



SHAREHOLDERS' REPORT

Three and six-month periods ended February 28, 2026

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

Three and six-month periods ended February 28, 2026

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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 Communications Inc.'s ("Cogeco Communications" or the "Corporation") future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee"; "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements relating to the Corporation's future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, purchase price allocation, tax rates, weighted average cost of capital, performance and business prospects and opportunities, which Cogeco Communications believes are reasonable as of the current date. Refer in particular to the "Corporate objectives and strategy" section of the Corporation's fiscal 2025 annual MD&A for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements. While management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what Cogeco Communications currently expects. These factors include risks such as general market conditions, competitive risks (including changing competitive and technology ecosystems and disruptive competitive strategies adopted by our competitors), business risks, regulatory risks (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, trade tariffs, reduced consumer spending and increasing costs), talent management risks (including the highly competitive market for a limited pool of digitally skilled employees), human-caused and natural threats to the Corporation's network (including increased frequency of extreme weather events with the potential to disrupt operations), infrastructure and systems, sustainability and sustainability reporting risks, ethical behavior risks, ownership risks, litigation risks and public health and safety, many of which are beyond the Corporation's control. For more exhaustive information on these risks and uncertainties, the reader should refer to the "Uncertainties and main risk factors" section of the Corporation's fiscal 2025 annual MD&A and of the current MD&A. These factors are not intended to represent a complete list of the factors that could affect Cogeco Communications and future events and results may vary significantly from what management currently foresees. The reader should not place undue importance on forward-looking information contained in this MD&A and the forward-looking statements contained in this MD&A represent Cogeco Communications' expectations as of the date of this MD&A (or as of the date they are otherwise stated to be made) and are subject to change after such date. While management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

All amounts are stated in Canadian dollars unless otherwise indicated. This report should be read in conjunction with the Corporation's condensed interim consolidated financial statements and the notes thereto for the three and six-month periods ended February 28, 2026 prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the Corporation's fiscal 2025 Annual Report.

In preparing this MD&A, the Corporation has taken into account information available up to April 9, 2026, the date of this MD&A, unless otherwise indicated. Additional information relating to the Corporation, including its fiscal 2025 Annual Report and Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on the Corporation's website at corpo.cogeco.com.

2. Financial highlights

Three and six months ended February 28	2026	2025	Change	Change in constant currency ⁽¹⁾ ⁽²⁾	2026	2025	Change	Change in constant currency ⁽¹⁾ ⁽²⁾
<i>(In thousands of Canadian dollars, except % and per share data)</i>	\$	\$	%	%	\$	\$	%	%
Operations								
Revenue	693,560	732,426	(5.3)	(3.6)	1,400,807	1,471,121	(4.8)	(4.2)
Adjusted EBITDA ⁽²⁾	337,745	356,499	(5.3)	(3.6)	691,568	721,714	(4.2)	(3.7)
Adjusted EBITDA margin ⁽²⁾	48.7 %	48.7 %			49.4 %	49.1 %		
Acquisition, integration, restructuring and other costs (gains)	6,335	8,035	(21.2)		7,633	(1,923)	—	
Profit for the period	83,585	79,637	5.0		176,680	186,797	(5.4)	
Profit for the period attributable to owners of the Corporation	80,006	74,674	7.1		168,682	175,262	(3.8)	
Adjusted profit attributable to owners of the Corporation ⁽²⁾⁽³⁾	83,217	80,693	3.1		172,741	171,367	0.8	
Cash flow								
Cash flows from operating activities	170,558	253,212	(32.6)		346,881	472,077	(26.5)	
Free cash flow ⁽²⁾	155,045	116,603	33.0	33.6	280,582	265,461	5.7	5.8
Free cash flow, excluding network expansion projects ⁽²⁾	169,073	132,176	27.9	28.7	313,364	302,833	3.5	3.7
Acquisition of property, plant and equipment	123,626	159,371	(22.4)		280,777	312,614	(10.2)	
Net capital expenditures ⁽²⁾⁽⁴⁾	121,778	157,895	(22.9)	(20.9)	278,741	308,540	(9.7)	(9.0)
Net capital expenditures, excluding network expansion projects ⁽²⁾	107,750	142,322	(24.3)	(22.3)	245,959	271,168	(9.3)	(8.6)
Capital intensity ⁽²⁾	17.6 %	21.6 %			19.9 %	21.0 %		
Capital intensity, excluding network expansion projects ⁽²⁾	15.5 %	19.4 %			17.6 %	18.4 %		
Per share data⁽⁵⁾								
Earnings per share								
Basic	1.90	1.77	7.3		4.01	4.17	(3.8)	
Diluted	1.89	1.76	7.4		3.97	4.13	(3.9)	
Adjusted diluted ⁽²⁾⁽³⁾	1.96	1.90	3.2		4.07	4.04	0.7	
Dividends per share	0.987	0.922	7.0		1.974	1.844	7.0	

(1) Key performance indicators presented on a constant currency basis are obtained by translating financial results from the current periods denominated in US dollars at the foreign exchange rates of the comparable periods of the prior year. For the three and six-month periods ended February 28, 2025, the average foreign exchange rates used for translation were 1.4298 USD/CDN and 1.4028 USD/CDN, respectively.

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

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

(4) 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.

(5) Per multiple and subordinate voting share.

As at	February 28, 2026	August 31, 2025
<i>(In thousands of Canadian dollars)</i>	\$	\$
Financial condition		
Cash	54,501	75,152
Total assets	9,671,995	9,692,395
Long-term debt		
Current	271,769	43,632
Non-current	4,283,813	4,510,769
Net indebtedness ⁽¹⁾	4,551,591	4,527,171
Equity attributable to owners of the Corporation	3,220,997	3,160,522

(1) Net indebtedness is a capital management measure. For more information on this financial measure, please consult the "Non-IFRS Accounting Standards and other financial measures" section of this MD&A.

3. Overview of the business

Cogeco Communications, a telecommunications corporation, provides Internet, wireless, video and wireline phone services to residential and business customers in Canada and in the United States. The Corporation's results are reported in two operating segments: Canadian telecommunications and American telecommunications.

3.1 Business developments

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

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

With this launch, the Corporation now has a second brand to serve the telecommunications needs of the American market, operating alongside Breezeline to capture new market segments, drive organic growth, and accelerate the digitization of our sales and service interactions.

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

In October 2025, Cogeco Communications expanded Cogeco Mobile's wireless service in Canada across the majority of its operating footprint.

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

3.2 Operating environment

The Corporation operates in an industry that provides essential services to residential and commercial consumers and is known for its resilience during various economic cycles. However, due to greater competitive intensity and changing video subscriber trends, the Corporation expects sustained pressure on its revenue. In addition, adverse macroeconomic conditions, driven by global geopolitical tensions and evolving trade policies, may cause customers to reduce or delay discretionary spending and/or result in higher costs and supply chain disruptions, which may pressure the Corporation's revenue and/or operating costs. To sustain its growth, the Corporation embarked on a three-year transformation program centered on synergies, digitization, advanced analytics, network expansion and wireless. As part of its three-year transformation program, the Corporation has initiated several initiatives focused on revenue generation and operating efficiencies across the organization.

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

3.3 Key performance indicators

The Corporation measures its financial performance, with regard to its corporate objectives, by monitoring revenue, adjusted EBITDA ⁽¹⁾, net capital expenditures ⁽¹⁾, capital intensity ⁽¹⁾ and free cash flow ⁽¹⁾ on a constant currency basis ⁽¹⁾. The Corporation also measures net capital expenditures, capital intensity and free cash flow excluding network expansion projects ⁽¹⁾ as it provides a common basis for comparing the net capital expenditures to historical net capital expenditures prior to the acceleration of the network expansion projects and for assessing the impact of the network expansion projects on the net capital expenditures, capital intensity and free cash flow.

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

Overview

For the first half of fiscal 2026, cost reduction initiatives and operating efficiencies across the Corporation, driven by our ongoing three-year transformation program, partly offset pressure on the Corporation's American telecommunications segment, which continues to navigate a competitive pricing environment. In the U.S., Internet subscriber trends continue to show improvement, particularly in Ohio, thanks to new sales and marketing strategies and investments made in our network infrastructure.

During the first six months of fiscal 2026, the Corporation continued its network expansion activities, which added more than 23,000 homes passed.

4. Consolidated operating and financial results

4.1 Consolidated performance

Three months ended February 28	2026			2025		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	693,560	12,708	706,268	732,426	(5.3)	(3.6)
Operating expenses	349,801	6,944	356,745	371,006	(5.7)	(3.8)
Management fees – Cogeco Inc.	6,014	—	6,014	4,921	22.2	22.2
Adjusted EBITDA	337,745	5,764	343,509	356,499	(5.3)	(3.6)
Adjusted EBITDA margin	48.7 %			48.7 %		
Net capital expenditures	121,778	3,112	124,890	157,895	(22.9)	(20.9)
Capital intensity	17.6 %			21.6 %		

(1) For the second quarter of fiscal 2026, the average foreign exchange rate used for translation was 1.3753 USD/CDN.

(2) Fiscal 2026 second-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.4298 USD/CDN.

Six months ended February 28	2026			2025		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	1,400,807	7,924	1,408,731	1,471,121	(4.8)	(4.2)
Operating expenses	697,211	4,342	701,553	739,564	(5.7)	(5.1)
Management fees – Cogeco Inc.	12,028	—	12,028	9,843	22.2	22.2
Adjusted EBITDA	691,568	3,582	695,150	721,714	(4.2)	(3.7)
Adjusted EBITDA margin	49.4 %			49.1 %		
Net capital expenditures	278,741	2,006	280,747	308,540	(9.7)	(9.0)
Capital intensity	19.9 %			21.0 %		

(1) For fiscal 2026 first six months, the average foreign exchange rate used for translation was 1.3856 USD/CDN.

(2) Fiscal 2026 first six months in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.4028 USD/CDN.

Revenue

Three months ended February 28	2026	2025	Change	Change in constant currency	Foreign exchange impact ⁽¹⁾
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications	373,448	370,211	0.9	0.9	—
American telecommunications	320,112	362,215	(11.6)	(8.1)	12,708
	693,560	732,426	(5.3)	(3.6)	12,708

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

Six months ended February 28	2026	2025	Change	Change in constant currency	Foreign exchange impact ⁽¹⁾
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications	750,360	747,477	0.4	0.4	—
American telecommunications	650,447	723,644	(10.1)	(9.0)	7,924
	1,400,807	1,471,121	(4.8)	(4.2)	7,924

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

For the second quarter and the first six months of fiscal 2026, revenue decreased by 5.3% and 4.8% (3.6% and 4.2% in constant currency), respectively. The decrease in constant currency in both periods is mainly due to:

- a lower subscriber base in the American telecommunications segment compared to the previous year, and a higher proportion of customers subscribing to Internet-only services, as well as a competitive pricing environment; partly offset by
- higher revenue in the Canadian telecommunications segment, mainly resulting from the cumulative effect of high-speed Internet service additions over the past year. The increase was offset in part by an overall 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.

Operating expenses

Three months ended February 28	2026	2025 ⁽¹⁾	Change	Change in constant currency	Foreign exchange impact
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications ⁽¹⁾	178,495	179,665	(0.7)	(0.4)	522
American telecommunications	163,123	184,506	(11.6)	(8.1)	6,420
Corporate and eliminations ⁽¹⁾	8,183	6,835	19.7	19.8	2
	349,801	371,006	(5.7)	(3.8)	6,944

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including \$1.9 million of operating expenses for the second quarter of fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment. For the full year, "Corporate and eliminations" included \$10.9 million of operating expenses related to the Canadian wireless operations in fiscal 2025 and \$14.4 million in fiscal 2024.

Six months ended February 28	2026	2025 ⁽¹⁾	Change	Change in constant currency	Foreign exchange impact
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications ⁽¹⁾	355,086	360,371	(1.5)	(1.4)	324
American telecommunications	328,625	367,123	(10.5)	(9.4)	4,016
Corporate and eliminations ⁽¹⁾	13,500	12,070	11.8	11.9	2
	697,211	739,564	(5.7)	(5.1)	4,342

(1) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including \$4.9 million of operating expenses for the first six months of fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment. For the full year, "Corporate and eliminations" included \$10.9 million of operating expenses related to the Canadian wireless operations in fiscal 2025 and \$14.4 million in fiscal 2024.

For the second quarter and the first six months of fiscal 2026, operating expenses decreased by 5.7% in both periods (3.8% and 5.1% in constant currency, respectively). The decrease in constant currency in both periods 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 in part from a decline in TV subscriptions in both the American and Canadian telecommunications segments; partly offset by
- higher sales and other operating expenses to drive subscriber growth; and
- \$1.8 million and \$3.5 million of technology licensing costs related to Canadian wireless operations were recognized during the second quarter and the first half of fiscal 2026, respectively, within *Operating expenses* as the wireless technology system is now in operation, whereas these costs were previously recognized within *Acquisition, integration, restructuring and other costs (gains)* during the implementation phase (see sub-section 4.2 "Acquisition, integration, restructuring and other costs (gains)").

In addition, the decrease in operating expenses for the first six months of fiscal 2026 is also offset in part by last year's \$2.6 million gain on disposals of certain property, plant and equipment recognized during the first quarter of fiscal 2025 in the Canadian telecommunications segment.

Management fees

For the second quarter and the first six months of fiscal 2026, management fees paid to Cogeco Inc. ("Cogeco") were \$6.0 million and \$12.0 million, respectively, compared to \$4.9 million and \$9.8 million for the same periods of fiscal 2025. For further details on the Corporation's management fees, please refer to the "Related party transactions" section.

