

Second Quarter Report

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Saskatchewan Telecommunications
Holding Corporation

Second Quarter Report 2025-26
For the Period Ended September 30, 2025

Saskatchewan Telecommunications Holding Corporation (the “Corporation”, or “SaskTel”) is a Saskatchewan Crown corporation. The Corporation’s wholly-owned subsidiaries (Saskatchewan Telecommunications and Saskatchewan Telecommunications International Inc.) offer a wide array of products, services, and solutions to customers in Saskatchewan and around the world. The Corporation has a workforce of approximately 3,200 full-time equivalent employees (FTEs), making the Corporation one of Saskatchewan’s largest employers.

Our purpose: “*We enrich everyday life. We empower people, organizations, and communities to reach their full potential.*”

Consolidated Highlights

FINANCIAL

Net Income	Revenue	Return on Equity	Capital Expenditures
\$40.8M	\$673.5M	7.3%	\$221.7M
(13.4%) vs. Q2 2024-25	+0.8% vs. Q2 2024-25	+0.1 percentage points vs. Q2 2024-25	+8.9% vs. Q2 2024-25

CUSTOMER CONNECTIONS

Broadband Internet	maxTV Service	Wireless	Fibre	Wireline Voice
+2.5%	(3.7%)	+2.3%	+11.7%	(5.2%)
Subscriber Growth yr/yr	Subscriber Decline yr/yr	Subscriber Growth yr/yr	Subscriber Growth yr/yr	Subscriber Decline yr/yr
September 2025 934,491 September 2024 912,080 March 2025 923,514	September 2025 106,171 September 2024 110,252 March 2025 107,554	September 2025 689,302 September 2024 673,843 March 2025 682,563	September 2025 228,465 September 2024 204,613 March 2025 215,982	September 2025 222,851 September 2024 235,064 March 2025 228,113

Consolidated Net Income

Millions of dollars	Three months ended September 30,				Six months ended September 30,			
	2025	2024	Change	% Change	2025	2024	Change	% Change
Revenue	\$339.2	\$337.9	\$1.3	0.4	\$673.5	\$667.9	\$5.6	0.8
Other income (loss)	1.8	(0.1)	1.9	<i>nmt</i> ¹	1.2	(0.3)	1.5	<i>nmt</i> ¹
Total revenue and other income (loss)	341.0	337.8	3.2	0.9	674.7	667.6	7.1	1.1
Expenses	302.3	300.3	2.0	0.7	611.9	600.0	11.9	2.0
Results from operating activities	38.7	37.5	1.2	3.2	62.8	67.6	(4.8)	(7.1)
Net finance expense	11.2	10.0	1.2	12.0	22.0	20.5	1.5	7.3
Net income	\$27.5	\$27.5	\$(0.0)	-	\$40.8	\$47.1	\$(6.3)	(13.4)

Net income for the six months ended September 30, 2025, was \$40.8 million, a decrease of \$6.3 million (13.4%) from the same period in 2024-25.

Revenue for the six months ended September 30, 2025, was \$673.5 million, an increase of \$5.6 million (0.8%) from the same period in 2024-25 primarily due to growth in wireless network services and equipment, fixed broadband and data services, and maxTV service, partially offset by reduced wireline communication services, customer premise equipment and other services.

Expenses for the six months ended September 30, 2025, were \$611.9 million, an increase of \$11.9 million (2.0%) from the same period in 2024-25. This increase was primarily due to increased depreciation, and salaries, wages and benefits.

Net finance expense for the six months ended September 30, 2025, was \$22.0 million, an increase of \$1.5 million (7.3%) over the same period in 2024-25.

Management's Discussion and Analysis

November 6, 2025

Forward-Looking Information

The following discussion focuses on the consolidated financial position and results of the operations of SaskTel for the six-month period ended September 30, 2025. This discussion and analysis should be read in conjunction with SaskTel's September 30, 2025 Interim Consolidated Financial Statements. Some sections of this discussion include forward-looking statements about SaskTel's corporate direction and financial objectives. A statement is forward-looking when it uses information known today to make an assertion about the future. Since these forward-looking statements reflect expectations and intentions at the time of writing, actual results could differ materially from those anticipated if known or unknown risks and uncertainties impact the business, or if estimates or assumptions turn out to be inaccurate. As a result, SaskTel cannot guarantee that any of the predictions forecasted by forward-looking

statements will occur. As well, forward-looking statements do not take into consideration the effect of transactions or non-recurring items announced or occurring subsequently. Therefore, SaskTel disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. For a full discussion of risk factors, please refer to Management's Discussion and Analysis in SaskTel's 2024-25 Annual Report.

These interim statements have been prepared in accordance with the International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

These interim statements have been approved by the SaskTel Board of Directors on November 6, 2025.

