

**Management's Discussion and Analysis**  
Quarter and Nine Months Ended September 30, 2025

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS**

*The following management's discussion and analysis of financial condition and results of operations (the "MD&A") is intended to help the reader understand the results of operations and financial condition of TERAGO Inc and should be read in conjunction with our unaudited interim condensed consolidated financial statements for the quarter and nine months ended September 30, 2025, and the notes thereto, which we prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). This MD&A should also be read in conjunction with our annual MD&A and audited consolidated financial statements for the years ended December 31, 2024 and 2023, which we prepared in accordance with IFRS Accounting Standards ("IFRS") and are available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). The information in this MD&A is provided as of November 10, 2025, unless we indicate otherwise.*

*All references in this MD&A to "TERAGO," the "Company," "we," "us," "our" and "our company" refer to TERAGO Inc. and its subsidiaries, unless the context requires otherwise.*

*Unless otherwise indicated, all dollar amounts are expressed in thousands of Canadian dollars, except per share amounts and percentages.*

*Certain information included herein is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. For a description of material factors that could cause our actual results to differ materially, see the "Forward-Looking Statements" section and the "Risk Factors" section in this MD&A. This MD&A also contains certain industry-related non-GAAP and additional GAAP measures that management uses to evaluate performance of the Company. These non-GAAP and additional GAAP measures are not standardized, and the Company's calculation may differ from other issuers. See "Definitions – Key Performance Indicators, IFRS, Additional GAAP and Non-GAAP Measures".*

**FORWARD-LOOKING STATEMENTS**

This MD&A includes certain forward-looking statements that are made as of the date hereof only and based upon current expectations, which involve risks and uncertainties associated with the business and the economic environment in which the business operates. All such statements are made pursuant to the 'safe harbour' provisions of, and are intended to be forward-looking statements under, applicable Canadian securities laws. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. For example, the words *anticipate, believe, plan, estimate, expect, intend, should, may, could, objective* and similar expressions are intended to identify forward-looking statements. This MD&A includes, but is not limited to, forward looking statements regarding TERAGO's growth and 5G fixed wireless access for wide area broadband along with 5G Private Wireless Networks business strategy, strategic plan and partnerships, acquisition opportunities, investments in 5G, and 5G technical trials with 5G equipment. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution readers of this document not to place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions, or events to differ materially from the targets, expectations, estimates, or intentions expressed with the forward-looking statements. When relying on forward-looking statements to make decisions with respect to the Company, you should carefully consider the risks, uncertainties and assumptions, including the risk that TERAGO's growth strategy and strategic plan will not generate the results intended by management, opportunities for expansion and acquisitions not being available or at unfavourable terms, trends in the global connectivity, decisions from government agencies on the spectrum licences that TERAGO holds, including those from Innovation, Science, and Economic Development Canada ("ISED"), may not be favourable to the Company, the results of technical trials for 5G equipment not being satisfactory, the Company's plans and strategic partnerships associated with 5G may not materialize, the economic viability of any potential 5G services may not exist, a lack of capital to take advantage of certain opportunities including opportunities to provide potential 5G services, and those risks set forth in the "Risk and Uncertainties" section of this MD&A and other uncertainties and potential events. In particular, if any of the risks materialize, the expectations and the predictions of the Company may need to be re-evaluated. Consequently, all of the forward-looking statements in this MD&A are expressly qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences for the Company.

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Except as may be required by applicable Canadian securities laws, TERAGO does not intend, and disclaim 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.

This MD&A should be viewed in conjunction with the Company's other publicly available filings including the Annual Information Form, copies of which can be obtained electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or our website at [www.terago.ca](http://www.terago.ca).

## RISKS AND UNCERTAINTIES

A complete description of the risks and uncertainties affecting the Company is included in the most recently filed 2024 Annual Information Form ("AIF"). Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of the common shares to decline. If any of the noted risks actually occur, our business may be harmed and the financial condition and results of operation may suffer significantly. In that event, the trading price of the common shares could decline, and shareholders may lose all or part of their investment.

## OVERVIEW

### Select Financial Highlights and Developments

*(in thousands of dollars, except with respect to gross profit margin<sup>1</sup>, loss per share, backlog MRR<sup>1</sup>, churn rate<sup>1</sup> and ARPA<sup>1</sup>)*

- Total revenue decreased for quarter and nine months ended September 30, 2025 by 2.2% to \$6,398 and by 2.2% to \$19,156 respectively, compared to \$6,544 and \$19,593 in the same periods in 2024. The decrease was primarily driven by increased churn<sup>1</sup>, stemming from management's continued initiatives to optimize the customer base by discontinuing service to unprofitable accounts. This was partially offset by increase in revenue from new customers in the current period.
- Adjusted EBITDA<sup>1,2</sup> for the quarter ended September 30, 2025 increased by 2.9% to \$971 as compared to an Adjusted EBITDA<sup>1,2</sup> of \$944 for the comparative period in 2024. For the nine months ended September 30, 2025, Adjusted EBITDA<sup>1,2</sup> increased by 3.2% to \$2,906 as compared to an Adjusted EBITDA<sup>1,2</sup> of \$2,815 for the same period in 2024. This increase was a result of higher gross margin<sup>1</sup> and lower salaries and operating expenses in the current period compared to same period in the prior year.
- Net loss for the quarter and nine months ended September 30, 2025, was \$2,368 or \$(0.12) per share (basic and diluted) and \$10,160 or \$(0.51) per share (basic and diluted) respectively, compared to a loss of \$3,338 or \$(0.17) per share (basic and diluted) and \$10,097 or \$(0.51) per share (basic and diluted), respectively in the same period in 2024.
- ARPA<sup>1</sup> for the quarter ended September 30, 2025 increased by 1.6% to \$1,241 compared to \$1,221 for the same period in 2024. For the nine months ended September 30, 2025, ARPA<sup>1</sup> increased by 3.3% to \$1,233 compared to \$1,193 for the same period in 2024. The increase in ARPA<sup>1</sup> was a result of the Company's ongoing focus to attract mid-market and large-scale, predominantly multi-location customers and changes in the product mix.
- Churn<sup>1</sup> for the quarter and nine months ended September 30, 2025 was higher at 1.0% compared to 0.9% for the same periods in 2024. The increase in customer churn<sup>1</sup> was due to the continued execution of the Company's value creation strategy to focus on mid-market and enterprise customers, as well as implementing new strategies in regard to customer renewals and retention. The increase in customer churn<sup>1</sup> was primarily driven by management's continued initiatives to optimize the customer base by discontinuing service to unprofitable accounts, partially offset by increase in revenue from new customers in the current year period. The Company continues to review, modify and improve its customer experience practices with a focus on reducing customer churn.

<sup>1</sup> Adjusted EBITDA is a Non-GAAP measure. See "Definitions – Key Performance Indicators, IFRS, Additional GAAP and Non-GAAP Measures".