Adjusted EBITDA

Three months ended February 28	2026	2025 ⁽¹⁾	Change	Change in constant currency	Foreign exchange impact
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications ⁽¹⁾	194,953	190,546	2.3	2.0	(522)
American telecommunications	156,989	177,709	(11.7)	(8.1)	6,288
Corporate and eliminations ⁽¹⁾	(14,197)	(11,756)	(20.8)	(20.8)	(2)
	337,745	356,499	(5.3)	(3.6)	5,764

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

Six months ended February 28	2026	2025 ⁽¹⁾	Change	Change in constant currency	Foreign exchange impact
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Canadian telecommunications ⁽¹⁾	395,274	387,106	2.1	2.0	(324)
American telecommunications	321,822	356,521	(9.7)	(8.6)	3,908
Corporate and eliminations ⁽¹⁾	(25,528)	(21,913)	(16.5)	(16.5)	(2)
	691,568	721,714	(4.2)	(3.7)	3,582

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

For the second quarter and the first six months of fiscal 2026, adjusted EBITDA decreased by 5.3% and 4.2% (3.6% and 3.7% in constant currency), respectively. The decrease in constant currency in both periods is primarily due to lower revenue in the American telecommunications segment, offset in part by cost reduction initiatives and operating efficiencies across the Corporation, as explained above.

Net capital expenditures

Three months ended February 28	2026			2025 ⁽¹⁾		Change
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Canadian telecommunications ⁽¹⁾	70,243	1,095	71,338	77,493	(9.4)	(7.9)
American telecommunications	51,535	2,017	53,552	80,402	(35.9)	(33.4)
Net capital expenditures ⁽²⁾	121,778	3,112	124,890	157,895	(22.9)	(20.9)
Net capital expenditures in connection with network expansion projects	14,028	217	14,245	15,573	(9.9)	(8.5)
Net capital expenditures, excluding network expansion projects	107,750	2,895	110,645	142,322	(24.3)	(22.3)
Capital intensity	17.6 %			21.6 %		
Capital intensity, excluding network expansion projects	15.5 %			19.4 %		

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

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

Six months ended February 28	2026			2025 ⁽¹⁾		Change	
	Actual	Foreign exchange impact	In constant currency	Actual	Actual	In constant currency	
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%	%
Canadian telecommunications ⁽¹⁾	175,934	738	176,672	154,411	13.9	14.4	
American telecommunications	102,807	1,268	104,075	154,129	(33.3)	(32.5)	
Net capital expenditures ⁽²⁾	278,741	2,006	280,747	308,540	(9.7)	(9.0)	
Net capital expenditures in connection with network expansion projects	32,782	143	32,925	37,372	(12.3)	(11.9)	
Net capital expenditures, excluding network expansion projects	245,959	1,863	247,822	271,168	(9.3)	(8.6)	
Capital intensity	19.9 %			21.0 %			
Capital intensity, excluding network expansion projects	17.6 %			18.4 %			

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

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

For the second quarter of fiscal 2026, net capital expenditures decreased by 22.9% (20.9% in constant currency). The decrease in constant currency is mainly due to lower capital spending related to customer premise equipment and the timing of certain initiatives in both the American and Canadian telecommunications segments.

For the first six months of fiscal 2026, net capital expenditures decreased by 9.7% (9.0% in constant currency). The decrease in constant currency is mainly due to lower capital spending related to customer premise equipment in the American telecommunications segment, and the timing of certain initiatives in both the American and Canadian telecommunications segments, partly offset by higher capital spending related to customer premise equipment in the Canadian telecommunications segment.

For the second quarter and the first six months of fiscal 2026, capital intensity was 17.6% and 19.9%, respectively, compared to 21.6% and 21.0% for the same periods of the prior year. The capital intensity decrease for both periods is mainly due to overall lower capital spending, as explained above, partly offset by lower revenue in the American telecommunications segment.

Excluding network expansion projects, net capital expenditures for the second quarter and the first six months of fiscal 2026 decreased by 24.3% and 9.3% (22.3% and 8.6% in constant currency), respectively, while capital intensity was 15.5% and 17.6%, respectively, compared to 19.4% and 18.4% for the same periods of the prior year.

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

	Three months ended February 28			Six months ended February 28		
	2026	2025	Change	2026	2025	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	\$	\$	%
Acquisition and integration costs	—	6	—	—	154	—
Restructuring costs	4,957	4,541	9.2	5,602	5,579	0.4
Configuration and customization costs related to cloud computing and other arrangements ⁽¹⁾	1,378	3,488	(60.5)	2,031	5,033	(59.6)
Gain on sale and leaseback transactions ⁽²⁾	—	—	—	—	(13,844)	—
Other costs	—	—	—	—	1,155	—
	6,335	8,035	(21.2)	7,633	(1,923)	—

(1) The second quarter and the first six months of fiscal 2025 included \$2.1 million and \$3.3 million, respectively, of technology licensing costs related to the implementation of the Canadian wireless technology system, whereas these costs, amounting to \$1.8 million and \$3.5 million, respectively, for the same periods of fiscal 2026, are now included within *Operating expenses* of the Canadian telecommunications segment, since the system is now in operation.

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

For the second quarter of fiscal 2026, acquisition, integration, restructuring and other costs decreased by 21.2%, mostly due to lower configuration and customization costs related to cloud computing and other arrangements as the Canadian wireless technology system is now in operation (see section "Segmented operating and financial results" for additional details). During the second quarter of fiscal 2026 and 2025, the Corporation incurred additional restructuring costs related to its transformation initiatives.

For the first six months of fiscal 2026, acquisition, integration, restructuring and other costs (gains) increased by \$9.6 million, mostly related to:

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

4.3 Depreciation and amortization

	Three months ended February 28			Six months ended February 28		
	2026	2025	Change	2026	2025	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	\$	\$	%
Canadian telecommunications	82,112	87,277	(5.9)	165,063	173,308	(4.8)
American telecommunications	82,774	95,350	(13.2)	171,596	184,923	(7.2)
Corporate and eliminations	305	293	4.1	611	588	3.9
	165,191	182,920	(9.7)	337,270	358,819	(6.0)

For the second quarter and the first six months of fiscal 2026, depreciation and amortization expense decreased by 9.7% and 6.0%, respectively, mainly due to:

- a change in the mix of assets in both the Canadian and American telecommunications segments;
- lower amortization of intangible assets related to previously acquired customer relationships in the American telecommunications segment; and
- the depreciation of the US dollar against the Canadian dollar compared to the same periods of the prior year in the American telecommunications segment.

4.4 Financial expense

	Three months ended February 28			Six months ended February 28		
	2026	2025	Change	2026	2025	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	\$	\$	%
Interest on long-term debt, excluding interest on lease liabilities	66,230	71,422	(7.3)	132,337	141,579	(6.5)
Interest on lease liabilities	781	771	1.3	1,541	1,513	1.9
Gain on repurchase of debt ⁽¹⁾	(1,454)	—	—	(1,454)	—	—
Net foreign exchange gain	(794)	(2,935)	(72.9)	(1,691)	(939)	80.1
Interest and other income	(1,328)	(2,801)	(52.6)	(2,536)	(5,528)	(54.1)
Capitalized borrowing costs ⁽²⁾	(4,086)	(4,879)	(16.3)	(8,065)	(10,209)	(21.0)
Other	897	1,425	(37.1)	1,757	2,076	(15.4)
Financial expense	60,246	63,003	(4.4)	121,889	128,492	(5.1)
Gain on repurchase of debt ⁽¹⁾	1,454	—	—	1,454	—	—
Adjusted financial expense ⁽³⁾	61,700	63,003	(2.1)	123,343	128,492	(4.0)

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

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

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

For the second quarter of fiscal 2026, financial expense decreased by 4.4%, mainly due to:

- lower interest expense under the Senior Secured Term Loan B Facility resulting from lower debt outstanding and a decrease in the floating interest rates;
- the depreciation of the US dollar against the Canadian dollar compared to the same period of the prior year; and
- a non-cash gain on repurchase of debt of \$1.5 million recognized in the second quarter of fiscal 2026 following the repurchase of US\$27.4 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility in February 2026; partly offset by
- lower interest and other income, as well as lower capitalized interest.

For the first six months of fiscal 2026, financial expense decreased by 5.1%, mostly due to:

- lower interest expense under the Senior Secured Term Loan B Facility resulting from lower debt outstanding and a decrease in the floating interest rates;
- lower usage under the Term Revolving Facility compared to last year; and
- a non-cash gain on repurchase of debt of \$1.5 million recognized in the second quarter of fiscal 2026 following the repurchase of US\$27.4 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility in February 2026; partly offset by
- lower interest and other income, as well as lower capitalized interest.

Excluding the non-cash gain on repurchase of debt, financial expense for the second quarter and the first six months of fiscal 2026 decreased by 2.1% and 4.0%, respectively.

4.5 Income taxes

	Three months ended February 28			Six months ended February 28		
	2026	2025	Change	2026	2025	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	\$	\$	%
Current	(4,433)	9,670	—	6,545	24,298	(73.1)
Deferred	26,821	13,234	—	41,551	25,231	64.7
Income taxes	22,388	22,904	(2.3)	48,096	49,529	(2.9)
Effective income tax rate	21.1 %	22.3 %	(5.4)	21.4 %	21.0 %	1.9

For the second quarter and the first six months of fiscal 2026, income tax expense remained comparable to the same periods of the prior year.

Current income taxes were favorably impacted by a retroactive adjustment of \$14.8 million recognized during the second quarter of fiscal 2026 following the reintroduction of accelerated tax depreciation measures in Canada, for which the legislation became substantively enacted on February 26, 2026.

4.6 Profit for the period

	Three months ended February 28			Six months ended February 28		
	2026	2025	Change	2026	2025	Change
<i>(In thousands of Canadian dollars, except percentages and earnings per share)</i>	\$	\$	%	\$	\$	%
Profit for the period	83,585	79,637	5.0	176,680	186,797	(5.4)
Profit for the period attributable to owners of the Corporation	80,006	74,674	7.1	168,682	175,262	(3.8)
Profit for the period attributable to non-controlling interest ⁽¹⁾	3,579	4,963	(27.9)	7,998	11,535	(30.7)
Adjusted profit attributable to owners of the Corporation	83,217	80,693	3.1	172,741	171,367	0.8
Basic earnings per share	1.90	1.77	7.3	4.01	4.17	(3.8)
Diluted earnings per share	1.89	1.76	7.4	3.97	4.13	(3.9)
Adjusted diluted earnings per share	1.96	1.90	3.2	4.07	4.04	0.7

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

For the second quarter of fiscal 2026, profit for the period and profit for the period attributable to owners of the Corporation increased by 5.0% and 7.1%, respectively, mainly as a result of:

- lower depreciation and amortization expense;
- lower financial expense, due in part to a pre-tax \$1.5 million non-cash gain recognized following the repurchase of US\$27.4 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility in February 2026; and
- lower acquisition, integration, restructuring and other costs; partly offset by
- lower adjusted EBITDA.

For the first six months of fiscal 2026, profit for the period and profit for the period attributable to owners of the Corporation decreased by 5.4% and 3.8%, respectively, mostly resulting from:

- lower adjusted EBITDA; and
- higher acquisition, integration, restructuring and other costs (gains), mainly due to last year's pre-tax \$13.8 million non-cash gain recognized during the first quarter of fiscal 2025 in connection with a sale and leaseback transaction; partly offset by
- lower depreciation and amortization expense; and
- lower financial expense, due in part to a pre-tax \$1.5 million non-cash gain recognized following the repurchase of US\$27.4 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility in February 2026.

For the second quarter and the first six months of fiscal 2026, adjusted profit attributable to owners of the Corporation, which excludes the impact of acquisition, integration, restructuring and other costs (gains), and the non-cash gain on repurchase of debt recognized during the second quarter of fiscal 2026 (all net of tax and non-controlling interest), increased by 3.1% and 0.8%, respectively, compared to the same periods of the prior year.

5. Segmented operating and financial results

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

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

5.1 Canadian telecommunications

Operating and financial results

Three months ended February 28	2026			2025		Change
	Actual ⁽¹⁾	Foreign exchange impact	In constant currency ⁽²⁾	Actual ⁽³⁾	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	373,448	—	373,448	370,211	0.9	0.9
Operating expenses	178,495	522	179,017	179,665	(0.7)	(0.4)
Adjusted EBITDA	194,953	(522)	194,431	190,546	2.3	2.0
Adjusted EBITDA margin	52.2 %			51.5 %		
Net capital expenditures	70,243	1,095	71,338	77,493	(9.4)	(7.9)
Capital intensity	18.8 %			20.9 %		

(1) For the second quarter of fiscal 2026, the average foreign exchange rate used for translation was 1.3753 USD/CDN.

(2) Fiscal 2026 second-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.4298 USD/CDN.

(3) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including \$1.9 million of operating expenses for the second quarter of fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

Six months ended February 28	2026			2025		Change
	Actual ⁽¹⁾	Foreign exchange impact	In constant currency ⁽²⁾	Actual ⁽³⁾	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	750,360	—	750,360	747,477	0.4	0.4
Operating expenses	355,086	324	355,410	360,371	(1.5)	(1.4)
Adjusted EBITDA	395,274	(324)	394,950	387,106	2.1	2.0
Adjusted EBITDA margin	52.7 %			51.8 %		
Net capital expenditures	175,934	738	176,672	154,411	13.9	14.4
Capital intensity	23.4 %			20.7 %		

(1) For fiscal 2026 first six months, the average foreign exchange rate used for translation was 1.3856 USD/CDN.

(2) Fiscal 2026 first six months in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.4028 USD/CDN.

(3) Effective as of the first quarter of fiscal 2026, the Canadian telecommunications segment includes the Canadian wireless operations, which were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including \$4.9 million of operating expenses for the first six months of fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

Revenue

For the second quarter and the first six months of fiscal 2026, revenue increased by 0.9% and 0.4%, respectively, as reported and in constant currency, mainly resulting from:

- a higher Internet service subscriber base; partly offset by
- an overall 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.

