjusted following an exhaustive review of the calculation of American homes passed. This change has been applied retrospectively to the comparative figures.

(2) Primary service units exclude mobile phone service subscribers due to wireless services' early stage of development.

Board of Directors and senior leadership team

As of October 29, 2025

Board of Directors

★ **LOUIS AUDET**, Eng., MBA, C.M., O.Q., **Board Chair**
Westmount (Québec)

★ ■ ◆ **JAMES C. CHERRY**, B.Com., FCPA, **Lead Director**
Elizabethtown (Ontario)
Corporate Director

■ ◆ **MARY-ANN BELL**, Eng., M.S.c., ASC
Bromont (Québec)
Corporate Director

● ◆ **ROBIN BIENENSTOCK**, M.A., B.A., ICD.D
Revelstoke (British Columbia)
Corporate Director

● **SAMIH ELHAGE**, MASc, BSSc, BASc
Riyadh (Kingdom of Saudi Arabia)
Corporate Director

● **NORMAND LEGAULT**, B.B.A.
Ville de Lac Brome (Québec)
Corporate Director and President of GPF1 Inc. (consultancy firm in professional sports, live entertainment, and communications)

FRÉDÉRIC PERRON, B.Com., Msc.
Westmount (Québec)
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 15, 2026
Additional information on Cogeco Inc. and press releases are
available on the Corporation's website at:
corpo.cogeco.com

Subsidiaries information



1 Place Ville Marie
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Montréal (Québec)
H3B 3N2
www.cogeco.ca



3 Battery March Park
Suite 200
Quincy, MA 02169
www.breezeline.com



1 Place Ville Marie
Suite 3301
Montréal (Québec)
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Montréal (Québec)
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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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