<sup>2</sup> See "Adjusted EBITDA" for a reconciliation of net loss to Adjusted EBITDA

## Management's Discussion and Analysis Quarter and Nine Months Ended September 30, 2025

- Backlog MRR<sup>1</sup> in the connectivity business decreased year over year to \$95,832 as of September 30, 2025, compared to \$114,136 for the same period in 2024. The decrease in backlog MRR<sup>1</sup> was a result of increased order installations, partially offset by decreased bookings in the current year period.

### TERAGO OVERVIEW

TERAGO provides managed network and security services to businesses across Canada ensuring highly secure, reliable, and redundant connectivity including private 5G wireless networks, fixed wireless access, fiber, and cable wireline network connectivity. 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 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 and its suite of wireless internet and SD-WAN solutions, please visit [www.terago.ca](http://www.terago.ca).

### TERAGO'S NETWORK

TERAGO owns and operates a carrier-grade Multi-Protocol Label Switching ("MPLS") enabled wireline and fixed wireless, Internet Protocol ("IP") communications network in Canada, providing businesses with high performance, high reliability and redundancy, scalable, and secure access, and data connectivity services.

TERAGO's carrier grade IP communication network serves an important and growing demand among Canadian businesses for network access diversity by offering wireless services that are redundant to their existing wireline broadband connections.

TERAGO's IP network has been designed to eliminate single points of failure and the Company backs its services with customer service level commitments, including 99.99% service availability and 24 x 7 telephone and email access to technical support specialists.

TERAGO offers Canadian businesses high performance unlimited and usage-based dedicated Internet access with upload and download speeds up to 10 gigabit per second ("Gbps"). TERAGO enhances service performance by minimizing the number of networks between its customers and their audiences, using peering arrangements with multiple tier-one carriers to connect to the Internet.

To deliver its services, the Company has built and operates a carrier-grade, IP network, using licensed and license-exempt spectrum and fibre-optic wireline infrastructure that supports commercially available equipment.

The Company owns and controls a national MPLS distribution network from Vancouver to Montreal that aggregates customer voice and data traffic and interconnects, when necessary, with carrier diverse leased fiber optic facilities. Major Internet peering and core locations are centralized in Vancouver, Toronto, Seattle, as well as diverse fiber path for all regional markets for further redundancy.

TERAGO offers a range of diverse Ethernet-based services over a secured wireless connection to customer locations up to 20 kilometres from a hub (provided line of sight or wireline networks exist) or through a fibre optic connection.

### Quality of Service Capabilities

TERAGO's MPLS network, including key high traffic hub sites, is equipped with Quality of Service ("QoS") capabilities to improve performance and traffic management. All of TERAGO's major national markets are end-to-end QoS enabled providing the foundation to support voice traffic and other potential future applications.

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<sup>2</sup> See "Adjusted EBITDA" for a reconciliation of net loss to Adjusted EBITDA

## **TERAGO's Radio Frequency Spectrum**

### 24-GHz and 38-GHz Wide-area Licences

The Company owns a national spectrum portfolio of exclusive 24 GHz and 38 GHz wide-area spectrum licences which covers major regions throughout Canada including 6,420 MHz of spectrum across Canada's 15 largest metropolitan regions and has a total coverage of approximately 26 million of the population in Canada (or nearly 11 million households)<sup>1</sup>. This spectrum is used to deploy point-to-point and point-to-multipoint microwave radio systems, interconnecting core hubs in ring architectures (where possible) to backhaul metro area network traffic and in the access network or "last mile" to deliver high capacity (speeds of 20Mbps to 1Gbps) IP-based services for business, government and mobile backhaul.

In June 2019, Innovation, Science, and Economic Development Canada ("ISED"), released its *Decision on Releasing Millimetre Wave Spectrum to Support 5G*. Among other things in its decision document, ISED reported that existing licensees of the 38 GHz band are eligible to apply for new "flexible use" licenses for an equal amount of spectrum upon expiry of the current 10-year license term, or earlier upon voluntary license cancellation. Flexible use licenses will permit licensees to deploy mobile systems to support 5G, while retaining the current ability to deploy on a fixed wireless basis. The Company holds 25 of 27 issued 38 GHz spectrum licenses in Canada.

In 2022, ISED published several Consultations which proposed updating ISED's approach and planned activities that could impact the Company's 24-GHz and 38-GHz spectrum licenses.

In June 2022, ISED published a Consultation on Policy and Licensing Framework for Spectrum in the 26GHz, 28GHz and 38GHz Bands. Under this Consultation ISED sought comments on the proposed policy and licensing considerations, including auction format, rules, and processes, as well as on conditions of license for spectrum in the 26, 28 and 38 GHz Bands.

In August 2022, ISED published a Consultation on a Non-Competitive Local Licensing Framework, Including Spectrum in the 3900-3980 MHz Band and Portions of the 26, 28 and 38 GHz Bands. Under this Consultation ISED sought comments on a proposed non-competitive local (NCL) licensing framework, with the intent to apply that framework to release spectrum in the 3900-3980 MHz Band (referred to as the 3900 MHz Band) and portions of the 26, 28 GHz and 38 GHz Bands.

In September 2022, ISED published a Consultation on the Spectrum Outlook 2022 to 2026. Under this Consultation ISED sought comments on its proposed overall approach and planned activities for spectrum over the next five years. In this document, ISED proposed that the 24 GHz Band, among several others has been designated as Priority 2 for future release for commercial mobile use. A definitive timeline for the release of spectrum bands designated as Priority 2 and Priority 3 has not yet been confirmed by ISED.

In August 2023, ISED updated its "Spectrum Outlook 2023 to 2027" providing additional clarity and insight as to ISED's overall approach and planning activities related to its management of Canada's radio spectrum over the next five years. The announcement included upgrading 24 GHz mmWave spectrum to Priority 1 which means that ISED plans to release and/or initiate a consultation.

In November 2023, ISED published a Consultation on the License Renewal Process for the 24 GHz and 38 GHz Bands and Preliminary Consultation on Changes to the 24.25 – 26.5 GHz Band. All responses were submitted by December 19, 2023. ISED is reviewing the comments and will publish its decision on this consultation.

In May 2024, ISED published Decision on the Licensing Process for Existing Licensees in the 24 and 38 GHz Bands and Considerations Related to the mmWave Auction. As a result of this decision, TERAGO will retain all existing licences and those licences will be renewed annually until a new licensing process is established. In addition to the licence renewals, ISED indicated that it plans to consult on the potential for repurposing the 24 GHz band prior to deciding on the timing and structure of the proposed mmWave auction.

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<sup>1</sup> Based on 2021 Canadian data cited by ISED.

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### Quarter and Nine Months Ended September 30, 2025

In March 2025, ISED published a Consultation on the repurposing of the lower portion of the 26 GHz band (24.25-26.5 GHz) to flexible use. In addition, this Consultation is an addendum to the consultation entitled SPB-001-22, Consultation on a Policy and Licensing Framework for Spectrum in the 26, 28 and 38 GHz Bands (the 2022 Consultation) to change the proposed spectrum available for future mmWave auction and non-competitive local (NCL) licensing processes. Previously, the 24.25-26.5 GHz range was referred to as the 24 GHz band. However, to conform to international norms, this range will now be called the lower 26 GHz band. This name was also selected to distinguish it from the upper 26 GHz band (26.5-27.5 GHz) which is also part of this consultation. ISED is proposing to combine these two bands as the 26 GHz band with a range from 24.25 GHz – 27.5GHz. The 26 GHz, 28 GHz and 38 GHz bands are collectively referred to as the mmWave bands. All responses to ISED were submitted by May 5, 2025. ISED also provided interested parties with the opportunity to reply to comments from other parties. Reply comments were submitted by June 4, 2025.