Operating expenses

For the second quarter of fiscal 2026, operating expenses decreased by 0.7% (0.4% in constant currency), mainly resulting from:

- cost reduction initiatives and operating efficiencies; and
- reduced video service costs resulting in part from a decline in TV subscriptions; partly offset by
- higher sales and other operating expenses to drive subscriber growth; and
- \$1.8 million of technology licensing costs related to Canadian wireless operations were recognized during the second quarter of fiscal 2026 within *Operating expenses* as the wireless technology system is now in operation, whereas these costs were previously recognized within *Acquisition, integration, restructuring and other costs* during the implementation phase (see sub-section 4.2 "Acquisition, integration, restructuring and other costs (gains)").

For the first six months of fiscal 2026, operating expenses decreased by 1.5% (1.4% in constant currency), mainly due to:

- cost reduction initiatives and operating efficiencies; and
- reduced video service costs resulting in part from a decline in TV subscriptions; partly offset by
- higher sales and other operating expenses to drive subscriber growth;
- \$3.5 million of technology licensing costs related to Canadian wireless operations were recognized during the first half of fiscal 2026 within *Operating expenses* as the wireless technology system is now in operation, whereas these costs were previously recognized within *Acquisition, integration, restructuring and other costs (gains)* during the implementation phase (see sub-section 4.2 "Acquisition, integration, restructuring and other costs (gains)"); and
- last year's \$2.6 million gain on disposals of certain property, plant and equipment recognized during the first quarter of fiscal 2025.

Adjusted EBITDA

For the second quarter and the first six months of fiscal 2026, adjusted EBITDA increased by 2.3% and 2.1%, respectively (2.0% in constant currency for both periods), resulting from higher revenue and lower operating expenses.

Net capital expenditures and capital intensity

For the second quarter of fiscal 2026, net capital expenditures decreased by 9.4% (7.9% in constant currency) and capital intensity was 18.8% compared to 20.9% for the same period of the prior year, mainly due to the timing of certain initiatives and lower purchases of customer premise equipment.

For the first six months of fiscal 2026, net capital expenditures increased by 13.9% (14.4% in constant currency) and capital intensity was 23.4% compared to 20.7% 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

	February 28, 2026	Net additions (losses)		Net additions (losses)	
		Three months ended February 28		Six months ended February 28	
		2026	2025	2026	2025
Primary service units⁽¹⁾	1,853,632	(12,367)	(3,012)	(20,439)	(4,339)
Internet service subscribers	951,718	4,639	8,359	13,552	19,050
Video service subscribers	557,097	(10,844)	(6,572)	(21,664)	(14,555)
Wireline phone service subscribers	344,817	(6,162)	(4,799)	(12,327)	(8,834)

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

Internet

Fiscal 2026 second-quarter and first six months Internet service subscribers increased by 4,639 and 13,552, respectively. The lower level of Internet service subscriber net additions during the second quarter compared to the prior year was as expected. It resulted from a higher level of competition during the first half of the quarter.

Video

Fiscal 2026 second-quarter and first six months video service subscriber net losses of 10,844 and 21,664, respectively, were mainly due to ongoing changes in video consumption trends, with an increasing proportion of customers subscribing to Internet-only services.

Wireline phone

Fiscal 2026 second-quarter and first six months wireline phone service subscriber net losses of 6,162 and 12,327, respectively, were mainly due to a lower proportion of customers subscribing to a home phone service.

Homes passed

For the second quarter and the first six months of fiscal 2026, homes passed increased by 15,829 and 16,926, respectively.

5.2 American telecommunications

Operating and financial results

Three months ended February 28	2026		2025	Change		
	Actual ⁽¹⁾	Foreign exchange impact		In constant currency ⁽²⁾	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Revenue	320,112	12,708	332,820	362,215	(11.6)	(8.1)
Operating expenses	163,123	6,420	169,543	184,506	(11.6)	(8.1)
Adjusted EBITDA	156,989	6,288	163,277	177,709	(11.7)	(8.1)
Adjusted EBITDA margin	49.0 %			49.1 %		
Net capital expenditures	51,535	2,017	53,552	80,402	(35.9)	(33.4)
Capital intensity	16.1 %			22.2 %		

(1) For the second quarter of fiscal 2026, the average foreign exchange rate used for translation was 1.3753 USD/CDN.

(2) Fiscal 2026 second-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.4298 USD/CDN.

Six months ended February 28	2026			2025	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	650,447	7,924	658,371	723,644	(10.1)	(9.0)
Operating expenses	328,625	4,016	332,641	367,123	(10.5)	(9.4)
Adjusted EBITDA	321,822	3,908	325,730	356,521	(9.7)	(8.6)
Adjusted EBITDA margin	49.5 %			49.3 %		
Net capital expenditures	102,807	1,268	104,075	154,129	(33.3)	(32.5)
Capital intensity	15.8 %			21.3 %		

(1) For fiscal 2026 first six months, the average foreign exchange rate used for translation was 1.3856 USD/CDN.

(2) Fiscal 2026 first six months in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.4028 USD/CDN.

Revenue

For the second quarter and the first six months of fiscal 2026, revenue decreased by 11.6% and 10.1% (8.1% and 9.0% in constant currency), respectively. The decrease in constant currency in both periods is mainly due to a lower subscriber base compared to the previous year, and to a higher proportion of customers subscribing to Internet-only services, as well as a competitive pricing environment.

In local currency, revenue amounted to US\$232.8 million and US\$469.4 million, respectively, compared to US\$253.3 million and US\$516.1 million for the same periods of fiscal 2025.

Operating expenses

For the second quarter and the first six months of fiscal 2026, operating expenses decreased by 11.6% and 10.5% (8.1% and 9.4% in constant currency), respectively. The decrease in constant currency in both periods is primarily due to:

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

Adjusted EBITDA

For the second quarter and the first six months of fiscal 2026, adjusted EBITDA decreased by 11.7% and 9.7% (8.1% and 8.6% in constant currency), respectively. The decrease in constant currency in both periods is mainly due to lower revenue, offset in part by lower operating expenses.

In local currency, adjusted EBITDA amounted to US\$114.2 million and US\$232.3 million, respectively, compared to US\$124.3 million and US\$254.3 million for the same periods of fiscal 2025.

Net capital expenditures and capital intensity

For the second quarter and the first six months of fiscal 2026, net capital expenditures decreased by 35.9% and 33.3% (33.4% and 32.5% in constant currency), respectively, mainly due to lower capital spending related to customer premise equipment and the timing of certain initiatives.

In local currency, net capital expenditures amounted to US\$37.5 million and US\$74.2 million, respectively, compared to US\$56.3 million and US\$109.8 million for the same periods of fiscal 2025.

For the second quarter and the first six months of fiscal 2026, capital intensity was 16.1% and 15.8%, respectively, compared to 22.2% and 21.3% for the same periods of fiscal 2025. Capital intensity decrease for both periods is mainly due to lower capital spending, as explained above, partly offset by lower revenue.

Primary service units

	February 28, 2026	Net additions (losses)		Net additions (losses)	
		Three months ended February 28		Six months ended February 28	
		2026	2025	2026	2025
Primary service units⁽¹⁾	940,578	(11,511)	(15,355)	(21,605)	(32,860)
Internet service subscribers	609,751	(5,173)	(5,037)	(6,319)	(10,763)
Video service subscribers	221,877	(5,312)	(7,112)	(12,290)	(15,639)
Wireline phone service subscribers	108,950	(1,026)	(3,206)	(2,996)	(6,458)

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

Internet

Fiscal 2026 second-quarter and first six months Internet service subscriber net losses of 5,173 and 6,319, respectively, were mainly due to a highly competitive environment, notably for entry-level Internet services, partly offset by:

- net additions of 1,190 and 3,792 Internet service subscribers in Ohio, respectively, in part due to improved customer management resulting from new sales and marketing strategies and investments made in the network infrastructure; and
- additions in network expansion areas.

Video

Fiscal 2026 second-quarter and first six months video service subscriber net losses of 5,312 and 12,290, respectively, were mainly due to:

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

Wireline phone

Fiscal 2026 second-quarter and first six months wireline phone service subscriber net losses of 1,026 and 2,996, respectively, were mainly due to:

- the continued emphasis on offers that are Internet-led; and
- a lower proportion of customers subscribing to a home phone service; partly offset by
- additions in network expansion areas.

Homes passed

For the second quarter and the first six months of fiscal 2026, homes passed increased by 3,087 and 6,212, respectively.

6. Related party transactions

As of February 28, 2026, Cogeco held 28.4% of the Corporation's equity shares, representing 79.8% of the votes attached to the Corporation's voting shares.

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

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Management fees paid to Cogeco	6,014	4,921	12,028	9,843

No direct remuneration is payable to Cogeco's executive officers by the Corporation. The following table provides the number of stock options and performance share units ("PSUs") granted during the six-month periods ended February 28, 2026 and 2025 to these executive officers, as executive officers of Cogeco Communications, the value of which was charged back to Cogeco:

	Six months ended February 28	
	2026	2025
<i>(In number of units)</i>		
Stock options	189,845	143,978
PSUs	24,679	89,991

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

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Stock options	225	189	471	387
ISUs	19	31	46	71
PSUs	734	473	1,380	728
DSUs	27	37	110	73
	1,005	730	2,007	1,259

7. Cash flow analysis

	Three months ended February 28			Six months ended February 28		
	2026	2025	Change	2026	2025	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	\$	\$	%
Cash flows from operating activities	170,558	253,212	(32.6)	346,881	472,077	(26.5)
Cash flows used in investing activities	(128,995)	(160,209)	(19.5)	(287,614)	(297,174)	(3.2)
Cash flows used in financing activities	(50,652)	(46,361)	9.3	(78,916)	(115,636)	(31.8)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency	(1,539)	2,862	—	(1,002)	5,471	—
Net change in cash and cash equivalents	(10,628)	49,504	—	(20,651)	64,738	—
Cash and cash equivalents, beginning of the period	65,129	91,569	(28.9)	75,152	76,335	(1.5)
Cash and cash equivalents, end of the period	54,501	141,073	(61.4)	54,501	141,073	(61.4)

7.1 Operating activities

For the second quarter of fiscal 2026, cash flows from operating activities decreased by 32.6%, mainly due to:

- higher cash outflows from working capital, primarily due to the timing of payments made to suppliers;
- lower adjusted EBITDA; and
- higher income taxes paid, mainly due to higher required income tax instalments.

For the first six months of fiscal 2026, cash flows from operating activities decreased by 26.5%, mostly due to:

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

7.2 Investing activities

For the second quarter and the first six months of fiscal 2026, cash flows used in investing activities decreased by 19.5% and 3.2%, respectively, mainly as a result of the decrease in acquisition of property, plant and equipment.

In addition, the decrease in cash flows used in investing activities for the first six months of fiscal 2026 was also partly offset by last year's net proceeds amounting to \$16.5 million received in connection with a sale and leaseback transaction during the first quarter of fiscal 2025.

Acquisition of property, plant and equipment

The following table shows the reconciliation between the cash payments for acquisition of property, plant and equipment, as reported within the investing section in the interim consolidated statements of cash flows, and the net capital expenditures, as presented in sub-section 4.1 "Consolidated performance".

	Three months ended February 28			Six months ended February 28		
	2026	2025	Change	2026	2025	Change
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	\$	\$	%
Acquisition of property, plant and equipment	123,626	159,371	(22.4)	280,777	312,614	(10.2)
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(1,848)	(1,476)	25.2	(2,036)	(4,074)	(50.0)
Net capital expenditures	121,778	157,895	(22.9)	278,741	308,540	(9.7)

7.3 Financing activities

Issuance and repayment of debt

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

	Three months ended February 28		Six months ended February 28		Explanations
	2026	2025	2026	2025	
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	
Increase in bank indebtedness	4,303	11,127	2,924	2,657	Related to the timing of working capital needs.
Net increase (decrease) under revolving facilities	30,197	(331,714)	76,182	(312,893)	Related to funds drawn under the Term Revolving Facility during the first half of fiscal 2026. Last year's decrease was mainly related to the repayment of amounts drawn under the Term Revolving Facility using net proceeds from the issuance of the \$325 million Senior Secured Notes - Series 3 during the second quarter of fiscal 2025.
Issuance of long-term debt, net of discounts and transaction costs	1,857	323,421	5,445	323,421	Related to funds drawn under the Senior Unsecured Non-Revolving Facility during the first half of fiscal 2026. Last year's debt issuance was related to the issuance of the \$325 million Senior Secured Notes - Series 3 in February 2025.
Repayment and repurchase of notes and credit facilities	(43,091)	(7,761)	(64,525)	(49,019)	Mainly related to the repurchase of US\$27.4 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility in February 2026, as well as the quarterly repayments of the Senior Secured Term Loan B Facility, which included an additional US\$10 million repayment in September 2025. Last year's repayment was mainly related to the redemption of the US\$25 million Senior Secured Notes Series A upon maturity in September 2024, and the quarterly repayments of the Senior Secured Term Loan B Facility.
Repayment of lease liabilities	(3,758)	(3,181)	(7,332)	(5,787)	Comparable.
	(10,492)	(8,108)	12,694	(41,621)	

Dividends

During the second quarter of fiscal 2026, a quarterly eligible dividend of \$0.987 per share was paid to the holders of multiple and subordinate voting shares, totalling \$41.2 million, compared to a quarterly eligible dividend paid of \$0.922 per share, or \$38.7 million, in the second quarter of fiscal 2025. Dividend payment in the first six months of fiscal 2026 totalled \$1.974 per share, or \$82.6 million, compared to \$1.844 per share, or \$77.4 million, in the prior year.

7.4 Free cash flow

Three months ended February 28	2026 ⁽¹⁾	2025	Change	Change in constant currency ⁽²⁾	Foreign exchange impact ⁽²⁾
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Adjusted EBITDA	337,745	356,499	(5.3)	(3.6)	5,764
Share-based payment	2,814	(165)	—		
Proceeds from disposals of property, plant and equipment	1,412	931	51.7		
Gain on disposals and write-offs of property, plant and equipment	(409)	(1,178)	(65.3)		
Defined benefit plans expense, net of contributions	(25)	72	—		
Acquisition, integration, restructuring and other costs	(6,335)	(8,035)	(21.2)		
Financial expense	(60,246)	(63,003)	(4.4)		
Gain on repurchase of debt ⁽³⁾	(1,454)	—	—		
Amortization of deferred transaction costs and discounts on long-term debt ⁽³⁾	2,646	2,228	18.8		
Current income taxes	4,433	(9,670)	—		
Net capital expenditures	(121,778)	(157,895)	(22.9)		
Repayment of lease liabilities	(3,758)	(3,181)	18.1		
Free cash flow	155,045	116,603	33.0	33.6	777
Free cash flow, excluding network expansion projects	169,073	132,176	27.9	28.7	994

(1) For the second quarter of fiscal 2026, the average foreign exchange rate used for translation was 1.3753 USD/CDN.

