

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

October 15, 2025, October 16, 2025 and October 21, 2025

Item 3 News Release

The press release attached as Schedule “A” was disseminated through Canada Newswire on October 16, 2025 with respect to the material change.

Item 4 Summary of Material Change

On October 16, 2025, the Company announced the closing of the previously announced Recapitalization Transactions (as defined herein).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On October 15, 2025, the Company refinanced its maturing term debt facility with a new 3-year term facility in the principal amount of US \$21,770,000 (the “**New Term Debt Facility**”).

On October 16, 2025, the Company closed its previously announced rights offering (the “**Rights Offering**”) to eligible holders of its common shares (the “**Common Shares**”). At closing, TERAGO issued an aggregate of 12,675,208 Common Shares pursuant to the Rights Offering at a price of \$0.84 per Common Share (the “**Subscription Price**”) for aggregate gross proceeds of approximately \$10,647,174. As previously announced, in connection with the Rights Offering, the Company entered into standby purchase agreements (the “**Standby Purchase Agreements**”) with each of Cymbria Corporation (“**Cymbria**”) and Hunsbury Capital – Belco Special Situations Fund LP (“**Hunsbury**”, and collectively with Cymbria, the “**Standby Purchasers**”). Cymbria exercised its basic subscription privilege under the Rights Offering in full and purchased an additional 55,189 Common Shares under its additional subscription privilege under the Rights Offering, for a total of 4,761,904 Common Shares for aggregate gross proceeds of \$4,000,000. Hunsbury exercised its basic subscription privilege under the Rights Offering in

full and purchased an additional 205,000 Common Shares under its additional subscription privilege, for a total of 1,500,000 Common Shares for aggregate gross proceeds of \$1,260,000. Collectively, the Standby Purchasers acquired an aggregate of 6,261,904 Common Shares for aggregate gross proceeds of \$5,260,000.

Concurrently with the Rights Offering, the Company closed a non-brokered private placement of 6,249,756 Common Shares at the Subscription Price for gross proceeds of approximately \$5,249,795 (the “**Concurrent Private Placement**”, and collectively with the New Term Debt Facility and the Rights Offering, the “**Recapitalization Transactions**”). The Common Shares issued pursuant to the Concurrent Private Placement will be subject to a statutory hold period of 4 months + 1 day.

On October 21, 2025, the Company issued 2,053,411 common share purchase warrants (the “**Warrants**”) to the syndicate of lenders in connection with the New Term Debt Facility. Each Warrant will allow the holder thereof to purchase one Common Share at the Subscription Price for a period of 60 months from the date of issuance.

As Cymbria is a related party of the Company within the meaning Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”), the establishment of the New Term Debt Facility and the issuance of the Warrants in connection with the New Term Debt Facility constitute “related party transactions” within the meaning of MI 61-101 and would be subject to the formal valuation and minority approval requirements thereof, as applicable, unless exemptions from such requirements are available. The Company relied on the exemptions from the formal valuation and minority approval requirements in Sections 5.5(a) and 5.7(1)(a) (Fair Market Value Not More Than 25% of Market Capitalization) of MI 61-101 for the issuance of the Warrants and the exemptions from the formal valuation and minority approval requirements in Section 5.5(g) (Financial Hardship) and Section 5.7(1)(f) (Loan to Issuer, No Equity or Voting Component) of MI 61-101 for the New Term Debt Facility. The Company notes that Cymbria’s participation in the Rights Offering would ordinarily be considered a related party transaction, but per Section 5.1 (k) of MI 61-101, the Rights Offering is exempt from the rules under MI 61-101.

Pursuant to the Concurrent Private Placement, insiders subscribed for a total of 118,809 Common Shares for aggregate gross proceeds of approximately \$99,800. TERAGO is relying on the exemptions from the formal valuation requirement and the minority shareholder approval requirement under sections 5.5(a) and 5.7(1)(a) of MI 61-101, on the basis that neither the fair market value of the subject matter of, nor the consideration for the Concurrent Private Placement, insofar as it involves the investing insiders, exceeds 25 percent of the Company's market capitalization. The Recapitalization Transactions were approved by the board of directors of the Company, including all of the directors that did not participate in either the Rights Offering or the Concurrent Private Placement.