For additional information on these Consultations and to review the response letter of the Company or other stakeholders, please refer to ISED's Consultation webpage: [https://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/h\\_sf08436.html](https://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/h_sf08436.html).

For further details on our licensed spectrums, please refer to the Company's most recently filed AIF on SEDAR.

## RESULTS OF OPERATIONS

### Comparison of the Quarter and Nine Months ended September 30, 2025 and 2024

(in thousands of dollars, except with respect to gross profit margin<sup>1</sup>, loss per share, backlog MRR<sup>1</sup>, churn rate<sup>1</sup> and ARPA<sup>1</sup>)

#### Terago Inc.

#### Financial Operations Summary (unaudited)

|                                         | Quarter ended September 30 |         |        | Nine months ended September 30 |          |        |
|-----------------------------------------|----------------------------|---------|--------|--------------------------------|----------|--------|
|                                         | 2025                       | 2024    | % Chg  | 2025                           | 2024     | % Chg  |
| <b>Financial</b>                        |                            |         |        |                                |          |        |
| Total Revenue                           | \$ 6,398                   | 6,544   | (2.2)  | 19,156                         | 19,593   | (2.2)  |
| Cost of Services <sup>1</sup>           | \$ 1,670                   | 1,751   | (4.6)  | 5,005                          | 5,278    | (5.2)  |
| Gross Profit Margin <sup>1</sup>        | 73.9%                      | 73.2%   | 0.9    | 73.9%                          | 73.1%    | 1.1    |
| Salaries and Related Costs <sup>1</sup> | \$ 2,494                   | 2,652   | (6.0)  | 7,726                          | 7,895    | (2.1)  |
| Other Operating Expenses <sup>1</sup>   | \$ 1,263                   | 1,197   | 5.5    | 3,519                          | 3,605    | (2.4)  |
| Adjusted EBITDA <sup>1,2</sup>          | \$ 971                     | 944     | 2.9    | 2,906                          | 2,815    | 3.2    |
| Net Loss                                | \$ (2,368)                 | (3,338) | (29.1) | (10,160)                       | (10,097) | 0.6    |
| Basic & diluted loss per share          | \$ (0.12)                  | (0.17)  | (29.5) | (0.51)                         | (0.51)   | (0.1)  |
| <b>Operating</b>                        |                            |         |        |                                |          |        |
| <u>Backlog MRR<sup>1</sup></u>          |                            |         |        |                                |          |        |
| Connectivity                            | \$ 95,832                  | 114,136 | (16.0) | 95,832                         | 114,136  | (16.0) |
| <u>Churn Rate<sup>1</sup></u>           |                            |         |        |                                |          |        |
| Connectivity                            | 1.0%                       | 0.9%    |        | 1.0%                           | 0.9%     |        |
| <u>ARPA<sup>1</sup></u>                 |                            |         |        |                                |          |        |
| Connectivity                            | \$ 1,241                   | 1,221   | 1.6    | 1,233                          | 1,193    | 3.3    |

<sup>1</sup> See "Definitions – Key Performance Indicators, IFRS, Additional GAAP and Non-GAAP Measures"

<sup>2</sup> See "Adjusted EBITDA" for a reconciliation of net loss to Adjusted EBITDA

## Management's Discussion and Analysis

### Quarter and Nine Months Ended September 30, 2025

**Refer to "Definitions – Key Performance Indicators, IFRS, Additional GAAP and Non-GAAP Measures" for a description of the components of relevant line items below.**

*(in thousands of dollars, except with respect to gross profit margin<sup>1</sup>, loss per share, backlog MRR<sup>1</sup>, churn rate<sup>1</sup> and ARPA<sup>1</sup>)*

#### **Revenue**

Total revenue decreased for the quarter and nine months ended September 30, 2025 by 2.2% to \$6,398 and by 2.2% to \$19,156 respectively, compared to \$6,544 and \$19,593, respectively, for the same periods in 2024. The decrease was primarily driven by increased churn<sup>1</sup>, stemming from management's continued initiatives to optimize the customer base by discontinuing service to unprofitable accounts. This was partially offset by increase in revenue from new customers in the current period.

#### **Cost of Services and Gross Profit Margin %<sup>1</sup>**

For the quarter ended September 30, 2025, cost of services decreased by 4.6% to \$1,670 compared to \$1,751 in the same period in 2024. For the nine months ended September 30, 2025, cost of services decreased by 5.2% to \$5,005 compared to \$5,278 in the same period in 2024. The decrease was attributable to tighter controls and improved results related to supplier costs.

Gross Profit Margin<sup>1</sup> increased to 73.9% for the quarter ended September 30, 2025 compared to 73.2% for the same period of 2024. For the nine months ended September 30, 2025, Gross Profit Margin<sup>1</sup> increased to 73.9% compared to 73.1% for the same period of 2024.

#### **Salaries and related costs and other operating expenses ("SG&A")<sup>1</sup>**

For the quarter and nine months ended September 30, 2025, SG&A decreased by 2.2% to \$3,757 and 2.2% to \$11,245, respectively, compared to \$3,849 and \$11,500, respectively, for the same periods in 2024. The overall decrease in SG&A period over period was driven by lower overall operating expenses as the Company continues to further optimize its cost structure by reducing costs relative to its level of business activity and driving efficiencies in the business.

#### **Adjusted EBITDA<sup>1,2</sup>**

Adjusted EBITDA<sup>1,2</sup> for the quarter months ended September 30, 2025 increased 2.9% to \$971 compared to an Adjusted EBITDA<sup>1,2</sup> of \$944 for the same period in 2024. For the nine months ended September 30, 2025, Adjusted EBITDA<sup>1,2</sup> increased by 3.2% to \$2,906 compared to \$2,815 for the same period in 2024. This increase was a result of higher gross margin<sup>1</sup> and lower operating expenses in the current period compared to the same period in the prior year.

#### **Net loss**

Net loss for the quarter and nine months ended September 30, 2025 was \$2,368 or \$(0.12) per share (basic and diluted) and \$10,160 or \$(0.51) per share (basic and diluted), respectively, compared to a loss of \$3,338 or \$(0.17) per share (basic and diluted) and \$10,097 or \$(0.51), respectively, for the same periods in 2024.

#### **ARPA<sup>1</sup>**

For the quarter ended September 30, 2025, connectivity ARPA<sup>1</sup> increased by 1.6% to \$1,241 compared to \$1,221 for the same period in 2024. ARPA<sup>1</sup> increased by 3.3% to \$1,233 for the nine months ended September 30, 2025, compared to \$1,193 for the same period in 2024. The increase in ARPA<sup>1</sup> was a result of the Company's ongoing focus to attract mid-market and large-scale, predominantly continued multi-location customers.