Results of Operations

Revenue

Millions of dollars	2025	2024	Change	% Change
Three months ended September 30,	\$339.2	\$337.9	\$1.3	0.4
Six months ended September 30,	673.5	667.9	5.6	0.8

Revenue for the second quarter of 2025-26 was \$339.2 million, a \$1.3 million (0.4%) increase from the same period in 2024-25.

Year-to-date revenue was \$673.5 million, a \$5.6 million (0.8%) increase year-over-year. The increase was due to increased wireless network services primarily due to higher wholesale revenues within wireless network services. The increase was supplemented by growth in fixed broadband and data services comprised of continued customer demand for higher bandwidth services and increased fibre accesses and growth in maxTV service due to plan restructuring. These were partially offset by lower wireline communication services due to the ongoing erosion of legacy voice revenues, decreased customer premise equipment and decreased customer contributions which are recorded in other services revenue.

Results of operations, continued

Expenses

Millions of dollars	2025	2024	Change	% Change
Three months ended September 30,	\$302.3	\$300.3	\$2.0	0.7
Six months ended September 30,	611.9	600.0	11.9	2.0

Expenses for the second quarter of 2025-26 were \$302.3 million, a \$2.0 million (0.7%) increase from the same period in 2024-25.

Year-to-date expenses were \$611.9 million, a \$11.9 million (2.0%) increase from the same period in 2024-25 due to increased depreciation of \$8.7 million due to increased wireless assets in service and investment in capital projects. Salaries and wages increased \$5.7 million due to economic increases and salary progression.

Net finance expense

Millions of dollars	2025	2024	Change	% Change
Three months ended September 30,	\$11.2	\$10.0	\$1.2	12.0
Six months ended September 30,	22.0	20.5	1.5	7.3

Net finance expense for the second quarter of 2025-26 was \$11.2 million, a \$1.2 million (12.0%) increase from the same period in 2024-25.

Year-to-date net finance expense was \$22.0 million, a \$1.5 million (7.3%) increase from the same period in 2024-25. Finance expenses increased by \$2.3 million due to higher net debt. This was partially offset by increased finance income of \$0.8 million due to higher sinking fund earnings and increased interest income.

Financial Condition

Changes in the Corporation's assets, liabilities, and equity from March 31, 2025 to September 30, 2025, are discussed below:

Millions of dollars	Increase (decrease)	Explanation
Assets		
Cash	\$(21.6)	See Interim Condensed Consolidated Statement of Cash Flows
Trade and other receivables	9.3	Timing of non-customer related receivables
Inventories	(14.7)	Timing of receipt of devices and device sales
Prepaid expenses	(1.3)	No significant change
Contract assets	(12.1)	Amortization of existing contracts offset by new contracts
Contract costs	(3.8)	No significant change
Property, plant and equipment	94.3	Capital spending primarily on wireless and fibre projects partially offset by depreciation, retirements, and disposals
Right-of-use assets	9.1	New vehicles and towers offset by accumulated depreciation
Intangible assets	4.5	No significant change
Sinking funds	15.2	Installments and earnings partially offset by valuation adjustments
Other assets	(1.2)	No significant change
Liabilities and Province's Equity		
Bank indebtedness	10.3	See Interim Condensed Consolidated Statement of Cash Flows
Trade and other payables	10.7	Timing of payments for operations and capital spending
Accrued interest	0.8	No significant change
Dividend payable	4.2	No significant change
Notes payable	(99.9)	Repayment of notes payable due to issuance of long-term debt
Contract liabilities	1.1	No significant change
Lease liabilities	9.0	New vehicle and tower leases
Other liabilities	(0.1)	No significant change
Deferred income – government funding	25.7	Increased funding received for Northern broadband projects
Long-term debt	99.3	New debt issuance
Employee benefit obligations	(0.6)	No significant change
Accumulated other comprehensive income	(3.6)	See Interim Condensed Consolidated Statement of Income and Other Comprehensive Income (Loss)
Retained earnings	20.6	Net income less dividends declared

Cash Flows

Cash provided by operating activities

Millions of dollars	2025	2024	Change	% Change
Six months ended September 30,	\$193.2	\$224.0	\$(30.8)	(13.8)

Cash provided by operating activities for the six months ended September 30, 2025, was \$193.2 million, a decrease of \$30.8 million (13.8%) compared to the same period in 2024-25, primarily due to increased working capital requirements.

Cash used in investing activities

Millions of dollars	2025	2024	Change	% Change
Six months ended September 30,	\$190.8	\$205.6	\$(14.8)	(7.2)

Cash used in investing activities for the six months ended September 30, 2025, was \$190.8 million, a decrease of \$14.8 million (7.2%) from the same period in 2024-25 due to increased government funding.