(2) Fiscal 2026 second-quarter in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.4298 USD/CDN.

(3) Included within financial expense.

Six months ended February 28	2026 ⁽¹⁾	2025	Change	Change in constant currency ⁽²⁾	Foreign exchange impact ⁽²⁾
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	%	%	\$
Adjusted EBITDA	691,568	721,714	(4.2)	(3.7)	3,582
Share-based payment	4,310	2,058	—		
Proceeds from disposals of property, plant and equipment, including sale and leaseback transactions	2,624	20,544	(87.2)		
Loss (gain) on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions ⁽³⁾	317	(17,626)	—		
Defined benefit plans expense, net of contributions	91	273	(66.7)		
Acquisition, integration, restructuring and other (costs) gains ⁽³⁾	(7,633)	1,923	—		
Financial expense	(121,889)	(128,492)	(5.1)		
Gain on repurchase of debt ⁽⁴⁾	(1,454)	—	—		
Amortization of deferred transaction costs and discounts on long-term debt ⁽⁴⁾	5,266	3,692	42.6		
Current income taxes	(6,545)	(24,298)	(73.1)		
Net capital expenditures	(278,741)	(308,540)	(9.7)		
Repayment of lease liabilities	(7,332)	(5,787)	26.7		
Free cash flow	280,582	265,461	5.7	5.8	394
Free cash flow, excluding network expansion projects	313,364	302,833	3.5	3.7	537

(1) For the first six months of fiscal 2026, the average foreign exchange rate used for translation was 1.3856 USD/CDN.

(2) Fiscal 2026 first six months in constant currency is translated at the average foreign exchange rate of the comparable period of fiscal 2025, which was 1.4028 USD/CDN.

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

(4) Included within financial expense.

For the second quarter of fiscal 2026, free cash flow increased by 33.0% (33.6% in constant currency). The variation in constant currency is mainly due to:

- lower net capital expenditures; and
- lower current income taxes mainly due to a retroactive adjustment of \$14.8 million recognized during the second quarter of fiscal 2026 following the reintroduction of accelerated tax depreciation measures in Canada; partly offset by
- lower adjusted EBITDA.

For the first six months of fiscal 2026, free cash flow increased by 5.7% (5.8% in constant currency). The variation in constant currency is mostly due to:

- lower net capital expenditures;
- lower current income taxes mainly due to a retroactive adjustment of \$14.8 million recognized during the second quarter of fiscal 2026 following the reintroduction of accelerated tax depreciation measures in Canada; and
- lower financial expense; partly offset by
- lower adjusted EBITDA; and
- lower net proceeds from disposals of property, plant and equipment, primarily resulting from last year's \$16.5 million net proceeds received during the first quarter of fiscal 2025 in connection with a sale and leaseback transaction.

Excluding network expansion projects, free cash flow for the second quarter and the first six months of fiscal 2026 amounted to \$169.1 million and \$313.4 million (\$170.1 million and \$313.9 million in constant currency), respectively, an increase of 27.9% and 3.5% (28.7% and 3.7% in constant currency), respectively, compared to \$132.2 million and \$302.8 million for the same periods of the prior year.

7.5 Dividend declaration

At its April 9, 2026 meeting, the Board of Directors of Cogeco Communications declared a quarterly eligible dividend of \$0.987 per share for multiple and subordinate voting shares, payable on May 7, 2026 to shareholders of record on April 23, 2026. The declaration, amount and date of any future dividend will continue to be considered and approved by the Board of Directors of the Corporation based upon the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board of Directors, at its sole discretion, deems relevant. There is therefore no assurance that dividends will be declared, and if declared, the amount and frequency may vary.

8. Financial position

8.1 Working capital

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

<i>(In thousands of Canadian dollars)</i>	February 28, 2026	August 31, 2025	Change	Explanations
	\$	\$	\$	
Current assets				
Cash	54,501	75,152	(20,651)	Refer to the "Cash flows analysis" section.
Trade and other receivables	160,824	131,876	28,948	Mainly related to the timing of collection of trade and other receivables, including grants receivable in connection with network expansion projects.
Income tax receivable	19,463	3,483	15,980	Mainly related to income tax receivable following the reintroduction of accelerated tax depreciation measures in Canada, for which the legislation became substantively enacted on February 26, 2026.
Prepaid expenses and other	75,927	46,952	28,975	Mainly related to the increase in prepayments for services agreements.
Derivative financial instruments	4,602	2,947	1,655	Not significant.
	315,317	260,410	54,907	
Current liabilities				
Bank indebtedness	4,303	1,379	2,924	Refer to the "Cash flows analysis" section.
Trade and other payables	297,562	380,616	(83,054)	Mainly related to the timing of payments made to suppliers.
Provisions	31,019	40,915	(9,896)	Mainly related to payments of restructuring costs and royalties payable for retransmission of distant television signals previously recognized, partly offset by additional restructuring and other provisions recognized during fiscal 2026.
Income tax liabilities	3,303	30,089	(26,786)	Mainly related to the final payment of income tax balances for fiscal 2025.
Contract liabilities and other liabilities	53,517	58,627	(5,110)	Not significant.
Derivative financial instruments	3,257	1,961	1,296	Not significant.
Current portion of long-term debt	271,769	43,632	228,137	Mainly related to the reclassification of the US\$150 million Senior Secured Notes Series B maturing in September 2026 and the balance due in connection with a past acquisition as current.
	664,730	557,219	107,511	
Working capital deficiency	(349,413)	(296,809)	(52,604)	

8.2 Other significant changes

<i>(In thousands of Canadian dollars)</i>	February 28, 2026	August 31, 2025	Change	Explanations
	\$	\$	\$	
Non-current assets				
Other assets	177,016	153,451	23,565	Mainly related to an increase in sales commissions.
Property, plant and equipment	3,244,150	3,282,411	(38,261)	Mainly related to the depreciation expense for the period and the depreciation of the US dollar against the Canadian dollar, partly offset by capital investments made during the period.
Intangible assets	3,774,706	3,808,837	(34,131)	Mainly related to the amortization for the period and the depreciation of the US dollar against the Canadian dollar.
Goodwill	2,152,676	2,166,652	(13,976)	Related to the depreciation of the US dollar against the Canadian dollar.
Derivative financial instruments	7,023	17,635	(10,612)	Mainly related to the reclassification of the interest swap tranche maturing in October 2026 as current, and to changes in market interest rates.
Non-current liabilities				
Long-term debt	4,283,813	4,510,769	(226,956)	Mainly related to the reclassification of the US\$150 million Senior Secured Notes Series B maturing in September 2026 and the balance due in connection with a past acquisition as current, as well as the repurchase of US\$27.4 million of Tranches 2 and 3 of the Senior Secured Term Loan B Facility in February 2026, the quarterly repayments of the Senior Secured Term Loan B Facility, which included an additional repayment of US\$10 million in September 2025, and the depreciation of the US dollar against the Canadian dollar, partly offset by funds drawn under the Term Revolving Facility.
Deferred tax liabilities	935,001	901,453	33,548	Mainly related to the timing of temporary differences, in part resulting from the reintroduction of accelerated tax depreciation measures in Canada.

9. Capital resources and liquidity

9.1 Capital structure

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

	February 28, 2026	August 31, 2025
Weighted average cost of indebtedness ⁽¹⁾	5.4 %	5.3 %
Weighted average term: long-term debt (in years)	4.1	4.5
Net indebtedness / adjusted EBITDA ratio ⁽²⁾⁽³⁾	3.2	3.1

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

(2) Net indebtedness to adjusted EBITDA ratio is a capital management 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.

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

The table below summarizes the Corporation's available liquidity:

<i>(In thousands of Canadian dollars)</i>	At February 28, 2026	At August 31, 2025
	\$	\$
Cash	54,501	75,152
Amounts available under revolving credit facilities ⁽¹⁾	793,575	869,002
Available liquidity ⁽²⁾	848,076	944,154

(1) Total amount available under the \$750 million Term Revolving Facility and the US\$250 million Senior Secured Revolving Facility (see Note 15 A) of the Corporation's condensed interim consolidated financial statements).

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

9.2 Outstanding share data

A description of Cogeco Communications' share data at March 31, 2026 is presented in the table below. Additional details are provided in Note 12 A) of the Corporation's condensed interim consolidated financial statements.

<i>(In thousands of Canadian dollars, except number of shares/options)</i>	Number of shares/options	Amount \$
Common shares		
Multiple voting shares	12,000,871	75,217
Subordinate voting shares	30,296,728	784,842
Options to purchase subordinate voting shares		
Outstanding options	1,100,325	
Exercisable options	608,662	

9.3 Financing

Senior Secured Term Loan B Facility

In February 2026, Cogeco Communications repurchased US\$27.4 million of its outstanding Tranches 2 and 3 of the Senior Secured Term Loan B Facility. Furthermore, Cogeco Communications entered into a binding agreement on February 23, 2026 to repurchase an additional US\$5.0 million of its Senior Secured Term Loan B Facility, which was subsequently settled on March 10, 2026.

Senior Unsecured Non-Revolving Facility

During the first six months of fiscal 2026, Cogeco Communications drew \$10.1 million from the Senior Unsecured Non-Revolving Facility, of which \$4.6 million was recognized as a government grant. The credit facility, having an aggregate principal amount of up to \$38.1 million, can only be drawn to finance the network expansion projects undertaken in connection with Ontario's Accelerated High Speed Internet Program. On February 28, 2026, the remaining availability under the facility amounted to \$23.2 million.

9.4 Credit ratings

At February 28, 2026	S&P	DBRS	Moody's
Cogeco Communications			
Senior Secured Notes	BBB-	BBB (low) (stable)	NR
Senior Unsecured Notes	BB+	BB (high) (stable)	NR
Corporate credit issuer rating	BB+ (stable outlook)	BB (high) (stable)	NR
U.S. subsidiaries			
First Lien Credit Facilities	BB	NR	B1 (stable outlook)
Corporate credit issuer rating	BB (stable outlook)	NR	B1 (stable outlook)

NR : Not rated

9.5 Financial risk management

Management's objectives are to protect the Corporation and its subsidiaries against material economic exposures and variability of results, and against certain financial risks including credit, liquidity, interest rate, foreign exchange and market price risks which are described in the Corporation's 2025 annual consolidated financial statements.

Credit risk

The lowest credit rating of the counterparties to the derivative financial instruments agreements at February 28, 2026 is "A" by Standard & Poor's rating services ("S&P"). Management monitors its exposure to financial institutions which is primarily in the form of deposits, derivatives and revolver commitments.

Liquidity risk

The following table shows the amount used and remaining availability under the Corporation's and its U.S. subsidiaries' revolving facilities at February 28, 2026:

	Total amount	Amount used	Remaining availability
Corporation			
Term Revolving Facility	\$750.0 million	\$294.5 million	\$455.5 million
U.S. subsidiaries			
Senior Secured Revolving Facility	\$341.1 million (US\$250.0 million)	\$2.9 million (US\$2.2 million)	\$338.1 million (US\$247.8 million)

Interest rate risk

On February 28, 2026, all of the Corporation's long-term debt was at a fixed rate, except for the amounts drawn under the Term Revolving Facility and First Lien Credit Facilities, which are subject to floating interest rates.

To reduce the risk on the floating interest rate instruments and mitigate the impact of interest rate variations, the Corporation's U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at February 28, 2026:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate ⁽¹⁾	Maturity	Hedged item
Cash flow	US\$550 million	Term SOFR	3.82% - 4.18%	February 2027 - February 2029	Senior Secured Term Loan B - Tranche 3
Cash flow ⁽²⁾	US\$600 million	Term SOFR with a 39 bps floor	1.32% - 3.25%	October 2026 - August 2028	Senior Secured Term Loan B - Tranche 2

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

(2) In October 2025, US\$400 million interest rate swaps reached maturity and were partially replaced with new US\$200 million interest rate swaps, bringing the outstanding balance to US\$600 million. The new fixed interest rate swaps have a 3.25% interest rate and mature on August 31, 2028.

A 1% increase (decrease) in the interest rate applicable to the unhedged portion of the floating interest rate facilities would result in an increase (decrease) of approximately \$13.3 million in the Corporation's annual financial expense, based on the outstanding debt and swap agreements at February 28, 2026.

9.6 Foreign currency

For the three and six-month periods ended February 28, 2026 and 2025, the average rates prevailing used to convert the operating results of the American telecommunications segment were as follows:

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
US dollar vs Canadian dollar	1.3753	1.4298	1.3856	1.4028

9.7 Contractual obligations, contingencies and guarantees

A summary of the Corporation's material contractual obligations, contingencies and guarantees can be found in the fiscal 2025 annual MD&A, available on SEDAR+ at www.sedarplus.ca and corpo.cogeco.com. The following is an update to the "contractual obligations, contingencies and guarantees" described in the fiscal 2025 annual MD&A.

Class action proceedings

On September 20, 2024, an application seeking authorization to commence a class action against Cogeco Connexion was filed before the Superior Court of Québec. The application alleges that Cogeco Connexion breached Québec's *Consumer Protection Act* by failing to properly notify Québec-based residential customers of rate increases since September 20, 2021, and seeks reimbursement of the rate increases and punitive damages. On December 5, 2025, the Superior Court of Québec authorized the class action. We are vigorously defending against this action. Due to the significant uncertainty surrounding the outcome and its financial implications, the Corporation has not recorded any liability as at February 28, 2026.