#### **Churn<sup>1</sup>**

For the quarter and nine months ended September 30, 2025, connectivity churn<sup>1</sup> was higher at 1.0% compared to 0.9% for the same period in 2024. For the nine months ended September 30, 2025, connectivity churn<sup>1</sup> was higher at 1.0% compared to 0.9% for the same period in 2024. The increase in customer churn<sup>1</sup> was primarily driven by management's continued initiatives to optimize the customer base by discontinuing service to unprofitable accounts, partially offset by increase in revenue from new customers in the current year period. The Company continues to review, modify and improve its customer experience practices with a focus on reducing customer churn.

<sup>1</sup> See "Definitions – Key Performance Indicators, IFRS, Additional GAAP and Non-GAAP Measures"

<sup>2</sup> Adjusted EBITDA is a Non-GAAP measure. See "Definitions – Key Performance Indicator, IFRS, Additional GAAP and Non-GAAP Measures."

## Management's Discussion and Analysis

### Quarter and Nine Months Ended September 30, 2025

#### **Backlog MRR<sup>1</sup>**

Backlog MRR<sup>1</sup> in the connectivity business increased year over year to \$95,832 as of September 30, 2025, compared to \$114,136 for the same period in 2024. The decrease in backlog MRR<sup>1</sup> was a result of increased order installations, partially offset by decreased bookings in the current year period.

#### **Finance costs**

For the quarter and nine months ended September 30, 2025, finance costs increased 27.0% to \$2,214 and 43.5% to \$6,550, respectively, compared to \$1,743 and \$4,564 for the same period 2024. The increase was primarily as a result of the interest costs related to the additional drawdowns of funds through our existing term debt facility which were made during fiscal 2024 combined with additional drawdown in current year.

#### **Depreciation and amortization**

For the quarter and nine months ended September 30, 2025, depreciation and amortization decreased 4.6% to \$2,293 and 4.2% to \$6,940, respectively, compared to \$2,403 and \$7,242 for the same period 2024. The decrease was a result of lower additions in second half of prior year period.

The table below reconciles Adjusted EBITDA<sup>1,2</sup> to net loss for the Quarter and Nine Months ended September 30, 2025 and 2024.

(in thousands of dollars, unaudited)

|                                                                                              | Quarter ended<br>September 30 |                | Nine months ended<br>September 30 |                 |
|----------------------------------------------------------------------------------------------|-------------------------------|----------------|-----------------------------------|-----------------|
|                                                                                              | 2025                          | 2024           | 2025                              | 2024            |
| <b>Adjusted EBITDA<sup>1,2</sup></b>                                                         | \$ 971                        | 944            | \$ 2,906                          | 2,815           |
| Deduct:                                                                                      |                               |                |                                   |                 |
| Depreciation of network assets, property and equipment and amortization of intangible assets | 2,293                         | 2,403          | 6,940                             | 7,242           |
| Stock-based compensation expense                                                             | 159                           | 213            | 638                               | 627             |
| Restructuring and other costs                                                                | -                             | -              | 332                               | 636             |
| <b>Loss from operations</b>                                                                  | <b>\$ (1,481)</b>             | <b>(1,672)</b> | <b>\$ (5,004)</b>                 | <b>(5,690)</b>  |
| Add/deduct:                                                                                  |                               |                |                                   |                 |
| Gain from sale of assets                                                                     | (1,351)                       | -              | (1,351)                           | -               |
| Foreign exchange (gain) loss                                                                 | 32                            | (39)           | 3                                 | (35)            |
| Finance costs                                                                                | 2,214                         | 1,743          | 6,550                             | 4,564           |
| Finance income                                                                               | (8)                           | (38)           | (46)                              | (122)           |
| <b>Net loss for the period</b>                                                               | <b>\$ (2,368)</b>             | <b>(3,338)</b> | <b>\$ (10,160)</b>                | <b>(10,097)</b> |

<sup>1</sup> See "Definitions – Key Performance Indicators, IFRS, Additional GAAP and Non-GAAP Measures"

<sup>2</sup> Adjusted EBITDA is a Non-GAAP measure. See "Definitions – Key Performance Indicator, IFRS, Additional GAAP and Non-GAAP Measures."

## Management's Discussion and Analysis

### Quarter and Nine Months Ended September 30, 2025

#### Summary of Quarterly Results

The following table sets out our selected financial and operating information for each of the eight most recent quarters, the latest of which ended September 30, 2025. Our quarterly operating results have historically fluctuated and may continue to fluctuate in the future. Therefore, we believe that past operating results and period-to-period comparisons should not be relied upon as an indication of the Company's future performance.

*All financial results are in thousands, except for loss per share, gross profit margin<sup>1</sup>, backlog MRR<sup>1</sup>, churn rate<sup>1</sup>, and ARPA<sup>1</sup>.*

| (unaudited)                                                   |    | Q3 - 25 | Q2 - 25 | Q1 - 25 | Q4 - 24 | Q3 - 24 | Q2 - 24 | Q1 - 24 | Q4 - 23 |
|---------------------------------------------------------------|----|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Financial</b>                                              |    |         |         |         |         |         |         |         |         |
| Revenue                                                       | \$ | 6,398   | 6,344   | 6,414   | 6,572   | 6,544   | 6,577   | 6,472   | 6,536   |
| Gross Profit Margin % <sup>1</sup>                            |    | 73.9%   | 73.8%   | 73.9%   | 74.1%   | 73.2%   | 73.0%   | 72.9%   | 72.4%   |
| Adjusted EBITDA <sup>1,2</sup>                                | \$ | 971     | 903     | 1,032   | 1,201   | 944     | 941     | 930     | 1,190   |
| Net loss                                                      | \$ | (2,368) | (4,256) | (3,536) | (3,174) | (3,338) | (3,212) | (3,547) | (3,561) |
| Basic & diluted loss per share                                | \$ | (0.12)  | (0.21)  | (0.18)  | (0.16)  | (0.17)  | (0.16)  | (0.18)  | (0.18)  |
| Basic & diluted weighted average number of shares outstanding |    | 20,054  | 20,035  | 20,003  | 19,973  | 19,939  | 19,888  | 19,858  | 19,805  |
| <b>Operating</b>                                              |    |         |         |         |         |         |         |         |         |
| Backlog MRR <sup>1</sup>                                      |    |         |         |         |         |         |         |         |         |
| Connectivity                                                  | \$ | 95,832  | 93,279  | 96,405  | 111,905 | 114,136 | 46,584  | 48,328  | 65,363  |
| Churn Rate <sup>1</sup>                                       |    |         |         |         |         |         |         |         |         |
| Connectivity                                                  |    | 1.0%    | 0.9%    | 1.2%    | 0.8%    | 0.9%    | 1.0%    | 0.8%    | 1.0%    |
| ARPA <sup>1</sup>                                             |    |         |         |         |         |         |         |         |         |
| Connectivity                                                  | \$ | 1,241   | 1,228   | 1,229   | 1,212   | 1,221   | 1,200   | 1,158   | 1,164   |

#### Seasonality

The Company's net customer growth, with respect to its connectivity business, is typically impacted adversely by weather conditions as the majority of new customer locations require the installation of rooftop equipment. Typically, harsher weather in the first quarter of the year results in a reduction of productive installation days.