Cash used in financing activities

Millions of dollars	2025	2024	Change	% Change
Six months ended September 30,	\$34.3	\$16.1	\$18.2	113.0

Cash used in financing activities for the six months ended September 30, 2025 was \$34.3 million, an increase of \$18.2 million (113.0%) from the same period in 2024-25 primarily due to repayment of notes payable.

Capital Resource Ratio

Debt ratio

	September 30, 2025	March 31, 2025	Change
Debt ratio	56.4%	56.5%	(0.1)

The debt ratio decreased to 56.4%, a decrease of 0.1 percentage points from March 31, 2025. The overall level of net debt increased by \$16.1 million during the period due to new debt issuances offset by decreased notes payable and increased sinking funds.

Equity increased \$17.0 million for the six months ending September 30, 2025, after recording a net income of \$40.8 million, other comprehensive loss of (\$3.6) million, and declared dividends of \$20.1 million.

The debt ratio is calculated as net debt divided by end-of-period capitalization. Net debt is defined as total debt, including total long-term debt, notes payable, and bank indebtedness, excluding lease liabilities, less sinking funds, and cash. Capitalization includes net debt, equity advances, accumulated other comprehensive income and retained earnings at the period end.

Capital Expenditures

Millions of dollars	2025	2024	Change	% Change
Property, plant and equipment	\$204.8	\$181.4	\$23.4	12.9
Intangible assets	16.9	22.2	(5.3)	(23.9)
Six months ended September 30,	\$221.7	\$203.6	\$18.1	8.9

Total capital expenditures for the six months ended September 30, 2025, were \$221.7 million, an increase of \$18.1 million (8.9%) from the same period in 2024-25.

Spending on property, plant and equipment for the six months ended September 30, 2025, was \$204.8 million, an increase of \$23.4 million (12.9%) from the same period in 2024-25. The increase was due to ongoing investment in the Corporation's fibre infrastructure, partially offset by lower spending on the 5G network build. Spending on intangible assets was \$16.9 million, a decrease of \$5.3 million (23.9%) from the same period in 2024-25 due to decreased spending on spectrum licenses partially offset by increased spending on assets under development.

At the end of the second quarter of 2025-26, SaskTel implemented 113 additional 5G sites, bringing the total number of sites to 823. The company continued work on phases 5 and 6 of the Fibre to the -X program which focuses on expanding SaskTel's Fibre footprint and proceeded with upgrades and expansion of wireless and broadband services in the far north with support from the Universal Broadband Fund. These upgrades ensure access to advanced technologies such as 5G and fibre optic internet across Saskatchewan, supporting economic growth in both urban and remote areas.

2025-26 Outlook

SaskTel had a consolidated net income target for the fiscal year ended March 31, 2026 of \$100.6 million. At this time, SaskTel believes it will meet its target.

Risk Assessment

SaskTel's 2025-26 Strategic Plan outlines the key strategic and core business risks and uncertainties which may inhibit SaskTel from achieving the Strategic Themes within the plan including – deliver valuable customer experiences, insights and outcomes, drive sustainable growth through innovation, engage and invest in our people and communities, build and expand network capabilities and simplify and automate the business.

The Key Strategic Risks associated with the company's business environment include the following areas: competitiveness, regulatory considerations, and alliances and partnerships. Core Business Risks are risks associated with the execution of SaskTel's business functions including the following areas: networks, systems, physical infrastructure, and cybersecurity.

A strong governance process for enterprise risk management is in place. This is an iterative process designed to identify, evaluate, mitigate and control, report, monitor, and assess key corporate risks. As of September 30, 2025, SaskTel's key risk profile remains unchanged from that disclosed in its annual report dated March 31, 2025.

Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statement of Income and Other Comprehensive Income (Loss)

(Unaudited)

Thousands of dollars	Note	Three months ended September 30,		Six months ended September 30,	
		2025	2024 (adjusted - Note 2)	2025	2024 (adjusted - Note 2)
Revenue	3	\$339,184	\$337,862	\$673,521	\$667,919
Other income (loss)		1,752	(90)	1,186	(290)
Total revenue and other loss		340,936	337,772	674,707	667,629
Expenses					
Goods and services purchased		148,182	152,725	295,621	299,033
Salaries, wages and benefits		84,775	83,125	175,304	169,557
Depreciation - property, plant & equipment	5	53,942	49,032	106,347	96,906
Depreciation - right-of-use assets		2,086	1,866	4,223	3,568
Amortization	6	6,089	6,926	12,377	13,744
Saskatchewan taxes		7,262	6,627	18,078	17,178
Total expenses		302,336	300,301	611,950	599,986
Results from operating activities		38,600	37,471	62,757	67,643
Net finance expense	4	11,167	9,967	21,994	20,545
Net income		27,433	27,504	40,763	47,098
Other comprehensive income (loss)					
Items that will be reclassified to net income					
Unrealized gains (losses) on sinking funds		901	5,297	(1,336)	5,390
Items that will never be reclassified to net income					
Net actuarial losses on employee benefit obligations	8	(1,133)	(1,210)	(2,266)	(2,418)
Total other comprehensive income (loss)		(232)	4,087	(3,602)	2,972
Total comprehensive income		\$27,201	\$31,591	\$37,161	\$50,070

