

**Form 51-102F3**  
**Material Change Report**

**Item 1          Name and Address of Company**

TERAGO Inc. (“**TERAGO**” or the “**Company**”)  
55 Commerce Valley Drive West  
Suite 800  
Thornhill, ON L3T 7V9

**Item 2          Date of Material Change**

May 29, 2024

**Item 3          News Release**

The press release attached as Schedule “A” was disseminated through CNW Group on June 7, 2024 with respect to the material change.

**Item 4          Summary of Material Change**

On May 29, 2024, as per the terms of a First Amendment to Credit and Guaranty Agreement (the “**Amending Agreement**”), the Company and Crowdout Capital LLC (“**Crowdout**”) amended certain terms of the previously executed Credit and Guaranty Agreement (the “**Credit Agreement**”) dated September 29, 2022. In connection with the Amending Agreement, subject to Toronto Stock Exchange (the “**TSX**”) approval, the Company has agreed to issue 54,100 common share purchase warrants (each, a “**Warrant**”, and collectively, the “**Warrants**”) to Cymbria Corporation (“**Cymbria**”), on substantially similar terms to the common share purchase warrants previously issued to Crowdout under the terms of the Credit Agreement (the “**Private Placement**”).

**Item 5          Full Description of Material Change**

*5.1          Full Description of Material Change*

On May 29, 2024, as per the terms of the Amending Agreement, the Company and Crowdout amended certain terms of the previously executed Credit Agreement.

The Amending Agreement served to: (i) add Cymbria to the syndicate of lenders under the Credit Agreement, and (ii) make certain other clarifying amendments to the conditions and covenants of the Credit Agreement.

In connection with the Amending Agreement, and Cymbria’s participation thereunder, subject to TSX Approval, the Company will issue 54,100 Warrants to Cymbria, on similar terms to the

common share purchase warrants previously issued to Crowdout under the terms of the Credit Agreement. Each Warrant, entitles Cymbria to subscribe for and purchase, one fully paid common share in the capital of the Company (each, a “**Common Share**”) at a price per Common Share of \$4.43 until 5:00 p.m. (Toronto time) on September 29, 2027. 21,640 Warrants are vested and shall be exercisable immediately upon issuance of the Warrants. The remaining 32,460 Warrants shall vest and become exercisable by Cymbria upon the advance by Cymbria of the second term loan to the Company made pursuant to the terms of the Credit Agreement, as amended by the Amending Agreement.

As a result of the Amending Agreement, the equivalent amount of previously issued common share purchase warrants to Crowdout shall remain unvested and unable to be exercised.

Although Cymbria is a related party to the Company, the Company is relying on the formal valuation and minority approval exemptions available to the Company pursuant to Sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as their participation as a lender under the Credit Agreement (including the receipt of Warrants) is less than twenty-five (25%) percent of the Company’s market capitalization as of the date of the Amending Agreement.

Prior to the Private Placement, Cymbria held 4,706,715 Common Shares (representing 23.67% of the issued and outstanding Common Shares) and nil Warrants. After the completion of the Private Placement, Cymbria will hold, 4,706,715 Common Shares (representing 23.67% of the issued and outstanding Common Shares) and 54,100 Warrants (representing 20% of the issued Warrants).

The Company did not file a material change report more than 21 days before the execution of the Amending Agreement as the participation therein by related party was not settled until shortly prior to signing.

The Amending Agreement was approved by the members of the board of directors of the Company. The Company has filed the First Amendment to Credit and Guaranty Agreement, and it is now available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## 5.2 *Disclosure for Restructuring Transactions*

Not applicable.

### **Item 6            Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

### **Item 7            Omitted Information**

Not applicable.

**Item 8            Executive Officer**

The following executive officer of the Company is knowledgeable about the material change and may be contacted about this report:

Rajneesh Sapra  
Chief Financial Officer  
(905) 326 - 4217

**Item 9            Date of Report**

June 7, 2024

## Schedule “A”



# TERAGO and CrowdOut Capital amend certain terms of Credit Agreement

**TORONTO – June 7, 2024 – TERAGO Inc. (“TERAGO” or the “Company”)**, today announced it and CrowdOut Capital LLC (“**CrowdOut**”) have amended certain terms of the credit agreement entered into between, inter alios, CrowdOut and the Company as of September 29, 2022 (the “**Credit Agreement**”) (as amended by that certain First Amendment to Credit and Guaranty Agreement dated as of May 29, 2024) (the “**Amending Agreement**”) relating to the Company’s secured debt facility, and have added Cymbria Corporation (“**Cymbria**”) as an additional lender to the syndicate as per the Amending Agreement, while maintaining consistency with the initial framework of the Credit Agreement.

The Company has filed the Amending Agreement, which is now available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **About TERAGO**

TERAGO provides managed wireless and wireline connectivity and private 5G wireless networking services to businesses operating across Canada. As Canada’s biggest mmWave spectrum holders, the Company possesses exclusive spectrum licenses in the 24 GHz and 38 GHz spectrum bands, which it utilizes to provide secure, dedicated SLA guaranteed enterprise grade performance that is technology diverse from buried cables ensuring high availability connectivity services. TERAGO serves over 1,900 Canadian and Global businesses operating in major markets across Canada, including Toronto, Montreal, Calgary, Edmonton, Vancouver, Ottawa and Winnipeg, and has been providing wireless services since 1999. For more information about TERAGO, please visit [www.terago.ca](http://www.terago.ca).

For further information, please contact:  
Daniel Vucinic Chief Executive Officer  
Email: [investor@terago.ca](mailto:investor@terago.ca)

### **Forward-Looking Statements**

This news release may contain words considered forward-looking statements or information under applicable securities laws, including but not limited to the receipt of TSX approval. These statements are based on TERAGO’s current expectations, estimates, forecasts and projections about the operating environment, economies, and markets in which the Company operates. These statements are subject to important assumptions, numerous risks and uncertainties that are difficult to predict, and the actual outcome may be materially different. TERAGO’s assumptions, although considered reasonable by the Company at the date of this press release, may prove to be inaccurate and consequently, its actual results could differ materially from the expectations set out herein. For additional information with respect to risks and other factors which could occur, see TERAGO’s securities filings with the OSC and other securities regulators. TERAGO’s securities filings are available on [www.sedarplus.ca](http://www.sedarplus.ca) under the Company’s corporate profile. Unless otherwise required by applicable Canadian securities laws, TERAGO does not intend, and disclaims any obligation, to update or revise any forward-looking statements whether in words, oral or written as a result of new information, future events or otherwise.