The Company's cash flow and earnings are typically impacted in the first quarter of the year due to several supplier and landlord agreements requiring annual payments in the first quarter, annual rate increases in existing long-term contracts, payments of prior year period end accruals, such as variable compensation, audit and other compliance costs and the restart on January 1<sup>st</sup> of payroll taxes and other levies related to employee compensation.

#### LIQUIDITY AND CAPITAL RESOURCES

The Company's principal source of liquidity is cash generated from operations, which is supplemented by borrowings under its existing term debt facility. The Company sets priorities on its uses of available funds based on short-term operational requirements, expenditures to continue to operate a robust network, while also considering its long-term contractual obligations and returning value to its shareholders. The Company believes it continues to have access to the capital markets and as part of its financing strategy, the Company regularly reviews its capital structure, cost of capital, and the needs for additional debt financing or raising equity capital.

As at September 30, 2025, the Company is reporting its term debt as a current liability as the facility's maturity date was extended to October 31, 2025 (refer to "Term Debt Facility" below). Accordingly, the Company has a significant working capital deficit as at September 30, 2025. See the discussion under "Liquidity Risk" under Financial Risk Management below.

As at September 30, 2025, the Company had cash and cash equivalents of \$1,297.

<sup>1</sup> See "Definitions – Key Performance Indicators, IFRS, Additional GAAP and Non-GAAP Measures"

<sup>2</sup> Adjusted EBITDA is a non-GAAP measure. See "Definitions – Key Performance Indicator, IFRS, Additional GAAP and Non-GAAP Measures.

**Management's Discussion and Analysis**  
Quarter and Nine Months Ended September 30, 2025

The table below is a summary of cash inflows and outflows by activity.

| (in thousands of dollars, unaudited)            | Quarter ended<br>September 30 |              | Nine months ended<br>September 30 |              |
|-------------------------------------------------|-------------------------------|--------------|-----------------------------------|--------------|
|                                                 | 2025                          | 2024         | 2025                              | 2024         |
| <b>Statement of Cash Flows Summary</b>          |                               |              |                                   |              |
| Cash inflows and (outflows) by activity:        |                               |              |                                   |              |
| Operating activities                            | \$ 1,140                      | 1,122        | \$ 3,267                          | 3,415        |
| Investing activities                            | 865                           | (713)        | (1,425)                           | (2,702)      |
| Financing activities                            | (2,375)                       | 1,706        | (4,728)                           | 362          |
| Net cash outflows                               | (370)                         | 2,115        | (2,886)                           | 1,075        |
| Cash and cash equivalents, beginning of period  | 1,699                         | 3,350        | 4,186                             | 4,381        |
| Change in cash due to foreign exchange          | (32)                          | 24           | (3)                               | 33           |
| <b>Cash and cash equivalents, end of period</b> | <b>\$ 1,297</b>               | <b>5,489</b> | <b>\$ 1,297</b>                   | <b>5,489</b> |

**Operating Activities**

We generated cash of \$1,140 from operating activities for the quarter ended September 30, 2025. Of the cash generated, \$971 was attributable to cash from operating activities and \$169 was attributable to positive movements in non-cash working capital. We generated cash of \$3,267 from operating activities for the nine months ended September 30, 2025. Of the cash generated, \$2,574 was attributable to cash from operating activities and \$693 was attributable to positive movements in non-cash working capital.

We generated cash of \$1,122 from operating activities for the quarter ended September 30, 2024. Of the cash generated, \$712 was attributable to cash from operating activities, and \$409 to positive movements in non-cash working capital. We generated cash of \$3,415 from operating activities for the nine months ended September 30, 2024. Of the cash generated, \$2,027 was attributable to cash from operating activities and \$1,388 was attributable to positive movements in non-cash working capital.

**Investing Activities**

For the quarter ended September 30, 2025, cash generated from investing activities was \$865 compared to cash used \$713 for the same period in 2024. The cash generated from investing activities was mainly as a result of gain on sale of assets, sale of short term investment and favourable movements in non-cash working capital related to network assets, property and equipment and intangible assets, partially offset by purchase of network, property and equipment and intangible assets.

For the nine months ended September 30, 2025, cash used in investing activities was \$1,425 compared to \$2,702 for the same period in 2024. The decrease in cash used in investing activities was mainly as a gain on sale of assets, sale of short term investment and favourable movements in non-cash working capital related to network assets, property and equipment and intangible assets, partially offset by purchase of network, property and equipment and intangible assets.

**Financing Activities**

For the quarter ended September 30, 2025, cash used in financing activities was \$2,375 compared to cash generated \$1,706 for the same period in 2024. The decrease in cash generated was a result of lower proceeds from debt borrowings combined with additional financing costs incurred.

For the nine months ended September 30, 2025, cash used in financing activities was \$4,728 compared to cash generated \$362 for the same period in 2024. The increase in cash used was a result of increased long-term debt interest payments in 2025 due to additional drawdowns in 2024 and in the first half of 2025.

**Term Debt Facility**

On September 29, 2022, the Company entered into a three-year credit and guaranty agreement (the "Credit Agreement") with CrowdOut Capital LLC ("CrowdOut") in the amount of U.S. \$20,000. The Credit Agreement is a draw down facility and terms include the following: variable interest rate of SOFR plus 9.00%, serviced with monthly interest payments only for a term of 36 months. At the end of the term, there is an exit fee payable to CrowdOut of up to a

## Management's Discussion and Analysis

### Quarter and Nine Months Ended September 30, 2025

maximum of \$1,000 calculated on a pro-rata basis determined by the amount of the facility that has been drawn down under the Credit Agreement at the time of exit.

The Credit Agreement also included a 1% annual rate standby fee for any amounts undrawn on the facility. The standby fee and interest amounts are payable monthly. The Company incurred financing fees in the amount of \$395 to facilitate the execution of the Credit Agreement. At September 30, 2025, total exit fee under the initial Credit Agreement was \$806 (2024 - \$806).

In accordance with the Credit Agreement, the Company also issued to CrowdOut 216,463 warrants for the purchase of common shares. Each warrant will be exercisable for the purchase of one common share for a period of up to five years from the date of the Credit Agreement. The warrants vest pro-rata as the facility is drawn down. The strike price for all warrants was \$4.43 (based upon a 20% premium to the 30-day volume weighted average price at the time of closing).

Since the inception of the Credit Agreement through to May 29, 2024, the Company had drawn in aggregate \$18,792 (U.S. \$14,000), resulting in the vesting of 151,496 of the issued warrants to CrowdOut.