All net income and total comprehensive income are attributable to Crown Investments Corporation of Saskatchewan (CIC).

See Accompanying Notes

Condensed Consolidated Interim Statement of Changes in Equity

Thousands of dollars	Equity advances	Accumulated other comprehensive income	Retained earnings	Total equity
Balance at April 1, 2025	\$237,000	\$86,473	\$1,028,317	\$1,351,790
Net income	-	-	40,763	40,763
Other comprehensive loss	-	(3,602)	-	(3,602)
Total comprehensive income (loss)	-	(3,602)	40,763	37,161
Dividends declared	-	-	(20,120)	(20,120)
Balance at September 30, 2025	\$237,000	\$82,871	\$1,048,960	\$1,368,831

Balance at April 1, 2024	\$237,000	\$86,863	\$978,992	\$1,302,855
Net income	-	-	47,098	47,098
Other comprehensive income	-	2,972		2,972
Total comprehensive income	-	2,972	47,098	50,070
Dividends declared	-	-	(19,200)	(19,200)
Balance at September 30, 2024	\$237,000	\$89,835	\$1,006,890	\$1,333,725

See Accompanying Notes

Condensed Consolidated Interim Statement of Financial Position

(Unaudited)

As at		September 30,	March 31,
Thousands of dollars	Note	2025	2025
Assets			
Current assets			
Cash		\$ -	\$21,641
Trade and other receivables		218,030	208,725
Inventories		29,509	44,194
Prepaid expenses		58,743	60,049
Contract assets		68,492	74,670
Contract costs		20,706	21,734
Current portion of sinking funds		8,266	8,193
Total current assets		403,746	439,206
Contract assets		21,949	27,855
Contract costs		40,937	43,744
Property, plant and equipment	5	2,597,695	2,503,359
Right-of-use assets		53,572	44,474
Intangible assets	6	395,399	390,947
Sinking funds		172,761	157,624
Other assets		10,705	11,950
Total assets		\$3,696,764	\$3,619,159
Liabilities and Province's equity			
Current liabilities			
Bank indebtedness		\$10,284	\$ -
Trade and other payables		170,999	\$160,318
Accrued interest		18,669	17,889
Dividend payable		10,060	5,883
Notes payable		114,100	213,972
Contract liabilities		57,644	56,486
Current portion of long-term debt		50,000	50,000
Lease liabilities		9,015	7,932
Other liabilities		2,681	2,770
Total current liabilities		443,452	515,250
Contract liabilities		164	179
Deferred income – government funding		43,517	17,782
Long-term debt	7	1,780,154	1,680,869
Lease liabilities		46,980	39,023
Employee benefit obligations		7,422	8,070
Provisions		6,244	6,196
Total liabilities		2,327,933	2,267,369
Province of Saskatchewan's equity			
Equity advance		237,000	237,000
Accumulated other comprehensive income		82,871	86,473
Retained earnings		1,048,960	1,028,317
Total equity		1,368,831	1,351,790
Total liabilities and equity		\$3,696,764	\$3,619,159

See Accompanying Notes

Condensed Consolidated Interim Statement of Cash Flows

		(Unaudited)	
		Six months ended September 30,	
		2025	2024
Thousands of dollars	Note		(adjusted - Note 2)
Operating activities			
Net income		\$40,763	\$47,098
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	5, 6	122,947	114,218
Net finance expense	4	21,994	20,545
Interest paid		(33,769)	(32,253)
Interest received		3,721	3,371
Other		4,671	6,419
Net change in non-cash working capital	10	32,849	64,568
Cash flows provided by operating activities		193,176	223,966
Investing activities			
Property, plant and equipment expenditures		(198,936)	(186,456)
Intangible assets expenditures		(16,863)	(20,406)
Net proceeds on disposal of assets		1,896	1,220
Government funding - capital projects		23,116	-
Cash flows used in investing activities		(190,787)	(205,642)
Financing activities			
Proceeds from long-term debt	7	99,329	98,014
Repayment of long-term debt		-	(50,004)
Repayment of notes payable		(99,872)	(32,960)
Payment of lease liabilities		(4,278)	(3,152)
Sinking fund redemptions		-	4,634
Sinking fund instalments		(13,550)	(13,550)
Dividends paid		(15,943)	(19,049)
Cash flows used in financing activities		(34,314)	(16,067)
Increase (decrease) in cash		(31,925)	2,257
Cash (bank indebtedness), beginning of period		21,641	(2,469)
Bank indebtedness, end of period		\$(10,284)	\$(212)