The Company did not file a material change report more than 21 days before the closing of the Recapitalization Transactions because the details of the participation therein by related parties were not settled until shortly prior to the closing and the Company wished to close on an expedited basis for sound business reasons.

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

October 24, 2025

Schedule “A”

TERAGO ANNOUNCES CLOSING OF RECAPITALIZATION TRANSACTIONS

Not for distribution to United States News Wire Services or Dissemination in the United States

TORONTO – October 16, 2025 – TERAGO Inc. (“TERAGO” or the “Company”) (TSX: TGO, <https://terago.ca/>), Canada’s 91% mmWave spectrum holder and a leading provider of Managed Fixed Wireless Internet, 5G Private Wireless Networks and SD-WAN solutions is pleased to announce the successful closing of the Company’s Recapitalization Transactions (as defined herein).

In expressing confidence in TERAGO, Frank Mullen, Chief Investment Officer of EdgePoint Investment Group Inc. (“EdgePoint”), commented: “We are pleased to have played a leading role in this recapitalization, which provides TERAGO with the financial flexibility and strategic runway to capitalize on its valuable spectrum assets. This transaction reflects our confidence in the importance of next-generation wireless technologies as key enablers of future connectivity, and in TERAGO’s strong position as the largest holder of mmWave spectrum in Canada.”

“This recapitalization marks an important milestone for TERAGO, strengthening our balance sheet and providing the flexibility to advance our strategic priorities. Our mmWave spectrum holdings are central to our vision of addressing the growing demand for data-intensive applications requiring the highest speeds and lowest latency. With this capital in place, TERAGO is well positioned to unlock meaningful value for our stakeholders,” said Daniel Vucinic, President and Chief Executive Officer of TERAGO.

Rights Offering

The Company has closed its previously announced rights offering (the “**Rights Offering**”) to eligible holders of its common shares (the “**Common Shares**”). At closing, TERAGO issued an aggregate of 12,675,208 Common Shares pursuant to the Rights Offering at a price of \$0.84 per Common Share (the “**Subscription Price**”) for aggregate gross proceeds of approximately \$10,647,174.

As previously announced, in connection with the Rights Offering, the Company entered into standby purchase agreements (the “**Standby Purchase Agreements**”) with each of Cymbria Corporation (“**Cymbria**”) and Hunsbury Capital – Belco Special Situations Fund LP (“**Hunsbury**”, and collectively with Cymbria, the “**Standby Purchasers**”). Cymbria exercised its basic subscription privilege under the Rights Offering in full and purchased an additional 55,189 Common Shares under its additional subscription privilege under the Rights Offering, for a total of 4,761,904 Common Shares for aggregate gross proceeds of \$4,000,000. Hunsbury exercised its basic subscription privilege under the Rights Offering in full and purchased an additional 205,000 Common Shares under its additional subscription privilege, for a total of 1,500,000 Common

Shares for aggregate gross proceeds of \$1,260,000. Collectively, the Standby Purchasers acquired an aggregate of 6,261,904 Common Shares for aggregate gross proceeds of \$5,260,000.

In total, 4,771,637 Common Shares were distributed to insiders under the basic subscription privilege, and 6,642,065 Common Shares were distributed to all other parties under the basic subscription privilege. Further, 267,606 Common Shares were distributed to insiders under the additional subscription privilege, and 993,900 Common Shares were distributed to all other parties under the additional subscription privilege. To the knowledge of the Company after reasonable inquiry, no person that was not an insider of the Company before the Rights Offering became an insider as a result of the Rights Offering or the transactions contemplated by the Standby Purchase Agreements.

Concurrent Private Placement

Concurrently with the Rights Offering, the Company completed a non-brokered private placement of 6,249,756 Common Shares at the Subscription Price for gross proceeds of approximately \$5,250,000 (the “**Concurrent Private Placement**”). The Common Shares issued pursuant to the Concurrent Private Placement will be subject to a statutory hold period of 4 months + 1 day.

Between the Rights Offering and the Concurrent Private Placement, the Company issued 18,924,964 Common Shares, for aggregate gross proceeds of approximately \$15,896,969. On closing of the Recapitalization Transactions, the Company had 38,997,457 Common Shares issued and outstanding.