On May 29, 2024, the Company and CrowdOut entered into a First Amendment to Credit Agreement (the "First Amending Agreement") which amended certain terms of the previously executed Credit Agreement dated September 29, 2022. The First Amending Agreement served to add Cymbria Corporation ("Cymbria") to the syndicate of lenders under the Credit Agreement and amended certain conditions and covenants of the Credit Agreement. The Company incurred financing fees in the amount of \$274 to facilitate the execution of the First Amending Agreement. The First Amending Agreement gave effect to the following:

- the committed debt facility decreased from a U.S. \$20,000 facility to a U.S. \$19,000 facility under the First Amending Agreement. The remaining U.S. \$5,000 facility was to be funded by Cymbria through the Credit Agreement with CrowdOut in two tranches, with the first tranche in the amount of U.S. \$2,000 available as of the effective date of the First Amending Agreement and the second tranche in the amount of U.S. \$3,000 available at any time after July 1, 2024;
- the First Amending Agreement removed the 1% annual rate standby fee on amounts undrawn on the facility and removed any further accrual of exit fee to CrowdOut;
- the interest rates applicable under the First Amending Agreement remain the same as in the Credit Agreement except the Adjusted Term SOFR floor increased from 1.5% to 5%;
- the last twelve months ("LTM") installed monthly recurring revenue ratio was updated to reflect that repayments of lease liabilities are included in the definition of installed monthly recurring revenues under this financial covenant, with the maximum ratio for this financial covenant updated to reflect these changes; and
- the minimum fixed charge ratio was updated to reflect that repayments of lease liabilities are now included in the definition of fixed charges under this financial covenant.

The Company issued 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 at a price per common share of \$4.43. The warrants vest pro-rata as the U.S. \$5,000 funded by Cymbria is drawn down. As a result of the First Amending Agreement, the equivalent amount of previously issued common share purchase warrants to CrowdOut shall remain unvested.

On May 30, 2024, the Company received its first draw down under the First Amending Agreement in the amount of \$2,736 (U.S. \$2,000), resulting in the vesting of 21,640 of the issued warrants to Cymbria. On August 27, 2024, the Company received the second tranche in the amount of \$4,038 (U.S. \$3,000), resulting in the vesting of the remaining 32,460 of the issued warrants to Cymbria.

In accordance with the First Amending Agreement, the Company is subject to the following financial covenants: (i) total debt (including payables more than 120 days past due) not to exceed 160% of the Company's LTM installed monthly recurring revenue from May 31, 2024 to May 31, 2025 and 155% of the Company's LTM installed monthly recurring revenue from June 30, 2025 and thereafter; (ii) the Company's cash and cash equivalents and short-term investments

## Management's Discussion and Analysis

### Quarter and Nine Months Ended September 30, 2025

(excluding payables more than 60 days past due) to be above \$1,500 at every month end; and (iii) if the Company's cash and cash equivalents balance and short-term investments is below \$2,500, the Fixed-Charge Coverage Ratio must be 1/1x or greater.

This facility including the First Amending Agreement has been accounted for as a compound financial instrument with a liability component for the debt and an equity component for the warrants issued, as the warrants are exchangeable for a fixed number of the Company's common shares, they meet the fixed-for-fixed criteria. Upon draw down date, the liability is measured at its fair value using the forward SOFR curve rate at the time of the draw down (the most recent drawdown on August 27, 2024 was at 14.35%) and the warrants are measured at the residual amount of the compound financial instrument.

On March 31, 2025, the Company and CrowdOut executed a Second Amendment to the Credit Agreement (the "Second Amending Agreement"), which amended certain terms of the Credit Agreement entered into between the Company and CrowdOut as of September 29, 2022, as amended by the First Amending Agreement dated as of May 29, 2024. The Company incurred financing fees in the amount of \$137 to facilitate the execution of the Second Amending Agreement.

The Second Amending Agreement gave effect to the following:

- The Second Amending Agreement serves to increase the amount of the secured debt facility from U.S. \$19,000 to U.S. \$21,000, while maintaining consistency with the initial framework of the Credit Agreement, with the U.S. \$2,000 increase in the secured debt facility funded by Cymbria which was received by the Company on April 3, 2025;
- At the end of the term, additional exit fee payable to CrowdOut of up to a maximum of U.S. \$210 upon the earlier of (a) the maturity date and (b) the date of repayment in full of the debt obligation of under the Credit Agreement; and
- Amending the financial covenant wherein if the cash and cash equivalents balance and short-term investments is below \$1,500, the Fixed-Charge Coverage Ratio must be 1/1x or greater.

The Company issued an aggregate of 800,000 new warrants to Cymbria in the second quarter of 2025, in connection with the Second Amending Agreement, in four tranches of 200,000 warrants each, with exercise prices of \$2.50, \$2.00, \$1.50 and \$1.06, respectively. Each warrant is exercisable for the purchase of one common share for a period of up to three years from the date of the Second Amending Agreement.

The Second Amending Agreement was accounted for in the second quarter of 2025 as a compound financial instrument with a liability component for the debt and an equity component for the warrants issued, as the warrants are exchangeable for a fixed number of the Company's common shares, they meet the fixed-for-fixed criteria.

The valuation of the warrants was determined using the Black-Scholes pricing model, incorporating a risk-free interest rate of 2.47%, an expected life of three years; and a volatility of 79.97%. The resulting net fair value of the warrants at the date of issuance of \$274 was recorded as a warrant reserve in the interim condensed consolidated statements of shareholders equity (deficiency) for the three and six months ended June 30, 2025, effectively reducing the carrying amount of the debt on the interim condensed consolidated statement of financial position as at June 30, 2025.

The Company incurred financing fees in the amount of \$138 to facilitate the execution of the Second Amending Agreement. The Company incurred additional exit fee of \$295 under the Second Amending Agreement. At September 30, 2025, total exit fee due to the lender, in aggregate, for the initial Credit Agreement through to the Second Amending Agreement is \$1,072 (2024 - \$806).

All financing fees are deferred and are recorded as a reduction in the carrying amount of debt. The amortization of the fees and interest expense for the nine months ended September 30, 2025, were \$1,457 and \$3,047 which are included in finance costs (2024 - \$982 and \$3,234), respectively.

On September 10, 2025, the Company and CrowdOut executed a Third Amendment to the Existing Credit Agreement. Pursuant to this amendment, the definition of "Maturity Date in the Existing Credit Agreement was amended such that the Maturity Date was extended to October 31, 2025. All other material terms and conditions of the Existing Credit Agreement including interest rates, security arrangements and financial covenants remained substantially unchanged.

## **Management's Discussion and Analysis**

### **Quarter and Nine Months Ended September 30, 2025**

As at September 30, 2025, the financial covenant of maintaining a minimum cash and cash equivalents balance and short-term investments of \$1,500 was not met. CrowdOut granted a waiver in respect of this covenant, and the facility continued to remain in good standing.

These amendments to the Credit Agreement through the First Amending Agreement, the Second Amending Agreement and the Third Amendment to the Existing Credit Agreement were considered non-substantive changes under IFRS 9, and as such, did not require the extinguishment of the existing liability and recognition of a new liability.

The extension and subsequent waiver were executed in connection with the Company's recapitalization plan which was completed on October 16, 2025. The recapitalization included a new debt facility and an equity financing as further described in note 13 – Subsequent events. The Company fully repaid CrowdOut under the Existing Credit Agreement on October 15, 2025.