See Accompanying Notes

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 1 – General information

Saskatchewan Telecommunications Holding Corporation (the “Corporation”) is a corporation located in Canada. The address of the Corporation’s registered office is 2121 Saskatchewan Drive, Regina, SK, S4P 3Y2. The Corporation is a Saskatchewan Provincial Crown corporation operating under the authority of *The Saskatchewan Telecommunications Holding Corporation Act* and, as such, the Corporation and its wholly owned subsidiaries are not subject to Federal or Provincial income taxes in Canada.

By virtue of *The Crown Corporations Act, 1993*, the Corporation has been designated as a subsidiary of Crown Investments Corporation of Saskatchewan (“CIC”). Accordingly, the financial results of the Corporation are included in the consolidated financial statements of CIC, a Provincial Crown corporation.

One of the Corporation’s subsidiaries, Saskatchewan Telecommunications is regulated by the Canadian Radio-television and Telecommunications Commission (“CRTC”) under the *Telecommunications Act* (Canada).

The Corporation markets and supplies a range of wireless, voice, entertainment, internet, data, equipment, marketing, security, software products, and consulting services.

Note 2 – Basis of presentation

Statement of compliance

These unaudited condensed consolidated financial statements (the interim financial statements) have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*. These interim financial statements do not include all of the disclosures included in the Corporation’s annual consolidated financial statements. The accounting policies used in the preparation of these interim financial statements conform with those used in the Corporation’s most recent annual consolidated financial statements. Accordingly, these interim financial statements should be read in conjunction with the Corporation’s most recent annual consolidated financial statements.

These interim financial statements were approved by the Corporation’s Board of Directors on November 6, 2025.

Functional and presentation currency

These interim financial statements are presented in Canadian dollars, which is the Corporation’s functional currency.

Basis of measurement

The interim financial statements have been prepared on the historical cost basis except for the following:

- Fair value through other comprehensive income financial instruments and fair value through profit and loss financial instruments are measured at fair value, and
- Employee benefit obligations are recognized as the fair value of the plan assets less the present value of the accrued benefit obligation.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 2 – Basis of presentation, continued

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS Accounting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and assumptions are based on several factors, including historical experience, current events, and actions that the Corporation may undertake in the future, and other assumptions that the Corporation believes are reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the interim financial statements includes the following:

- Revenue recognition,
- Classification of intangible assets – indefinite life, and
- Classification of financial instruments.

Assumptions and estimation uncertainties that have a risk of resulting in a material adjustment within the next financial year includes the following:

- Revenue recognition,
- Useful lives and depreciation rates for property, plant and equipment and right-of-use assets,
- Useful lives and amortization rates for intangible assets, and
- The measurement of employee benefit obligations.

Comparative information

The Corporation reclassified comparative figures for the period ended September 30, 2024 to correct an immaterial statement of cash flows misstatement resulting in an decrease in cash flows used in investing activities and a decrease in cash flows provided by operating activities of \$0.8 million. The reclassification had no impact on the ending balance of bank indebtedness as at September 30, 2024.

The Corporation reclassified comparative figures for the period ended September 30, 2024 to correct an immaterial statement of income and other comprehensive loss misstatement resulting in a decrease in revenue and goods and services purchased. The amounts of reclassification was \$0.3 million for the three-month and \$1.8 million for the six month periods ended September 30, 2024. The reclassification had no impact on equity or net income as at and for the periods ended September 30, 2024.

Application of new IFRS Standards, and amendments to standards and interpretations

The Corporation adopted the following accounting amendment that was effective for our interim and annual consolidated financial statements commencing April 1, 2025. The adoption of this standard has not had a material impact on the Corporation's financial results and financial position.

- Lack of exchangeability (Amendments to IAS 21, *The Effect of Changes in Foreign Exchange Rates*).

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 2 – Basis of presentation, continued

New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards were issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC). These include:

IFRS 9, Financial Instruments

Amendments to IFRS 9 clarify when to recognize or derecognize a financial asset or a financial liability. Amendments are expected to improve consistent application, making financial information more comparable between companies.

This standard will be effective for the Corporation's fiscal year beginning April 1, 2026.

The Corporation is currently evaluating the impact of the amendments to IFRS 9 on the financial statements.