New Term Debt Facility

The Company also refinanced its maturing term debt facility with a new 3-year term facility in the principal amount of US \$21,770,000 (the “**New Term Debt Facility**”), and collectively with the Rights Offering and the Concurrent Private Placement, the “**Recapitalization Transactions**”). The New Term Debt Facility includes EdgePoint as administrative agent and collateral agent and an affiliate of EdgePoint as the sole lender (although EdgePoint may syndicate a portion of the New Term Debt Facility to other lenders in the near future). The New Term Debt Facility was contingent on the satisfaction of customary conditions, including the execution of definitive loan documents and TERAGO securing \$12,000,000 in financing from the completion of the Rights Offering and the Concurrent Private Placement, which has now been satisfied. In connection with the New Term Debt Facility, the lenders thereunder will be issued 2,053,411 warrants (the “**Warrants**”). Each Warrant will allow the holder thereof to purchase one Common Share at the Subscription Price for a period of 60 months from the date of issuance.

The Company retained Origin Merchant Securities Inc. (“**Origin**”) as its exclusive financial advisor. At closing, the Company paid customary fees to Origin from the gross proceeds from the New Term Debt Facility and the Concurrent Private Placement.

The Company intends to use the proceeds of: (i) the Rights Offering, (ii) the transactions contemplated by the Standby Purchase Agreements and (iii) the Concurrent Private Placement to fund capital expenditures, related transaction fees and expenses, and general corporate working capital purposes.

As Cymbria is a related party of the Company within the meaning Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), the establishment of the New Term Debt Facility and the issuance of the Warrants (when issued to Cymbria and the other lenders in the syndicate) in connection with the New Term Debt Facility constitute “related party transactions” within the meaning of MI 61-101 and would be subject to the formal valuation and minority approval requirements thereof, as applicable, unless exemptions from such requirements are available. The Company relied on the exemptions from the formal valuation and minority approval requirements in Sections 5.5(a) and 5.7(1)(a) (Fair Market Value Not More Than 25% of Market Capitalization) of MI 61-101 for the issuance of the Warrants and the exemptions from the formal valuation and minority approval requirements in Section 5.5(g) (Financial Hardship) and Section 5.7(1)(f) (Loan to Issuer, No Equity or Voting Component) of MI 61-101 for the New Term Debt Facility. The Company notes that Cymbria’s participation in the Rights Offering would ordinarily be considered a related party transaction, but per Section 5.1 (k) of MI 61-101, the Rights Offering is exempt from the rules under MI 61-101.

The Recapitalization Transactions (including the listing of the related Common Shares) have all been conditionally approved by the Toronto Stock Exchange (the “**TSX**”), but are all subject to final TSX approval.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements thereunder.

About TERAGO

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 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.

For further information, please contact:

Investor Relations

Investor.relations@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 statements regarding: the syndication of the New Term Debt Facility (including the timing thereof); the issuance of Warrants to the lenders in connection with the New Term Debt Facility (including the timing thereof); and the receipt of final approval for the Recapitalization Transactions from the TSX (including the timing thereof). By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond TERAGO's control. All such statements constitute "forward-looking information" as defined under, applicable Canadian securities laws. Any statements contained herein that are not statements of historical facts constitute forward-looking information. The forward-looking statements reflect the Company's views with respect to future events and are subject to risks, uncertainties and assumptions, including the Company not obtaining the final approval of the Recapitalization Transactions from the TSX and those risks set forth in the "Risk Factors" section in the Annual Information Form for the year ended December 31, 2024 and risks set forth in the "Financial Risk Management" section in the annual MD&A of the Company for the year ended December 31, 2024 available on www.sedarplus.ca and under the Company's corporate profile. Factors that could cause actual results or events to differ materially include the inability to consistently achieve sales growth across all lines of TERAGO's business including managed services, inability to complete successful 5G technical trials, the results of the 5G trials not being satisfactory to TERAGO or any of its technology partners, regulatory requirements may delay or inhibit the trial, the economic viability of any potential services that may result from the trial, the ability for TERAGO to further finance and support any new market opportunities that may present itself, and industry competitors who may have superior technology or are quicker to take advantage of 5G technology. Accordingly, readers should not place undue reliance on forward-looking statements as several 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. Except as may be 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.