#### ***Subsequent events:***

On October 16, 2025, the Company completed a series of recapitalization transactions that were initially announced on September 11, 2025. The transactions were interdependent and closed concurrently, providing new financing to refinance existing indebtedness and strengthen the Company's capital structure.

The recapitalization comprised the following components:

#### ***Rights offering***

The Company completed a rights offering to eligible holders of its common shares, issuing 12,675,208 common shares at a subscription price of \$0.84 per share, for total gross proceeds of approximately \$10,647. The rights offering was partially supported by standby purchasers, including a significant shareholder and insider of the Company.

#### ***Private Placement***

The Company completed a concurrent non-brokered private placement issuing 6,249,756 common shares at a subscription price of \$0.84 per share, for total gross proceeds of approximately \$5,250.

#### ***New Term Debt Facility***

The Company entered into a new 36-month senior secured term loan facility with Cymbria Corporation as lender and EdgePoint Investment Group Inc. as administrative and collateral agent. The facility provided gross proceeds of approximately \$30,571 and bears interest at 15% per annum, of which 10% is payable in cash in quarterly installments and 5% is payable-in-kind, accruing to the loan balance and payable at maturity. The loan is secured by a first ranking charge over substantially all of the Company's assets. On October 21, 2025, the facility was syndicated by the administrative agent to additional lenders, and a total of 2,053,411 common share purchase warrants were issued on a pro rata basis to the participating lenders. Each warrant is exercisable into one common share of the Company for a 60-month period following issuance. The syndication did not result in any change to the total principal, interest rate, or other terms of the facility.

The proceeds from the new debt facility were used to repay all amounts outstanding under the Company's previous Existing Credit Agreement on October 15, 2025. The equity financing completed concurrently increased the Company's available cash resources. In total the Company incurred approximately \$1,600 in transaction costs related to the recapitalization.

In aggregate, the equity financings resulted in the issuance of a total of 18,924,964 common shares, raising combined gross proceeds of approximately \$15,897, resulting in 38,997,457 common shares issued and outstanding upon completion of the recapitalization transactions.

These transactions occurred subsequent to September 30, 2025, and will be accounted for in the Company's annual consolidated financial statements for the year ended December 31, 2025.

**Management's Discussion and Analysis**  
Quarter and Nine Months Ended September 30, 2025

**OFF-BALANCE SHEET TRANSACTIONS**

As a general practice, we have not entered into off-balance sheet financing arrangements.

**FINANCIAL RISK MANAGEMENT**

In the normal course of our business, we engage in operating and financing activities that generate risks in the following primary areas:

***Liquidity Risk***

Liquidity risk is the risk that we are not able to meet our financial obligations as they fall due. One of management's primary goals is to manage liquidity risk by continuously monitoring actual and projected cash flows to ensure that we have sufficient liquidity to meet our liabilities when due, under both normal and financially stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

***Credit Risk***

Credit risk represents the financial loss that we would experience if a counterparty to a financial instrument, in which we have an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Company.

We have credit risk relating to cash and cash equivalents and short-term investments, which we manage by dealing with large chartered Canadian banks and investing in highly liquid investments.

The Company, in the normal course of business, is exposed to credit risk from its customers and the accounts receivable are subject to normal industry risks. We review accounts receivable balances regularly and reduce amounts to their expected realizable values by recognizing an allowance for doubtful accounts in the period the account is estimated not to be fully collectible. In order to minimize the credit risk on accounts receivables, our extension of credit to customers involves review and approval by senior management. Customers that do not have this information available are typically placed on a pre-authorized payment plan for service or provide deposits to the Company. This risk is further minimized as the Company does not have any significant customer concentration and has a diverse customer base located across various provinces in Canada.

***Interest Rate Risk***

Interest rate risk arises because of the fluctuation in interest rates. We are, or have been, subject to interest rate risk on our cash and cash equivalents, short-term investments and term debt facility. We are exposed to interest rate risk on our term debt facility since the interest rates applicable are variable and are, therefore, exposed to cash flow risks resulting from interest rate fluctuations. If a shift in interest rates of 1% were to occur, the interest expense would increase by approximately \$220 due to the fluctuation and this would be recorded in profit or loss.

***Currency Risk***

Currency risk is the risk that fluctuations in foreign exchange rates could impact our results from operations. We are subject to a currency risk, primarily between the Canadian dollar and the U.S. dollar. Currently, we do not enter into foreign exchange contracts to manage this exposure but may do so in the future. As a result, we have currency exposure with respect to items denominated in foreign currencies, the significant of which is our term debt facility. If a shift in foreign currency exchange rates of 1% were to occur, the foreign exchange gain or loss could change by approximately \$284 due to the fluctuation and this would be recorded in profit or loss.

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates and assumptions are affected by management's application of accounting policies and historical experience and are believed by management to be reasonable under the circumstances. Such estimates and assumptions are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ significantly from these estimates.

Our material accounting policies are fully described in Note 3 to our consolidated financial statements for the years ended December 31, 2024 and 2023 which are available on SEDAR ([www.sedarplus.ca](http://www.sedarplus.ca)). Certain accounting policies

## Management's Discussion and Analysis

### Quarter and Nine Months Ended September 30, 2025

are particularly important to the reporting of our financial position and results of operations and require the application of significant judgment by our management. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could have a material impact on the financial statements. We believe that there have been no significant changes in our critical accounting estimates for the quarter and nine months ended September 30, 2025 from the years presented in our annual consolidated financial statements for the years ended December 31, 2024 and 2023.

## RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2025, the Company adopted the following new amendments to IFRS:

- *Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates*

In August 2023, the IASB amended IAS 21 to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. The adoption of these amendments did not have any impact on the interim financial statements for the nine months ended September 30, 2025.

## RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards and amendments to standards and interpretations are noted below that are not yet effective for the quarter and nine months ended September 30, 2025, that have not been applied in preparing the unaudited interim condensed consolidated financial statements:

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

The IASB has amended IFRS 9 following its post implementation review of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with contingent features. The IASB has also amended IFRS 7, wherein companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026.

- *Annual improvements to IFRS Accounting Standards:*

The annual improvements to IFRS Accounting Standards were issued on July 18, 2024. The IASB made minor amendments to IFRS 9 and to a further four accounting standards. The amendments to IFRS 9 address a conflict between IFRS 9 and IFRS 15 over the initial measurement of trade receivables; and how a lessee accounts for the derecognition of a lease liability. The amendments are effective for annual periods beginning on or after January 1, 2026.

- *Presentation and disclosure in financial statements ("IFRS 18"):*

IFRS 18 was issued on April 9, 2024 and will replace IAS 1, Presentation of Financial Statements. IFRS 18 aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information in the financial statements. The standard is effective for annual periods beginning on or after January 1, 2027.

The Company intends to adopt each of the above standards, as applicable to the Company, in the year in which they are effective. The Company is reviewing these new standards and amendments to determine the potential impact on the Company's consolidated financial statements once they are adopted.

## OUTSTANDING SHARE DATA

As of November 10, 2025, there are 38,997,457 Common Shares issued and outstanding.