IFRS 18, Presentation and Disclosure of Financial Statements

IFRS 18 will replace IAS 1, Presentation of Financial Statements. The new standard introduces the following new key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal and a new subtotal required for profit or loss before financing and income tax. Entities' net profit will not change.
- Management-defined performance measures are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

This standard will be effective for the Corporation's fiscal year beginning April 1, 2027.

The Corporation is currently evaluating the impact of IFRS 18 on the financial statements.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 3 – Revenue from contracts with customers

Thousands of dollars	Three months ended September 30,		Six months ended September 30,	
	2025	2024 (adjusted - Note 2)	2025	2024 (adjusted - Note 2)
Revenue				
Wireless network services and equipment	\$165,953	\$165,226	\$328,518	\$322,597
Fixed broadband and data services	82,951	80,071	165,038	158,798
Wireline communication services	34,376	36,593	69,121	73,858
maxTV services	25,743	23,874	51,868	47,997
Security monitoring services	8,781	8,751	17,569	17,324
IT solutions services	5,178	4,779	9,870	9,431
Marketing services	4,412	4,891	9,303	9,955
Other services	3,624	4,868	7,929	9,758
Customer premise equipment	4,504	4,660	7,758	10,251
International software and consulting services	3,662	4,149	6,547	7,950
Total revenue	\$339,184	\$337,862	\$673,521	\$667,919

Note 4 – Net finance expense

Thousands of dollars	Three months ended September 30,		Six months ended September 30,	
	2025	2024	2025	2024
Net finance expense				
Interest on long-term debt	\$16,204	\$14,708	\$32,221	\$28,694
Interest on short-term debt	720	1,224	1,362	2,889
Interest capitalized	(1,802)	(1,818)	(3,554)	(3,600)
Interest on lease liabilities	490	356	923	690
Accretion expense	55	59	109	118
Finance expense	15,667	14,529	31,061	28,791
Sinking fund earnings	(1,535)	(1,601)	(2,998)	(2,392)
Net interest on defined benefit liability	(1,174)	(1,242)	(2,348)	(2,483)
Interest income	(1,791)	(1,719)	(3,721)	(3,371)
Finance income	(4,500)	(4,562)	(9,067)	(8,246)
Total net finance expense	\$11,167	\$9,967	\$21,994	\$20,545
Interest capitalization rate			3.45%	3.46%

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 5 – Property, plant and equipment

Thousands of dollars	Plant and equipment	Buildings and improvements	Office furniture and equipment	Plant under construction	Land	Total
Cost						
Balance at April 1, 2025	\$4,228,472	\$717,470	\$132,596	\$196,468	\$42,147	\$5,317,153
Additions	34,333	-	7,258	163,166	14	204,771
Transfers	150,954	20,174	199	(171,280)	(47)	-
Retirements, disposals and adjustments	(62,135)	(3,188)	(14,349)	-	-	(79,672)
Balance at September 30, 2025	\$4,351,624	\$734,456	\$125,704	\$188,354	\$42,114	\$5,442,252
Balance at April 1, 2024	\$4,158,191	\$694,464	\$125,470	\$124,739	\$41,956	\$5,144,820
Additions	69,325	-	30,308	263,140	191	362,964
Transfers	164,968	26,186	257	(191,411)	-	-
Retirements, disposals and adjustments	(164,012)	(3,180)	(23,439)	-	-	(190,631)
Balance at March 31, 2025	\$4,228,472	\$717,470	\$132,596	\$196,468	\$42,147	\$5,317,153
Accumulated depreciation						
Balance at April 1, 2025	\$2,478,649	\$272,557	\$62,588	\$ -	\$ -	\$2,813,794
Depreciation	84,802	9,631	11,914	-	-	106,347
Retirements, disposals and adjustments	(59,804)	(1,557)	(14,223)	-	-	(75,584)
Balance at September 30, 2025	\$2,503,647	\$280,631	\$60,279	\$ -	\$ -	\$2,844,557
Balance at April 1, 2024	\$2,478,980	\$256,137	\$62,227	\$ -	\$ -	\$2,797,344
Depreciation	156,251	18,509	23,769	-	-	198,529
Retirements, disposals and adjustments	(156,582)	(2,089)	(23,408)	-	-	(182,079)
Balance at March 31, 2025	\$2,478,649	\$272,557	\$62,588	\$ -	\$ -	\$2,813,794
Carrying amounts						
At April 1, 2025	\$1,749,823	\$444,913	\$70,008	\$196,468	\$42,147	\$2,503,359
At September 30, 2025	\$1,847,977	\$453,825	\$65,425	\$188,354	\$42,114	\$2,597,695
At April 1, 2024	\$1,679,211	\$438,327	\$63,243	\$124,739	\$41,956	\$2,347,476
At March 31, 2025	\$1,749,823	\$444,913	\$70,008	\$196,468	\$42,147	\$2,503,359