10. Controls and procedures

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

The CEO and CFO, supported by management, evaluated the design of the Corporation's DC&P and ICFR at February 28, 2026, and concluded that they are adequate.

Changes in internal control over financial reporting

No significant changes to the internal controls over financial reporting occurred during the three and six-month periods ended February 28, 2026.

11. Uncertainties and main risk factors

A detailed description of the uncertainties and main risk factors faced by Cogeco Communications can be found in the fiscal 2025 annual MD&A, available on SEDAR+ at www.sedarplus.ca and corpo.cogeco.com. The following update should be read together with the uncertainties and main risk factors described in the fiscal 2025 annual MD&A, which are hereby incorporated by reference.

Regulatory matters

Canada

Prohibition of Certain Fees by the CRTC

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

Bill C-22, the Lawful Access Act

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

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. On October 31, 2025, the CRTC suspended the November 4, 2025 implementation deadline, in order to consider our request for higher reporting thresholds. In addition, the CRTC has concurrently launched two new consultations: one focusing on consumer protection measures for customers affected by outages and another on a new regulatory framework to enhance network resiliency in Canada. If, at the conclusion of these proceedings, the CRTC imposes new burdensome 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.

United States

Proposed FCC Order on Call Center Onshoring

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

FTC's Click-to-Cancel Rule

On March 11, 2026, the Federal Trade Commission ("FTC") released an Advance Notice of Proposed Rulemaking ("ANPRM") to solicit comments on strengthening its existing regulations for negative option marketing. This includes the adoption of a "click-to-cancel" mechanism 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. The FTC is considering reissuing the previous rules, adopted in 2024 but subsequently vacated by the Court of Appeal for the Eighth Circuit in July 2025. The court based its decision on the finding that the FTC had failed to perform a required preliminary analysis of the rules' costs and benefits. The application of these rules could make it easier and faster for consumers to terminate subscription services.

FCC Prohibition on Foreign-Made Routers

On March 23, 2026, the FCC added all foreign-made, consumer-grade routers to its "Covered List" of unacceptable national security risks. This action, grounded in a formal national security determination, reflects concerns that vulnerabilities in widely deployed routers have been exploited in cyber campaigns targeting U.S. infrastructure and consumers. Products on the Covered List cannot receive FCC authorizations; therefore, new foreign-produced routers cannot be marketed or sold in the U.S. without a conditional waiver from the Department of Defense or Department of Homeland Security. Existing authorized models are protected, though restrictions on software and firmware upgrades may take effect starting March 1, 2027. Depending on how this rule, and its exemptions, are enforced, this new prohibition could increase the cost or reduce the availability of customer premise equipment.

12. Accounting policy developments

Future changes to accounting standards

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

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

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

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

IFRS 18, Presentation and Disclosure in Financial Statements

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

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

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

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is currently assessing the impact of these new and amended accounting standards on its consolidated financial statements presentation and disclosure. Based on a high level assessment, the Corporation 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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13. Non-IFRS Accounting Standards and other financial measures

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

Financial measures presented on a constant currency basis for the three and six-month periods ended February 28, 2026 are translated at the average foreign exchange rate of the comparable periods of the prior year, which were 1.4298 USD/CDN and 1.4028 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	<p>Adjusted profit attributable to owners of the Corporation is a measure used by management to assess the Corporation's performance before the impact of impairment of assets, acquisition, integration, restructuring and other costs (gains), and loss (gain) on debt modification and/or extinguishment, including loss (gain) on repurchase of debt, net of tax and non-controlling interest for these items.</p> <p>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.</p>	<p>Profit for the period attributable to owners of the Corporation</p> <p>add:</p> <ul style="list-style-type: none"> - impairment of assets, if any; - acquisition, integration, restructuring and other costs (gains); - loss (gain) on debt modification and/or extinguishment, including loss (gain) on repurchase of debt, if any; - tax impact for the above items; and - non-controlling interest for the above items. 	<p>Profit for the period attributable to owners of the Corporation</p>
Adjusted financial expense	<p>Adjusted financial expense is a measure used by management to assess the Corporation's ability to service its debt.</p>	<p>Financial expense</p> <p>deduct:</p> <ul style="list-style-type: none"> - loss (gain) on debt modification and/or extinguishment, including loss (gain) on repurchase of debt, if any. 	<p>Financial expense</p>
Constant currency basis and foreign exchange impact	<p>The Corporation presents certain financial measures in constant currency to enable an improved understanding of its underlying financial performance, undistorted by the effect of changes in foreign exchange rates, in order to facilitate period-to-period comparisons. Financial measures presented on a constant currency basis include certain historical financial measures, including revenue, operating expenses, adjusted EBITDA, net capital expenditures and free cash flow.</p>	<p>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.</p>	<p>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.</p>
Organic revenue in constant currency and adjusted EBITDA in constant currency	<p>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.</p>	<p>Revenue in constant currency (as calculated per above)</p> <p>deduct:</p> <ul style="list-style-type: none"> - impact of acquisitions. <p>Adjusted EBITDA in constant currency (as calculated per above)</p> <p>deduct:</p> <ul style="list-style-type: none"> - impact of acquisitions. 	<p>Revenue and adjusted EBITDA.</p>

Specified financial measures	Usefulness	Calculation	Most directly comparable IFRS Accounting Standards measures
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 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, including loss (gain) on repurchase of debt; - share-based payment; - proceeds from disposals of property, plant and equipment, including sale and leaseback transactions; - 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
Net capital expenditures, excluding network expansion projects	<p>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.</p>	<p>Net capital expenditures</p> <p>deduct:</p> <ul style="list-style-type: none"> - net capital expenditures in connection with network expansion projects. 	Acquisition of property, plant and equipment

Specified financial measures	Usefulness	Calculation	Most directly comparable IFRS Accounting Standards measures
Available liquidity	Management uses available liquidity to assess Cogeco Communications' ability to meet its financial obligations and ensure there is sufficient liquidity to support its capital requirements, including development of the business by acquisition and other growth opportunities. Available liquidity is presented on a consolidated basis, including the liquidity of distinct borrowing structures for the Canadian and American telecommunications segments. Management believes this measure is used by certain investors and analysts to assess Cogeco Communications' financial strength.	Cash and cash equivalents deduct: - cash with restrictions on use, if any; add: - amounts available under revolving credit facilities.	Cash and cash equivalents

Adjusted profit attributable to owners of the Corporation

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Profit for the period attributable to owners of the Corporation	80,006	74,674	168,682	175,262
Acquisition, integration, restructuring and other costs (gains)	6,335	8,035	7,633	(1,923)
Gain on repurchase of debt ⁽¹⁾	(1,454)	—	(1,454)	—
Tax impact for the above items	(1,268)	(1,861)	(1,605)	(1,580)
Non-controlling interest impact for the above items	(402)	(155)	(515)	(392)
Adjusted profit attributable to owners of the Corporation	83,217	80,693	172,741	171,367

(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 4.4 "Financial expense".

Constant currency basis and foreign exchange impact reconciliation

Consolidated

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

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

Three months ended February 28	2026			2025	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	155,045	777	155,822	116,603	33.0	33.6

Six months ended February 28	2026			2025	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	280,582	394	280,976	265,461	5.7	5.8

Segmented

For the reconciliations of segmented revenue, operating expenses, adjusted EBITDA and net capital expenditures in constant currency to the most directly comparable IFRS Accounting Standards measures, refer to section 5 "Segmented operating and financial results".

Corporate and eliminations

Three months ended February 28	2026			2025	Change	
	Actual	Foreign exchange impact	In constant currency	Actual ⁽¹⁾	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Operating expenses	8,183	2	8,185	6,835	19.7	19.8
Management fees – Cogeco Inc.	6,014	—	6,014	4,921	22.2	22.2
Adjusted EBITDA	(14,197)	(2)	(14,199)	(11,756)	(20.8)	(20.8)

(1) Effective as of the first quarter of fiscal 2026, "Corporate and eliminations" no longer includes the Canadian wireless operations, which are now included in the Canadian telecommunications segment following the start-up phase. Comparative figures were restated to conform to the current presentation, including \$1.9 million of operating expenses for the second quarter of fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

Six months ended February 28	2026			2025	Change	
	Actual	Foreign exchange impact	In constant currency	Actual ⁽¹⁾	Actual	In constant currency
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%	%
Operating expenses	13,500	2	13,502	12,070	11.8	11.9
Management fees – Cogeco Inc.	12,028	—	12,028	9,843	22.2	22.2
Adjusted EBITDA	(25,528)	(2)	(25,530)	(21,913)	(16.5)	(16.5)

(1) Effective as of the first quarter of fiscal 2026, "Corporate and eliminations" no longer includes the Canadian wireless operations, which are now included in the Canadian telecommunications segment following the start-up phase. Comparative figures were restated to conform to the current presentation, including \$4.9 million of operating expenses for the first six months of fiscal 2025, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

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

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Cash flows from operating activities	170,558	253,212	346,881	472,077
Changes in other non-cash operating activities	72,378	24,343	164,820	98,517
Income taxes paid	21,380	7,443	49,924	14,082
Current income taxes	4,433	(9,670)	(6,545)	(24,298)
Interest paid	69,474	62,195	127,028	123,666
Financial expense	(60,246)	(63,003)	(121,889)	(128,492)
Gain on repurchase of debt ⁽¹⁾	(1,454)	—	(1,454)	—
Amortization of deferred transaction costs and discounts on long-term debt ⁽¹⁾	2,646	2,228	5,266	3,692
Net capital expenditures ⁽²⁾	(121,778)	(157,895)	(278,741)	(308,540)
Proceeds from disposals of property, plant and equipment, including sale and leaseback transactions	1,412	931	2,624	20,544
Repayment of lease liabilities	(3,758)	(3,181)	(7,332)	(5,787)
Free cash flow	155,045	116,603	280,582	265,461
Net capital expenditures in connection with network expansion projects	14,028	15,573	32,782	37,372
Free cash flow, excluding network expansion projects	169,073	132,176	313,364	302,833

(1) Included within financial expense.

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

Available liquidity reconciliation

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

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

Net capital expenditures, excluding network expansion projects

Three months ended February 28	2026		2025	Change	
	Actual	Foreign exchange impact		In constant currency	Actual
<i>(In thousands of Canadian dollars, except percentages)</i>	\$	\$	\$	\$	%
Acquisition of property, plant and equipment	123,626			159,371	(22.4)
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(1,848)			(1,476)	25.2
Net capital expenditures	121,778	3,112	124,890	157,895	(22.9)
Net capital expenditures in connection with network expansion projects	14,028	217	14,245	15,573	(9.9)
Net capital expenditures, excluding network expansion projects	107,750	2,895	110,645	142,322	(24.3)

Six months ended February 28	2026			2025	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	280,777			312,614	(10.2)	
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(2,036)			(4,074)	(50.0)	
Net capital expenditures	278,741	2,006	280,747	308,540	(9.7)	(9.0)
Net capital expenditures in connection with network expansion projects	32,782	143	32,925	37,372	(12.3)	(11.9)
Net capital expenditures, excluding network expansion projects	245,959	1,863	247,822	271,168	(9.3)	(8.6)

Free cash flow, excluding network expansion projects

Three months ended February 28	2026			2025	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	155,045	777	155,822	116,603	33.0	33.6
Net capital expenditures in connection with network expansion projects	14,028	217	14,245	15,573	(9.9)	(8.5)
Free cash flow, excluding network expansion projects	169,073	994	170,067	132,176	27.9	28.7

Six months ended February 28	2026			2025	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	280,582	394	280,976	265,461	5.7	5.8
Net capital expenditures in connection with network expansion projects	32,782	143	32,925	37,372	(12.3)	(11.9)
Free cash flow, excluding network expansion projects	313,364	537	313,901	302,833	3.5	3.7

Non-IFRS Accounting Standards ratios

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

Specified financial measures	Usefulness	Calculation
Adjusted diluted earnings per share	<p>Adjusted diluted earnings per share is a measure used by management to assess the Corporation's performance before the impact of impairment of assets, acquisition, integration, restructuring and other costs (gains), and loss (gain) on debt modification and/or extinguishment, including loss (gain) on repurchase of debt, net of tax and non-controlling interest for the above items.</p> <p>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.</p>	<p>Adjusted profit attributable to owners of the Corporation divided by the weighted average number of diluted multiple and subordinate voting shares outstanding.</p> <p>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.</p>
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.	<p>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.</p> <p>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.</p>
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.	<p>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.</p> <p>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.</p>
Capital intensity, excluding network expansion projects	Capital intensity, excluding network expansion projects is used by management to assess the Corporation's investment in capital expenditures and to make certain decisions, without taking into consideration capitalized investments in network expansion projects, in order to support a certain level of revenue. The Corporation measures capital intensity, excluding network expansion projects, as it provides a common basis for comparing the impact of the net capital expenditures to the impact of the historical net capital expenditures prior to the acceleration of the network expansion projects. In addition, management believes this helps certain investors and analysts to assess the impact of the network expansion projects on the Corporation's capital intensity ratio. Excluding the impact of net capital expenditures in connection with network expansion projects does not imply it is non-recurring.	<p>Net capital expenditures, excluding network expansion projects divided by revenue.</p> <p>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.</p>
Capital intensity in constant currency and capital intensity, excluding network expansion projects in constant currency	The Corporation presents certain financial measures on a constant currency basis, including capital intensity in constant currency and capital intensity, excluding network expansion projects in constant currency, to facilitate period-to-period comparisons, undistorted by the effects of changes in foreign exchange rate.	<p>Capital intensity in constant currency is calculated as net capital expenditures in constant currency divided by revenue in constant currency.</p> <p>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.</p> <p>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.</p>

Specified financial measures	Usefulness	Calculation
Free cash flow dividend payout ratio and free cash flow, excluding network expansion projects, dividend payout ratio	Management believes certain investors use free cash flow dividend payout ratio and free cash flow, excluding network expansion projects, dividend payout ratio, to assess the Corporation's financial strength and performance by demonstrating the sustainability of the Corporation's dividend payments.	Dividends declared for the year on multiple and subordinate voting shares divided by free cash flow and by free cash flow, excluding network expansion projects.
Free cash flow, excluding network expansion projects, dividend payout ratio		Free cash flow and free cash flow, excluding network expansion projects are non-IFRS Accounting Standards measures. For more details on these financial measures, please refer to the "Non-IFRS Accounting Standards measures" sub-section.