In addition, as of September 30, 2025 there were: (i) 2,034,232 stock options outstanding with exercise prices ranging from \$1.00 to \$5.44 per share; (ii) 216,463 warrants issued to CrowdOut as part of the Credit Agreement in the fourth quarter of 2022 for the purchase of Common Shares; (iii) 54,100 warrants issued to Cymbria as part of the First

## **Management's Discussion and Analysis**

### **Quarter and Nine Months Ended September 30, 2025**

Amending Agreement for the purchase of Common Shares; and (iv) four tranches of 200,000 warrants each, with exercise prices of \$2.50, \$2.00, \$1.50 and \$1.06, respectively to Cymbria as part of the Second Amending Agreement, for the purchase of Common Shares.

## **CONTROLS AND PROCEDURES**

### ***Evaluation of disclosure controls and procedures***

Management is responsible for establishing and maintaining disclosure controls and procedures as defined under National Instrument 52-109. At September 30, 2025, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective and that material information relating to the Company was made known to them and was recorded, processed, summarized, and reported within the time periods specified under applicable securities legislation.

### ***Internal controls over financial reporting***

Management is responsible for designing and maintaining internal controls over financial reporting ("ICFR") as defined under National Instrument 52-109. At September 30, 2025, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these internal controls and procedures was effective in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS using the Committee of Sponsoring Organizations of the Treadway Commission Framework (2013).

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, whether or not there were changes to its ICFR during the quarter and six months ended September 30, 2025, that have materially affected or are reasonably likely to materially affect, the Company's ICFR. No such changes were identified through their evaluation.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that its objectives are met. Due to its inherent limitations in all systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures and our internal control over financial reporting are effective in providing reasonable, not absolute assurance that the objectives of our control systems have been met.

**Management's Discussion and Analysis**  
Quarter and Nine Months Ended September 30, 2025

**DEFINITIONS – KEY PERFORMANCE INDICATORS, IFRS, ADDITIONAL GAAP AND NON-GAAP MEASURES**

**IFRS Measures**

***Cost of services***

Cost of services consists of expenses related to delivering service to customers and servicing the operations of our networks. These expenses include costs for the lease of intercity facilities to connect our cities, internet transit and peering costs paid to other carriers, network real estate lease expense, spectrum lease expenses, \*salaries and related costs of staff directly associated with the cost of services.

***Gross profit margin %***

Gross profit margin % consists of gross profit margin divided by revenue where gross profit margin is revenue less cost of services.

***Foreign exchange gain (loss)***

Foreign exchange gain (loss) relates to the translation of monetary assets and liabilities into Canadian dollars using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in net income in the period.

***Finance costs***

Finance costs consist of interest charged on our short- and long-term debt, amortization of deferred financing costs including expenses associated with closing our long-term debt facility and accretion expense on the Company's decommissioning and restoration obligations. The deferred financing costs are amortized using the effective interest method over the term of the loan.

***Finance income***

Finance income consists of interest earned on our cash and cash equivalent and short-term investment balances.

**Additional GAAP Measures**

***Earnings (loss) from operations***

Earnings (loss) from operations exclude foreign exchange gain (loss), income taxes, finance costs and finance income. We include earnings (loss) from operations as an additional GAAP measure in our consolidated statement of earnings. We consider earnings (loss) from operations to be representative of the activities that would normally be regarded as operating for the Company. We believe this measure provides relevant information that can be used to assess the consolidated performance of the Company and therefore, provides meaningful information to investors.

**Non-GAAP Measures**

***Adjusted EBITDA***

The term "Adjusted EBITDA" refers to earnings before deducting interest, taxes, depreciation and amortization foreign exchange gain or loss, finance costs, finance income, gain, or loss on disposal of network assets, property and equipment, impairment of property, plant, & equipment and intangible assets, stock-based compensation and restructuring costs. The Company believes that Adjusted EBITDA is useful additional information to management, the Board and investors as they provides an indication of the operational results generated by its business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and amortization and excludes items that could affect the comparability of our operational results and could potentially alter the trends analysis in business performance. Excluding these items does not necessarily imply they are non-recurring, infrequent or unusual. Adjusted EBITDA does not take into account the impact of working capital changes, capital expenditures, debt principal reductions and other sources and uses of cash, which are disclosed in the consolidated statements of cash flows.

Adjusted EBITDA does not have any standardized meaning under IFRS. Therefore, Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Refer to reconciliation of net loss to Adjusted EBITDA provided above. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to operating earnings or net earnings determined in accordance with IFRS as an indicator of our financial performance or as a measure of our liquidity and cash flows.

## **Management's Discussion and Analysis**

### **Quarter and Nine Months Ended September 30, 2025**

#### ***Salaries and related costs***

Salaries and related costs includes regular payroll related expenses, commissions and consulting fees. All share based compensation, restructuring, other related costs are excluded from Salaries and related costs.

#### ***Other operating expenses***

Other operating expenses includes sales commission expense, advertising and marketing expenses, travel expenses, administrative expenses including insurance and professional fees, communication expenses, maintenance expenses and rent expenses for office facilities. All restructuring and other related costs are excluded from other operating expenses.

#### **Key Performance Indicators**

##### ***Backlog MRR***

The term "Backlog MRR" is a measure of contracted monthly recurring revenue (MRR) from customers that have not yet been provisioned. The Company believes backlog MRR is useful additional information as it provides an indication of future revenue. Backlog MRR is not a recognized measure under IFRS and may not translate into future revenue, and accordingly, investors are cautioned in using it. The Company calculates backlog MRR by summing the MRR of new customer contracts and upgrades that are signed but not yet provisioned, as at the end of the period. TERAGO's method of calculating backlog MRR may differ from other issuers and, accordingly, backlog MRR may not be comparable to similar measures presented by other issuers.

##### ***ARPA***

The term "ARPA" refers to the Company's average revenue per account per month in the period. The Company believes that ARPA is useful supplemental information as it provides an indication of our revenue from an individual customer on a per month basis. ARPA is not a recognized measure under IFRS and, accordingly, investors are cautioned that ARPA should not be construed as an alternative to revenue determined in accordance with IFRS as an indicator of our financial performance. The Company calculates ARPA by dividing our total revenue before revenue from early terminations by the number of customers in service during the period and we express ARPA as a rate per month. TERAGO's method of calculating ARPA has changed from the Company's past disclosures to exclude revenue from early termination fees, where ARPA was previously calculated as revenue divided by the number of customers in service during the period. TERAGO's method may differ from other issuers, and accordingly, ARPA may not be comparable to similar measures presented by other issuers.

##### ***Churn***

The term "churn" or "churn rate" is a measure, expressed as a percentage, of customer cancellations in a particular month. The Company calculates churn by dividing the number of customer cancellations during a month by the total number of customers at the end of the month before cancellations. The information is presented as the average monthly churn rate during the period. The Company believes that the churn rate is useful supplemental information as it provides an indication of future revenue decline and is a measure of how well the business is able to renew and keep existing customers on their existing service offerings. Churn and churn rate are not recognized measures under IFRS and, accordingly, investors are cautioned in using it. TERAGO's method of calculating churn and churn rate may differ from other issuers and, accordingly, churn may not be comparable to similar measures presented by other issuers.