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 6 – Intangible assets

Thousands of dollars	Software	Spectrum licences	Under development	Total
Cost				
Balance at April 1, 2025	\$180,621	\$287,249	\$30,233	\$498,103
Acquisitions	2,455	235	10,963	13,653
Acquisitions – internally developed	2,814	-	454	3,268
Transfers	1,089	-	(1,089)	-
Retirements, disposals and adjustments	(14,362)	-	-	(14,362)
Balance at September 30, 2025	\$172,617	\$287,484	\$40,561	\$500,662
Balance at April 1, 2024	\$219,992	\$274,374	\$26,825	\$521,191
Acquisitions	11,356	12,875	7,864	32,095
Acquisitions – internally developed	2,288	-	1,195	3,483
Transfers	3,311	-	(3,311)	-
Retirements, disposals and adjustments	(56,326)	-	(2,340)	(58,666)
Balance at March 31, 2025	\$180,621	\$287,249	\$30,233	\$498,103
Accumulated amortization				
Balance at April 1, 2025	\$107,156	\$ -	\$ -	\$107,156
Amortization	12,377	-	-	12,377
Retirements, disposals and adjustments	(14,270)	-	-	(14,270)
Balance at September 30, 2025	\$105,263	\$ -	\$ -	\$105,263
Balance at April 1, 2024	\$134,819	\$ -	\$ -	\$134,819
Amortization	28,022	-	-	28,022
Retirements, disposals and adjustments	(55,685)	-	-	(55,685)
Balance at March 31, 2025	\$107,156	\$ -	\$ -	\$107,156
Carrying amounts				
At April 1, 2025	\$73,465	\$287,249	\$30,233	\$390,947
At September 30, 2025	\$67,354	\$287,484	\$40,561	\$395,399
At April 1, 2024	\$85,173	\$274,374	\$26,825	\$386,372
At March 31, 2025	\$73,465	\$287,249	\$30,233	\$390,947

Note 7 – Long-term debt

On April 1, 2025, the Corporation issued \$100.0 million of long-term debt at a discount of \$0.7 million through the Saskatchewan Ministry of Finance. The debt issue has a coupon rate of 3.80%, an effective interest rate of 3.88%, and matures on June 2, 2060.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 8 – Employee benefit obligations

Other comprehensive income (loss) results, in part, from changes to actuarial assumptions related to the assets and liabilities of the Corporation's employee benefit plan, specifically the discount rate used to calculate the liabilities of the employee defined benefit plan and changes in the fair value of the employee benefit defined plan assets resulting from differences in the actual versus estimated return on these assets. The discount rates used are as follows:

	2025/2026	2024/2025
June 30	4.60%	5.00%
September 30	4.50%	4.50%
December 31	n/a	4.60%
March 31	n/a	4.50%

In addition to the other comprehensive loss impact detailed below, these assumption changes, combined with pension income and benefits paid for the period, have resulted in a net decrease in the employee benefit obligations for the period which has been partially offset by the impact of the asset ceiling limit.

	Six months ended September 30,	
Thousands of dollars	2025	2024
Actuarial gain on accrued benefit obligation	\$ -	\$(19,831)
Actuarial gain on plan assets	(15,173)	22,936
Effect of asset ceiling limit	12,907	(5,523)
Net actuarial losses on employee benefit obligations	\$(2,266)	\$(2,418)

Note 9 – Capital management

The Corporation does not have share capital. However, the Corporation has received advances from CIC to form its equity capitalization. The advances are an equity investment in the Corporation by CIC.

Due to its ownership structure, the Corporation has no access to capital markets for internal equity. Equity advances in the Corporation are determined by the shareholder on an annual basis. Dividends to CIC are determined through the Saskatchewan Provincial budget process on an annual basis.

The Corporation closely monitors its debt level utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in a corporation's capital structure. The Corporation uses this measure in assessing the extent of financial leverage and in turn, its financial flexibility. Too high a ratio relative to target indicates an excessive debt burden that may impair the Corporation's ability to withstand downturns in revenue and still meet fixed payment obligations. The ratio is calculated as net debt divided by capitalization at the end of the period.

The Corporation reviews the debt ratio targets of all its subsidiaries on an annual basis to ensure consistency with industry standards. This review includes subsidiary corporations' plans for capital expenditures. The target debt ratios for subsidiaries are approved by their Boards. The Corporation uses targeted debt ratios to compile a weighted average debt to equity ratio for the consolidated entity. The budgeted ratio for 2025-26 is 55.6%.