Total of segments measures

The following financial measures used by Cogeco Communications are total of segments measures as reported in Note 4 of the condensed interim consolidated financial statements. Reconciliations between these specified financial measures to the most directly comparable IFRS Accounting Standards measures are provided below.

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

Adjusted EBITDA reconciliation

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Profit for the period	83,585	79,637	176,680	186,797
Income taxes	22,388	22,904	48,096	49,529
Financial expense	60,246	63,003	121,889	128,492
Depreciation and amortization	165,191	182,920	337,270	358,819
Acquisition, integration, restructuring and other costs (gains)	6,335	8,035	7,633	(1,923)
Adjusted EBITDA	337,745	356,499	691,568	721,714

Net capital expenditures reconciliation

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

Capital management measures

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

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

Supplementary financial measures

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

14. Supplementary quarterly financial information

Three months ended	Fiscal 2026				Fiscal 2025			Fiscal 2024
	Feb. 28	Nov. 30	Aug. 31	May 31	Feb. 28	Nov. 30	Aug. 31	May 31 ⁽¹⁾
<i>(In thousands of Canadian dollars, except % and per share data)</i>	\$	\$	\$	\$	\$	\$	\$	\$
Operations								
Revenue	693,560	707,247	708,693	730,679	732,426	738,695	747,751	750,583
Adjusted EBITDA	337,745	353,823	358,554	362,377	356,499	365,215	370,418	365,824
Adjusted EBITDA margin	48.7 %	50.0 %	50.6 %	49.6 %	48.7 %	49.4 %	49.5 %	48.7 %
Acquisition, integration, restructuring and other costs (gains)	6,335	1,298	16,032	9,211	8,035	(9,958)	10,561	45,669
Impairment of property, plant and equipment	—	—	—	1,574	—	—	14,862	—
Profit for the period	83,585	93,095	81,690	73,300	79,637	107,160	85,484	76,334
Profit for the period attributable to owners of the Corporation	80,006	88,676	77,422	69,895	74,674	100,588	81,958	70,402
Adjusted profit attributable to owners of the Corporation	83,217	89,524	88,590	77,186	80,693	90,674	99,054	103,597
Cash flow								
Cash flows from operating activities	170,558	176,323	265,143	400,789	253,212	218,865	319,177	333,626
Free cash flow ⁽¹⁾	155,045	125,537	107,781	143,946	116,603	148,858	148,189	88,185
Acquisition of property, plant and equipment	123,626	157,151	157,625	125,933	159,371	153,243	154,260	171,034
Net capital expenditures	121,778	156,963	154,274	125,462	157,895	150,645	152,253	168,384
Capital intensity	17.6 %	22.2 %	21.8 %	17.2 %	21.6 %	20.4 %	20.4 %	22.4 %
Per share data ⁽²⁾ and related information								
Earnings per share								
Basic	1.90	2.11	1.84	1.66	1.77	2.39	1.95	1.68
Diluted	1.89	2.09	1.82	1.64	1.76	2.38	1.94	1.67
Adjusted diluted	1.96	2.11	2.09	1.82	1.90	2.14	2.35	2.45
Weighted average number of shares outstanding - diluted (in thousands)	42,425	42,477	42,489	42,508	42,508	42,302	42,217	42,220
Dividends per share	0.987	0.987	0.922	0.922	0.922	0.922	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.

14.1 Seasonal variations

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



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three and six-month periods ended February 28, 2026

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COGECO COMMUNICATIONS INC.

INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(unaudited)

	Notes	Three months ended February 28		Six months ended February 28	
		2026	2025	2026	2025
		\$	\$	\$	\$
<i>(In thousands of Canadian dollars, except per share data)</i>					
Revenue	3	693,560	732,426	1,400,807	1,471,121
Operating expenses	5	349,801	371,006	697,211	739,564
Management fees – Cogeco Inc.	16	6,014	4,921	12,028	9,843
Acquisition, integration, restructuring and other costs (gains)	6	6,335	8,035	7,633	(1,923)
Depreciation and amortization	7	165,191	182,920	337,270	358,819
Financial expense	8	60,246	63,003	121,889	128,492
Profit before income taxes		105,973	102,541	224,776	236,326
Income taxes	9	22,388	22,904	48,096	49,529
Profit for the period		83,585	79,637	176,680	186,797
Profit for the period attributable to:					
Owners of the Corporation		80,006	74,674	168,682	175,262
Non-controlling interest		3,579	4,963	7,998	11,535
		83,585	79,637	176,680	186,797
Earnings per share					
Basic	10	1.90	1.77	4.01	4.17
Diluted	10	1.89	1.76	3.97	4.13

COGECO COMMUNICATIONS INC.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$
Profit for the period	83,585	79,637	176,680	186,797
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	(3,282)	(9,994)	(10,961)	(8,147)
Related income taxes	869	2,648	2,905	2,159
	(2,413)	(7,346)	(8,056)	(5,988)
<i>Foreign currency translation adjustments</i>				
Net foreign currency translation differences on net investments in foreign operations	(63,730)	78,542	(19,295)	172,881
Net changes on translation of long-term debt designated as hedges of net investments in foreign operations	5,055	(16,807)	1,500	(37,048)
Related income taxes	—	(115)	—	869
	(58,675)	61,620	(17,795)	136,702
	(61,088)	54,274	(25,851)	130,714
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	1,931	(315)	2,672	(435)
Related income taxes	(512)	83	(708)	115
	1,419	(232)	1,964	(320)
	(59,669)	54,042	(23,887)	130,394
Comprehensive income for the period	23,916	133,679	152,793	317,191
Comprehensive income for the period attributable to:				
Owners of the Corporation	33,356	112,675	148,736	270,360
Non-controlling interest	(9,440)	21,004	4,057	46,831
	23,916	133,679	152,793	317,191

COGECO COMMUNICATIONS INC.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited)

	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		
<i>(In thousands of Canadian dollars)</i>	\$	\$	\$	\$	\$	\$
	<i>(Note 12)</i>		<i>(Note 13)</i>			
Balance at August 31, 2024	839,701	19,719	122,401	1,997,870	494,972	3,474,663
Profit for the period	—	—	—	175,262	11,535	186,797
Other comprehensive income (loss) for the period	—	—	95,418	(320)	35,296	130,394
Comprehensive income for the period	—	—	95,418	174,942	46,831	317,191
Share-based payment (Notes 12 C) and 16)	—	2,292	—	—	—	2,292
Stock options exercised and other	3,501	(2,126)	—	—	—	1,375
Dividends (Note 12 B))	—	—	—	(77,380)	—	(77,380)
Disposal of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	409	—	—	—	—	409
Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	2,478	(3,047)	—	569	—	—
Total contributions by (distributions to) shareholders	6,388	(2,881)	—	(76,811)	—	(73,304)
Balance at February 28, 2025	846,089	16,838	217,819	2,096,001	541,803	3,718,550
Balance at August 31, 2025	846,001	19,986	125,959	2,168,576	523,129	3,683,651
Profit for the period	—	—	—	168,682	7,998	176,680
Other comprehensive income (loss) for the period	—	—	(21,910)	1,964	(3,941)	(23,887)
Comprehensive income (loss) for the period	—	—	(21,910)	170,646	4,057	152,793
Share-based payment (Notes 12 C) and 16)	—	3,349	—	—	—	3,349
Stock options exercised	1,242	(160)	—	—	—	1,082
Dividends (Note 12 B))	—	—	—	(82,637)	—	(82,637)
Acquisition of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	(10,055)	—	—	—	—	(10,055)
Distribution to employees of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	2,530	(2,315)	—	(215)	—	—
Total contributions by (distributions to) shareholders	(6,283)	874	—	(82,852)	—	(88,261)
Balance at February 28, 2026	839,718	20,860	104,049	2,256,370	527,186	3,748,183

COGECO COMMUNICATIONS INC.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited)

	Notes	February 28, 2026	August 31, 2025
		\$	\$
<i>(In thousands of Canadian dollars)</i>			
Assets			
Current			
Cash		54,501	75,152
Trade and other receivables		160,824	131,876
Income tax receivable		19,463	3,483
Prepaid expenses and other		75,927	46,952
Derivative financial instruments		4,602	2,947
		315,317	260,410
Non-current			
Other assets		177,016	153,451
Property, plant and equipment		3,244,150	3,282,411
Intangible assets		3,774,706	3,808,837
Goodwill		2,152,676	2,166,652
Derivative financial instruments		7,023	17,635
Deferred tax assets		1,107	2,999
		9,671,995	9,692,395
Liabilities and Shareholders' equity			
Liabilities			
Current			
Bank indebtedness		4,303	1,379
Trade and other payables		297,562	380,616
Provisions		31,019	40,915
Income tax liabilities		3,303	30,089
Contract liabilities and other liabilities		53,517	58,627
Derivative financial instruments		3,257	1,961
Current portion of long-term debt	11	271,769	43,632
		664,730	557,219
Non-current			
Long-term debt	11	4,283,813	4,510,769
Derivative financial instruments		12,340	12,049
Contract liabilities and other liabilities		17,394	17,682
Accrued employee benefits		10,534	9,572
Deferred tax liabilities		935,001	901,453
		5,923,812	6,008,744
Shareholders' equity			
Equity attributable to owners of the Corporation			
Share capital	12 A)	839,718	846,001
Share-based payment reserve		20,860	19,986
Accumulated other comprehensive income	13	104,049	125,959
Retained earnings		2,256,370	2,168,576
		3,220,997	3,160,522
Equity attributable to non-controlling interest		527,186	523,129
		3,748,183	3,683,651
		9,671,995	9,692,395

Contingencies (Note 17) and Subsequent event (Note 11 A))

COGECO COMMUNICATIONS INC.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Notes	Three months ended February 28		Six months ended February 28	
		2026	2025	2026	2025
		\$	\$	\$	\$
<i>(In thousands of Canadian dollars)</i>					
Cash flows from operating activities					
Profit for the period		83,585	79,637	176,680	186,797
Adjustments for:					
Depreciation and amortization	7	165,191	182,920	337,270	358,819
Financial expense	8	60,246	63,003	121,889	128,492
Income taxes	9	22,388	22,904	48,096	49,529
Share-based payment		2,814	(165)	4,310	2,058
Loss (gain) on disposals and write-offs of property, plant and equipment, including sale and leaseback transactions	6	(409)	(1,178)	317	(17,626)
Defined benefit plans expense, net of contributions		(25)	72	91	273
		333,790	347,193	688,653	708,342
Changes in other non-cash operating activities	14 A)	(72,378)	(24,343)	(164,820)	(98,517)
Interest paid		(69,474)	(62,195)	(127,028)	(123,666)
Income taxes paid		(21,380)	(7,443)	(49,924)	(14,082)
		170,558	253,212	346,881	472,077
Cash flows from investing activities					
Acquisition of property, plant and equipment	14 B)	(123,626)	(159,371)	(280,777)	(312,614)
Acquisition of spectrum licences		(2,841)	(3,051)	(5,709)	(6,573)
Business combinations, net of cash and cash equivalents acquired		—	1,089	—	1,089
Subsidies received in advance		184	193	372	380
Proceeds from disposals of property, plant and equipment, including sale and leaseback transactions	6	1,412	931	2,624	20,544
Other		(4,124)	—	(4,124)	—
		(128,995)	(160,209)	(287,614)	(297,174)
Cash flows from financing activities					
Increase in bank indebtedness		4,303	11,127	2,924	2,657
Net increase (decrease) under revolving facilities		30,197	(331,714)	76,182	(312,893)
Issuance of long-term debt, net of discounts and transaction costs		1,857	323,421	5,445	323,421
Repayment and repurchase of notes and credit facilities		(43,091)	(7,761)	(64,525)	(49,019)
Repayment of lease liabilities		(3,758)	(3,181)	(7,332)	(5,787)
Issuance of subordinate voting shares	12 A)	1,082	45	1,082	2,956
Disposal (acquisition) of subordinate voting shares held in trust under the Incentive and Performance Share Unit Plans	12 A)	—	409	(10,055)	409
Dividends paid	12 B)	(41,242)	(38,707)	(82,637)	(77,380)
		(50,652)	(46,361)	(78,916)	(115,636)
Effect of exchange rate changes on cash and cash equivalents denominated in a foreign currency		(1,539)	2,862	(1,002)	5,471
Net change in cash and cash equivalents		(10,628)	49,504	(20,651)	64,738
Cash and cash equivalents, beginning of the period		65,129	91,569	75,152	76,335
Cash and cash equivalents, end of the period		54,501	141,073	54,501	141,073

COGECO COMMUNICATIONS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2026

(unaudited)

(tabular amounts in thousands of Canadian dollars, except number of shares/units and per share data, or unless otherwise noted)

1. Nature of operations

Cogeco Communications Inc. ("Cogeco Communications" or the "Corporation") is a telecommunications corporation operating through its business units Cogeco Connexion and Breezeline. Cogeco Communications provides Internet, wireless, video and wireline phone services to residential and business customers in Canada and in the United States.

The Corporation is a subsidiary of Cogeco Inc. ("Cogeco"), which as of February 28, 2026 held 28.4% of the Corporation's equity shares, representing 79.8% of the votes attached to the Corporation's voting shares. Cogeco Communications is a Canadian public corporation whose subordinate voting shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol "CCA". The Corporation's registered office is located at 1 Place Ville Marie, Suite 3301, Montréal, Québec, H3B 3N2.