The Corporation raises most of its capital requirements through internal operating activities, short-term debt, and long-term debt through the Saskatchewan Ministry of Finance. This type of borrowing allows the Corporation to take advantage of the Province of Saskatchewan's strong credit rating and receive financing at attractive interest rates.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 9 – Capital management, continued

The Corporation made no changes to its approach to capital management during the period.

The Corporation is not subject to any externally imposed capital requirements.

The debt ratio is as follows:

As at	September 30,	March 31,
Thousands of dollars	2025	2025
Long-term debt	\$1,830,154	\$1,730,869
Notes payable	114,100	213,972
Bank indebtedness	10,284	-
Less: Sinking funds	181,027	165,817
Cash	-	21,641
Net debt	1,773,511	1,757,383
Province of Saskatchewan's equity	1,368,831	1,351,790
Capitalization	\$3,142,342	\$3,109,173
Debt ratio	56.4%	56.5%

Note 10 – Non-cash working capital changes

	Six months ended September 30,	
Thousands of dollars	2025	2024 (adjusted - Note 2)
Net change in non-cash working capital balances related to operations		
Trade and other receivables	(9,305)	\$37,735
Inventories	14,685	13,675
Prepaid expenses	1,306	(1,524)
Contract assets	12,084	8,457
Contract costs	3,835	3,267
Trade and other payables	4,788	8,002
Contract liabilities	1,143	(4,887)
Other liabilities	4,495	(100)
Other	(182)	(57)
Total net change in non-cash working capital balances related to operations	\$32,849	\$64,568

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 11 – Financial risk management

The Corporation is exposed to fluctuations in foreign exchange rates and interest rates, as well as credit and liquidity risk. The Corporation utilizes a number of financial instruments to manage these exposures. The Corporation mitigates the risk associated with these financial instruments through Board-approved policies, limits on use and amount of exposure, internal monitoring, and compliance reporting to senior management and the Board. The Corporation does not actively trade financial instruments.

Market risks

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates, and equity prices. These risks have not changed significantly from the prior period.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk relates to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Corporation does not have material concentrations of credit risk. Current credit risk relates to trade and other receivables, including device financing receivables, unbilled revenue, and interest receivable, as well as contract assets and sinking funds.

Fair value

Fair values are approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics, such as risk, principal, and remaining maturities. Fair values are estimates using present value and other valuation techniques which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates that reflect varying degrees of risk. Therefore, due to the use of judgment and future-oriented information, aggregate fair value amounts should not be interpreted as being realizable in an immediate settlement of the instruments.

As at			Fair value hierarchy	September 30, 2025		March 31, 2025	
				Carrying amount	Fair value	Carrying amount	Fair value
Thousands of dollars							
Financial assets							
Sinking funds	FVOCI (a)	Level 2		\$ 181,027	\$ 181,027	\$ 165,817	\$ 165,817
Financial liabilities							
Long-term debt	Amortized cost	Level 2		\$ 1,830,154	\$ 1,614,795	\$ 1,730,869	\$ 1,552,353
Derivative financial instruments							
Foreign exchange derivative asset	FVTPL (b)	Level 2		\$ 140	\$ 140	\$ 783	\$ 783

- (a) FVOCI – fair value through other comprehensive income
(b) FVTPL – fair value through profit or loss

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

As at and for the six months ended September 30, 2025

Note 11 – Financial risk management, continued

Fair value hierarchy

For financial instruments, fair value is best evidenced by an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available, representing regularly occurring transactions. Accordingly, the determination of fair value requires judgment and is based on market information where available and appropriate. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation.

Level 1 – Where quoted prices are readily available from an active market.

Level 2 – Valuation model not using quoted prices, but still using predominantly observable market inputs, such as market interest rates.

Level 3 – Where valuation is based on unobservable inputs.

Financial instruments measured at amortized cost

The carrying values of cash, bank indebtedness, trade and other receivables, trade and other payables, accrued interest, and notes payable approximate their fair values due to the short-term maturity of these financial instruments.

The fair value of long-term debt is determined by the present value of future cash flows, discounted at the market rate of interest for the equivalent Province of Saskatchewan debt instruments.

Financial instruments measured at fair value through other comprehensive income

The fair value of sinking funds, classified as fair value through OCI, is determined by management using information provided by the Saskatchewan Ministry of Finance. To the extent possible, valuations reflect secondary pricing for these securities. There were no financial instruments measured at fair value using Level 3 inputs and no items transferred between levels in either the current year or the prior year.

Financial instruments measured at fair value through profit and loss

The fair value of foreign exchange derivative asset, classified as fair value through profit and loss, is determined using independent pricing information from external market providers. The contracted cash flows are discounted using observable yield curves.