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

2. Basis of presentation and accounting policy developments

A) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and were approved and authorized for issuance by the Board of Directors of the Corporation on April 9, 2026. These condensed interim consolidated financial statements have been prepared with the same accounting policies and methods of computation followed by the Corporation in its 2025 annual consolidated financial statements. These condensed interim consolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Corporation's 2025 annual consolidated financial statements. Certain comparative amounts in the condensed interim consolidated financial statements have been reclassified in order to conform to the fiscal 2026 consolidated financial statements presentation.

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

B) Foreign currency translation

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

	Closing rates as of		Average rates for the		Average rates for the	
	February 28, 2026	August 31, 2025	three months ended February 28 2026	three months ended February 28 2025	six months ended February 28 2026	six months ended February 28 2025
US dollar vs Canadian dollar	1.3642	1.3742	1.3753	1.4298	1.3856	1.4028

COGECO COMMUNICATIONS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2026

(unaudited)

(tabular amounts in thousands of Canadian dollars, except number of shares/units and per share data, or unless otherwise noted)

C) Accounting policy developments

Future changes to accounting standards

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

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

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

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

IFRS 18, Presentation and Disclosure in Financial Statements

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

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

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

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is currently assessing the impact of these new and amended accounting standards on its consolidated financial statements presentation and disclosure. Based on a high level assessment, the Corporation 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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COGECO COMMUNICATIONS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2026

(unaudited)

(tabular amounts in thousands of Canadian dollars, except number of shares/units and per share data, or unless otherwise noted)

3. Revenue

	Three months ended February 28					
	Canadian telecommunications		American telecommunications		Consolidated	
	2026	2025	2026	2025	2026	2025
	\$	\$	\$	\$	\$	\$
Residential ⁽¹⁾	307,111	305,350	277,094	315,095	584,205	620,445
Commercial	48,711	48,009	41,191	45,171	89,902	93,180
Other ⁽²⁾	17,626	16,852	1,827	1,949	19,453	18,801
	373,448	370,211	320,112	362,215	693,560	732,426

	Six months ended February 28					
	Canadian telecommunications		American telecommunications		Consolidated	
	2026	2025	2026	2025	2026	2025
	\$	\$	\$	\$	\$	\$
Residential ⁽¹⁾	618,249	617,627	563,276	627,348	1,181,525	1,244,975
Commercial	97,605	96,372	83,596	89,754	181,201	186,126
Other ⁽²⁾	34,506	33,478	3,575	6,542	38,081	40,020
	750,360	747,477	650,447	723,644	1,400,807	1,471,121

(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.

4. Segment information

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

COGECO COMMUNICATIONS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(unaudited)

(tabular amounts in thousands of Canadian dollars, except number of shares/units and per share data, or unless otherwise noted)

	Three months ended February 28, 2026			
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Consolidated
	\$	\$	\$	\$
Revenue	373,448	320,112	—	693,560
Operating expenses	178,495	163,123	8,183	349,801
Management fees – Cogeco Inc.	—	—	6,014	6,014
Adjusted EBITDA	194,953	156,989	(14,197)	337,745
Acquisition, integration, restructuring and other costs				6,335
Depreciation and amortization				165,191
Financial expense				60,246
Profit before income taxes				105,973
Income taxes				22,388
Profit for the period				83,585
Net capital expenditures ⁽¹⁾	70,243	51,535	—	121,778

	Three months ended February 28, 2025			
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Consolidated
	<i>restated</i> ⁽²⁾		<i>restated</i> ⁽²⁾	
	\$	\$	\$	\$
Revenue	370,211	362,215	—	732,426
Operating expenses	179,665	184,506	6,835	371,006
Management fees – Cogeco Inc.	—	—	4,921	4,921
Adjusted EBITDA	190,546	177,709	(11,756)	356,499
Acquisition, integration, restructuring and other costs				8,035
Depreciation and amortization				182,920
Financial expense				63,003
Profit before income taxes				102,541
Income taxes				22,904
Profit for the period				79,637
Net capital expenditures ⁽¹⁾	77,493	80,402	—	157,895

COGECO COMMUNICATIONS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(unaudited)

(tabular amounts in thousands of Canadian dollars, except number of shares/units and per share data, or unless otherwise noted)

	Six months ended February 28, 2026			
	Canadian telecommunications	American telecommunications	Corporate and eliminations	Consolidated
	\$	\$	\$	\$
Revenue	750,360	650,447	—	1,400,807
Operating expenses	355,086	328,625	13,500	697,211
Management fees – Cogeco Inc.	—	—	12,028	12,028
Adjusted EBITDA	395,274	321,822	(25,528)	691,568
Acquisition, integration, restructuring and other costs				7,633
Depreciation and amortization				337,270
Financial expense				121,889
Profit before income taxes				224,776
Income taxes				48,096
Profit for the period				176,680
Net capital expenditures ⁽¹⁾	175,934	102,807	—	278,741

	Six months ended February 28, 2025			
	Canadian telecommunications <i>restated</i> ⁽²⁾	American telecommunications	Corporate and eliminations <i>restated</i> ⁽²⁾	Consolidated
	\$	\$	\$	\$
Revenue	747,477	723,644	—	1,471,121
Operating expenses	360,371	367,123	12,070	739,564
Management fees – Cogeco Inc.	—	—	9,843	9,843
Adjusted EBITDA	387,106	356,521	(21,913)	721,714
Acquisition, integration, restructuring and other costs (gains)				(1,923)
Depreciation and amortization				358,819
Financial expense				128,492
Profit before income taxes				236,326
Income taxes				49,529
Profit for the period				186,797
Net capital expenditures ⁽¹⁾	154,411	154,129	—	308,540

(1) Net capital expenditures exclude non-cash acquisitions of right-of-use assets and the purchases, and related borrowing costs, of spectrum licences, and are presented net of government subsidies, including subsidies received in advance recognized as a reduction of the cost of property, plant and equipment. Refer to Note 14 B) for a reconciliation of net capital expenditures to cash payments for acquisition of property, plant and equipment as reported in the consolidated statements of cash flows.

(2) Following a full-scale launch of its Canadian wireless service offering across the majority of its operating footprint in Québec and Ontario during the first quarter of fiscal 2026, the Corporation changed the presentation of its reportable segments by including the Canadian wireless operations within its Canadian telecommunications segment. Cogeco Mobile's operations were previously included within "Corporate and eliminations" during the start-up phase. Comparative figures were restated to conform to the current presentation, including \$1.9 million and \$4.9 million of operating expenses for the second quarter and the first six months of fiscal 2025, respectively, which were reclassified from "Corporate and eliminations" to the Canadian telecommunications segment.

COGECO COMMUNICATIONS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2026

(unaudited)

(tabular amounts in thousands of Canadian dollars, except number of shares/units and per share data, or unless otherwise noted)

5. Operating expenses

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Salaries, employee benefits and outsourced services	108,922	114,949	214,583	230,542
Service delivery costs ⁽¹⁾	179,094	189,718	354,058	377,698
Customer related costs ⁽²⁾	25,207	29,178	55,344	62,691
Other external purchases ⁽³⁾	36,578	37,161	73,226	68,633
	349,801	371,006	697,211	739,564

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

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

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

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

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Acquisition and integration costs	—	6	—	154
Restructuring costs	4,957	4,541	5,602	5,579
Configuration and customization costs related to cloud computing and other arrangements ⁽¹⁾	1,378	3,488	2,031	5,033
Gain on sale and leaseback transactions ⁽²⁾	—	—	—	(13,844)
Other costs	—	—	—	1,155
	6,335	8,035	7,633	(1,923)

(1) The second quarter and the first six months of fiscal 2025 included \$2.1 million and \$3.3 million, respectively, of technology licensing costs related to the implementation of the Canadian wireless technology system, whereas these costs, amounting to \$1.8 million and \$3.5 million, respectively, for the same periods of fiscal 2026, are now included within *Operating expenses* of the Canadian telecommunications segment, since the system is now in operation.

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

7. Depreciation and amortization

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Canadian telecommunications	82,112	87,277	165,063	173,308
American telecommunications	82,774	95,350	171,596	184,923
Corporate and eliminations	305	293	611	588
	165,191	182,920	337,270	358,819

COGECO COMMUNICATIONS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2026

(unaudited)

(tabular amounts in thousands of Canadian dollars, except number of shares/units and per share data, or unless otherwise noted)

8. Financial expense

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Interest on long-term debt, excluding interest on lease liabilities	66,230	71,422	132,337	141,579
Interest on lease liabilities	781	771	1,541	1,513
Gain on repurchase of debt ⁽¹⁾	(1,454)	—	(1,454)	—
Net foreign exchange gain	(794)	(2,935)	(1,691)	(939)
Interest and other income	(1,328)	(2,801)	(2,536)	(5,528)
Capitalized borrowing costs ⁽²⁾	(4,086)	(4,879)	(8,065)	(10,209)
Other	897	1,425	1,757	2,076
	60,246	63,003	121,889	128,492

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

(2) Mainly in connection with debt incurred for the purchase of spectrum licences and the construction of certain networks. For the three and six-month periods ended February 28, 2026, the weighted average interest rate used for the capitalization of borrowing costs was 4.61% (5.39% and 5.68% respectively for the comparative periods of the prior year).

COGECO COMMUNICATIONS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2026

(unaudited)

(tabular amounts in thousands of Canadian dollars, except number of shares/units and per share data, or unless otherwise noted)

9. Income taxes

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Current	(4,433)	9,670	6,545	24,298
Deferred	26,821	13,234	41,551	25,231
	22,388	22,904	48,096	49,529

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

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Profit before income taxes	105,973	102,541	224,776	236,326
Combined Canadian income tax rate	26.5 %	26.5 %	26.5 %	26.5 %
Income taxes at combined Canadian income tax rate	28,083	27,173	59,566	62,626
Difference in operations' statutory income tax rates	66	(150)	(13)	(317)
Revaluation of deferred tax assets	520	—	520	—
Recognition of previously unrecognized capital losses	—	—	—	(2,338)
Impact on income taxes arising from non-deductible expenses and non-taxable profit	298	202	704	(1,749)
Pillar Two global minimum tax ⁽¹⁾	514	3,171	1,572	5,689
Tax impacts related to foreign operations	(8,874)	(7,888)	(15,945)	(15,159)
Other	1,781	396	1,692	777
Income taxes at effective income tax rate	22,388	22,904	48,096	49,529
Effective income tax rate	21.1 %	22.3 %	21.4 %	21.0 %

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

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10. Earnings per share

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

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Profit for the period attributable to owners of the Corporation	80,006	74,674	168,682	175,262
Weighted average number of multiple and subordinate voting shares outstanding	41,999,017	42,110,728	42,052,323	42,079,120
Effect of dilutive stock options ⁽¹⁾	37,209	21,381	23,800	30,539
Effect of dilutive incentive share units	70,736	72,925	69,003	68,860
Effect of dilutive performance share units	318,291	302,815	304,743	225,560
Weighted average number of diluted multiple and subordinate voting shares outstanding	42,425,253	42,507,849	42,449,869	42,404,079

(1) For the three and six-month periods ended February 28, 2026, 592,418 stock options (800,847 and 799,047 respectively for the same periods of the prior year) were excluded from the calculation of diluted earnings per share due to the exercise price of the options being greater than the average share price of the subordinate voting shares.

11. Long-term debt

	February 28, 2026	August 31, 2025
	\$	\$
Notes and credit facilities	4,468,535	4,470,302
Lease liabilities	69,953	67,005
Balance due on business combinations	17,094	17,094
	4,555,582	4,554,401
Less current portion	271,769	43,632
	4,283,813	4,510,769

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A) Notes and credit facilities

	Maturity	Interest rate ⁽¹⁾	February 28, 2026	August 31, 2025
		%	\$	\$
Corporation				
Term Revolving Facility				
Revolving loan – US\$214.6 million (US\$159 million at August 31, 2025)	May 2030	3.75 ⁽²⁾	292,757	218,498
Senior Secured Notes - Series B - US\$150 million	September 2026	4.29	204,583	206,036
Senior Secured Notes - Series 1	September 2031	2.99	498,061	497,900
Senior Secured Notes - Series 2	February 2033	5.30	298,544	298,457
Senior Secured Notes - Series 3	February 2035	4.74	323,414	323,343
Senior Unsecured Notes	February 2029	6.13	272,698	272,343
Senior Unsecured Non-Revolving Facility	November 2042	5.75	7,276	1,711
U.S. subsidiaries				
First Lien Credit Facilities				
Senior Secured Term Loan B Facility				
Tranche 2 - US\$856.5 million (US\$868.5 million at August 31, 2025)	September 2028	5.11 ⁽³⁾	1,159,985	1,183,349
Tranche 3 - US\$584.6 million (US\$618.4 million at August 31, 2025)	September 2030	7.20 ⁽⁴⁾	783,095	833,884
Farm Credit - US\$465.5 million (US\$467.9 million at August 31, 2025)	September 2028	6.92 ⁽⁵⁾	628,122	634,781
Senior Secured Revolving Facility	September 2028	—	—	—
			4,468,535	4,470,302
Less current portion			240,716	29,545
			4,227,819	4,440,757

(1) Interest rate as of February 28, 2026, which excludes the impact of deferred transaction costs and commitment fees but includes the impact of the outstanding interest rate swaps and cross-currency swaps, as applicable.

(2) An amount of US\$214.6 million drawn under the Corporation's Term Revolving Facility was hedged until March 31, 2026, using a cross-currency swap agreement which sets the amount redeemable at maturity at \$294.4 million.

(3) As of February 28, 2026, a U.S. subsidiary had outstanding interest rate swap agreements to fix the interest rate on an amount of US\$600 million of the Senior Secured Term Loan B Facility - Tranche 2. These agreements have the effect of converting the floating SOFR base rate, or the 39 bps SOFR floor if higher, into fixed rates ranging from 1.32% to 3.25%, plus an applicable credit spread, for maturities between October 31, 2026 and August 31, 2028. The interest rate includes the impact of the outstanding interest rate swaps.

(4) As of February 28, 2026, a U.S. subsidiary had outstanding interest rate swap agreements to fix the interest rate on an amount of US\$550 million of the Senior Secured Term Loan B Facility - Tranche 3. These agreements have the effect of converting the floating SOFR base rate into fixed rates ranging from 3.82% to 4.18%, plus an applicable credit spread, for maturities between February 28, 2027 and February 28, 2029. The interest rate includes the impact of the outstanding interest rate swaps.

(5) 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*.

Senior Unsecured Non-Revolving Facility

During the first six months of fiscal 2026, Cogeco Communications drew \$10.1 million from the Senior Unsecured Non-Revolving Facility, of which \$4.6 million was recognized as a government grant. The credit facility, having an aggregate principal amount of up to \$38.1 million, can only be drawn to finance the network expansion projects undertaken in connection with Ontario's Accelerated High Speed Internet Program. On February 28, 2026, the remaining availability under the facility amounted to \$23.2 million.

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Senior Secured Term Loan B Facility

In February 2026, Cogeco Communications repurchased US\$27.4 million of its outstanding Tranches 2 and 3 of the Senior Secured Term Loan B Facility. Furthermore, Cogeco Communications entered into a binding agreement on February 23, 2026 to repurchase an additional US\$5.0 million of its Senior Secured Term Loan B Facility, which was subsequently settled on March 10, 2026.

B) Other information

	February 28, 2026	August 31, 2025
Weighted average interest rate on long-term debt ⁽¹⁾	5.4 %	5.3 %
Weighted average term to maturity of long-term debt (in years)	4.1	4.5

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

12. Share capital

A) Issued and paid

	Multiple voting shares		Subordinate voting shares	
	Number of shares	Amount \$	Number of shares	Amount \$
Issued and outstanding, August 31, 2025	12,000,871	75,217	30,277,651	783,447
Shares issued for cash under the Stock Option Plan	—	—	17,173	1,082
Share-based payment for stock options exercised	—	—	—	160
Issued and outstanding, February 28, 2026	12,000,871	75,217	30,294,824	784,689
Shares held in trust, August 31, 2025 ⁽¹⁾	—	—	(168,700)	(12,663)
Subordinate voting shares acquired	—	—	(152,265)	(10,055)
Subordinate voting shares distributed to employees	—	—	36,759	2,530
Shares held in trust, February 28, 2026 ⁽¹⁾	—	—	(284,206)	(20,188)
Issued and outstanding, net of shares held in trust, February 28, 2026	12,000,871	75,217	30,010,618	764,501

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

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B) Dividends

The following tables provide a summary of the dividends declared for the Corporation's multiple and subordinate voting shares during the three and six-month periods ended February 28, 2026 and 2025:

Declaration date	Record date	Payment date	Dividend per share (in dollars)
October 29, 2025	November 12, 2025	November 26, 2025	0.987
January 14, 2026	January 28, 2026	February 11, 2026	0.987
			1.974
October 31, 2024	November 14, 2024	November 28, 2024	0.922
January 13, 2025	January 27, 2025	February 10, 2025	0.922
			1.844

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Dividends on multiple voting shares	11,845	11,064	23,690	22,129
Dividends on subordinate voting shares	29,397	27,643	58,947	55,251
	41,242	38,707	82,637	77,380

At its April 9, 2026 meeting, the Board of Directors of Cogeco Communications declared a quarterly dividend of \$0.987 per share for multiple and subordinate voting shares, payable on May 7, 2026 to shareholders of record on April 23, 2026. The Corporation hereby notifies that all dividends are eligible dividends unless indicated otherwise.

C) Share-based payment plans

The following table shows the compensation expense recorded with regard to the Corporation's share-based payment plans.

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Stock options	53	40	53	127
SARs	46	68	73	128
ISUs	284	193	572	460
PSUs	577	386	1,296	596
DSUs	887	(189)	1,571	912
	1,847	498	3,565	2,223

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Stock options and SARs

Changes in the outstanding number of stock options and SARs for the six-month period ended February 28, 2026 were as follows:

	Stock options	Weighted average exercise price	SARs	Weighted average exercise price
		\$		\$
Outstanding at August 31, 2025	1,064,464	78.26	34,687	67.45
Granted ⁽¹⁾	253,563	64.36	34,992	64.36
Exercised ⁽²⁾	(17,173)	63.03	(995)	61.62
Cancelled	(197,666)	76.74	(14,052)	65.49
Outstanding at February 28, 2026	1,103,188	76.48	54,632	66.08
Exercisable at February 28, 2026	611,525	84.58	9,083	66.07

(1) The weighted average fair value for options and SARs granted during the six-month period was \$7.71 and \$7.78, respectively.

(2) The weighted average share price for options and SARs exercised during the six-month period was \$70.77 and \$64.17, respectively.

ISUs, PSUs and DSUs

Changes in the outstanding number of ISUs, PSUs and DSUs for the six-month period ended February 28, 2026 were as follows:

	ISUs	PSUs	DSUs
Outstanding at August 31, 2025	68,034	290,256	128,047
Granted/Issued ⁽¹⁾	24,889	77,376	15,449
Performance-based additional units granted	—	1,046	—
Distributed/Redeemed	(16,079)	(28,217)	(11,695)
Cancelled	(7,971)	(30,288)	—
Dividend equivalents	—	9,263	3,615
Outstanding at February 28, 2026	68,873	319,436	135,416

(1) For the six-month period, the weighted average fair value of the ISUs and PSUs granted was \$64.36, and of the DSUs issued was \$72.19.

13. Accumulated other comprehensive income

	Cash flow hedge reserve	Foreign currency translation	Total
	\$	\$	\$
Balance at August 31, 2024	29,999	92,402	122,401
Other comprehensive income (loss)	(5,988)	101,406	95,418
Balance at February 28, 2025	24,011	193,808	217,819
Balance at August 31, 2025	6,272	119,687	125,959
Other comprehensive loss	(8,056)	(13,854)	(21,910)
Balance at February 28, 2026	(1,784)	105,833	104,049

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14. Additional cash flows information

A) Changes in other non-cash operating activities

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Trade and other receivables	(18,318)	(16,872)	(29,076)	(27,066)
Prepaid expenses and other	(16,461)	(3,385)	(29,126)	(9,599)
Other assets	(8,855)	(3,296)	(17,845)	(8,737)
Trade and other payables	(27,252)	(11,738)	(73,677)	(40,400)
Provisions	959	(2,962)	(9,913)	(17,626)
Contract liabilities and other liabilities	(2,451)	13,910	(5,183)	4,911
	(72,378)	(24,343)	(164,820)	(98,517)

B) Acquisition of property, plant and equipment

The following table shows the reconciliation between the cash payments for acquisition of property, plant and equipment, as reported within the investing section in the interim consolidated statements of cash flows, and the net capital expenditures, as presented in Note 4.

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Acquisition of property, plant and equipment	123,626	159,371	280,777	312,614
Subsidies received in advance recognized as a reduction of the cost of property, plant and equipment during the period	(1,848)	(1,476)	(2,036)	(4,074)
Net capital expenditures	121,778	157,895	278,741	308,540

15. Financial instruments

A) Financial risk management

Management's objectives are to protect the Corporation and its subsidiaries against material economic exposures and variability of results, and against certain financial risks including credit, liquidity, interest rate, foreign exchange and market price risks which are described in the Corporation's 2025 annual consolidated financial statements.

Credit risk

The lowest credit rating of the counterparties to the derivative financial instruments agreements at February 28, 2026 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.

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Liquidity risk

The following table shows the amount used and remaining availability under the Corporation's and its U.S. subsidiaries' revolving facilities at February 28, 2026:

	Total amount	Amount used	Remaining availability
Corporation			
Term Revolving Facility	\$750.0 million	\$294.5 million	\$455.5 million
U.S. subsidiaries			
Senior Secured Revolving Facility	\$341.1 million (US\$250.0 million)	\$2.9 million (US\$2.2 million)	\$338.1 million (US\$247.8 million)

Interest rate risk

On February 28, 2026, all of the Corporation's long-term debt was at a fixed rate, except for the amounts drawn under the Term Revolving Facility and First Lien Credit Facilities, which are subject to floating interest rates.

To reduce the risk on the floating interest rate instruments and mitigate the impact of interest rate variations, the Corporation's U.S. subsidiary entered into fixed interest rate swap agreements. The following table shows the interest rate swaps outstanding at February 28, 2026:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate ⁽¹⁾	Maturity	Hedged item
Cash flow	US\$550 million	Term SOFR	3.82% - 4.18%	February 2027 - February 2029	Senior Secured Term Loan B - Tranche 3
Cash flow ⁽²⁾	US\$600 million	Term SOFR with a 39 bps floor	1.32% - 3.25%	October 2026 - August 2028	Senior Secured Term Loan B - Tranche 2

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

(2) In October 2025, US\$400 million interest rate swaps reached maturity and were partially replaced with new US\$200 million interest rate swaps, bringing the outstanding balance to US\$600 million. The new fixed interest rate swaps have a 3.25% interest rate and mature on August 31, 2028.

A 1% increase (decrease) in the interest rate applicable to the unhedged portion of the floating interest rate facilities would result in an increase (decrease) of approximately \$13.3 million in the Corporation's annual financial expense, based on the outstanding debt and swap agreements at February 28, 2026.

B) Fair value of financial instruments

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

	February 28, 2026		August 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
Notes and credit facilities	4,468,535	4,385,940	4,470,302	4,495,260

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C) Capital management

The Corporation's objectives in managing capital are to ensure sufficient liquidity to support the capital requirements of its various businesses, including development of the business by acquisition, internal growth opportunities and innovation. The Corporation manages its capital structure and makes adjustments in light of general economic conditions, the regulatory environment, the risk characteristics of the underlying assets and the Corporation's working capital requirements. Management of the capital structure involves the issuance of new debt, the repayment of existing debt, the issuance or repurchase of equity and distributions to shareholders.

The capital structure of the Corporation is composed of shareholders' equity, cash, bank indebtedness and long-term debt.

On February 28, 2026 and August 31, 2025, the Corporation was in compliance with all of its debt covenants and was not subject to any other externally imposed capital requirements.

The Corporation monitors and manages its capital structure using a number of measures, including the following key ratio:

As at, or for the 12-month periods ended	February 28, 2026	August 31, 2025
Components of debt ratio		
Net indebtedness ⁽¹⁾	4,551,591	4,527,171
Adjusted EBITDA ⁽¹⁾	1,412,499	1,442,645
Debt ratio		
Net indebtedness / adjusted EBITDA	3.2	3.1

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

Net indebtedness is a measure used by management to assess the Corporation's financial leverage, as it represents the debt net of the available unrestricted cash and cash equivalents. The reconciliation of net indebtedness to long-term debt is as follows:

	February 28, 2026	August 31, 2025
Long-term debt, including the current portion	4,555,582	4,554,401
Discounts, transaction costs and other	46,207	46,543
Long-term debt before discounts, transaction costs and other	4,601,789	4,600,944
Bank indebtedness	4,303	1,379
Cash	(54,501)	(75,152)
Net indebtedness	4,551,591	4,527,171

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16. Related party transactions

Management fees and other related party transactions

As of February 28, 2026, Cogeco held 28.4% of the Corporation's equity shares, representing 79.8% of the votes attached to the Corporation's voting shares.

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

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Management fees paid to Cogeco	6,014	4,921	12,028	9,843

No direct remuneration is payable to Cogeco's executive officers by the Corporation. The following table provides the number of stock options and PSUs granted during the six-month periods ended February 28, 2026 and 2025 to these executive officers, as executive officers of Cogeco Communications, the value of which was charged back to Cogeco:

<i>(In number of units)</i>	Six months ended February 28	
	2026	2025
Stock options	189,845	143,978
PSUs	24,679	89,991

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

	Three months ended February 28		Six months ended February 28	
	2026	2025	2026	2025
	\$	\$	\$	\$
Stock options	225	189	471	387
ISUs	19	31	46	71
PSUs	734	473	1,380	728
DSUs	27	37	110	73
	1,005	730	2,007	1,259

17. Contingencies

Class action proceedings

On September 20, 2024, an application seeking authorization to commence a class action against Cogeco Connexion was filed before the Superior Court of Québec. The application alleges that Cogeco Connexion breached Québec's *Consumer Protection Act* by failing to properly notify Québec-based residential customers of rate increases since September 20, 2021, and seeks reimbursement of the rate increases and punitive damages. On December 5, 2025, the Superior Court of Québec authorized the class action. We are vigorously defending against this action. Due to the significant uncertainty surrounding the outcome and its financial implications, the Corporation has not recorded any liability as at February 28, 2026.

Primary service units statistics

	February 28, 2026	November 30, 2025	August 31, 2025	May 31, 2025	February 28, 2025
CONSOLIDATED					
Homes passed ⁽¹⁾	3,945,898	3,926,982	3,922,760	3,907,649	3,896,949
Primary service units ⁽²⁾	2,794,210	2,818,088	2,836,254	2,845,656	2,862,759
Internet service subscribers	1,561,469	1,562,003	1,554,236	1,543,589	1,544,585
Video service subscribers	778,974	795,130	812,928	826,328	835,941
Wireline phone service subscribers	453,767	460,955	469,090	475,739	482,233
CANADA					
Homes passed	2,146,451	2,130,622	2,129,525	2,118,728	2,110,560
Primary service units ⁽²⁾	1,853,632	1,865,999	1,874,071	1,867,975	1,865,624
Internet service subscribers	951,718	947,079	938,166	921,178	911,749
Video service subscribers	557,097	567,941	578,761	586,069	590,269
Wireline phone service subscribers	344,817	350,979	357,144	360,728	363,606
UNITED STATES					
Homes passed ⁽¹⁾	1,799,447	1,796,360	1,793,235	1,788,921	1,786,389
Primary service units ⁽²⁾	940,578	952,089	962,183	977,681	997,135
Internet service subscribers	609,751	614,924	616,070	622,411	632,836
Video service subscribers	221,877	227,189	234,167	240,259	245,672
Wireline phone service subscribers	108,950	109,976	111,946	115,011	118,627

(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 was applied retrospectively to the comparative figures.

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