

**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 the audited consolidated financial statements for the year ended December 31, 2025 and 2024, and the notes thereto, which we prepared in accordance with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are available on SEDAR at www.sedarplus.ca. The information in this MD&A is provided as of March 27, 2026, 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.

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.

Management's Discussion and Analysis

Quarter and Fiscal Year Ended December 31, 2025

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 or our website at www.terago.ca.

RISKS AND UNCERTAINTIES

A complete description of the risks and uncertainties affecting the Company is included in the most recently filed 2025 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

- Total revenue decreased for the quarter and year ended December 31, 2025 by 5.7% to \$6,200 and by 3.1% to \$25,356, respectively, compared to \$6,572 and \$26,165, respectively, for the same periods in 2024. The decrease was primarily driven by a combination of decreased bookings, delays in installations associated with larger multi-site deployments, and a reduction in one-time revenues. In addition, management continued initiatives to optimize the customer base by discontinuing service to unprofitable accounts. The overall decrease was partially offset by revenue from new customers in the current period.
- Adjusted EBITDA^{1,2} for the quarter ended December 31, 2025 decreased by 26.3% to \$884 as compared to an Adjusted EBITDA^{1,2} of \$1,201 for the comparative period in 2024. Adjusted EBITDA^{1,2} for the year ended December 31, 2025 decreased by 5.6% to \$3,790 as compared to \$4,016 for the comparative period in 2024. The decrease was a result of lower revenues in the current period compared to same periods in the prior year.
- Net loss for the quarter ended December 31, 2025 was \$4,913 or \$(0.20) per share (basic and diluted) compared to a loss of \$3,174 or \$(0.16) per share (basic and diluted) in the same period in 2024. For the year ended December 31, 2025, net loss was \$16,765 or \$(0.47) per share (basic and diluted) compared to a loss of \$13,271 or \$(0.67) per share (basic and diluted) in the same period in 2024.
- ARPA¹ for the quarter and year ended December 31, 2025, for the connectivity business increased by 4.4% to \$1,265 and by 6.3% to \$1,258, respectively, compared to \$1,212 and \$1,184, respectively for the same periods in 2024. The increase in ARPA¹ was a result of the Company's ongoing focus to attract mid-market and large-scale, predominantly continued multi-location customers.
- Churn¹ for the connectivity business for the quarter ended December 31, 2025, decreased to 0.7% compared to 0.8% for the same period in 2024. For the year ended December 31, 2025, churn¹ for the connectivity business was 0.9% compared to 0.9% for the same period in 2024. The Company continued its execution of the 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 Company continues to review, modify and improve its customer experience practices with a focus on reducing customer churn¹.
- Backlog MRR¹ in the connectivity business decreased year over year to \$71,328 as of December 31, 2025, compared to \$111,905 for the same period in 2024. The decrease in backlog MRR¹ was a result of decreased bookings in the current year period.

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

² See "Adjusted EBITDA" for a reconciliation of net loss to Adjusted EBITDA

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 holder, 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.

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 high priority traffic and other potential future applications.

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)¹. 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" licences for an equal amount of spectrum upon expiry of the current 10-year licence term, or earlier upon voluntary license cancellation. Flexible use licences 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 licences 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 licence 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 Licence 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.

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.

¹ Based on 2021 Canadian data cited by ISED.

Management's Discussion and Analysis

Quarter and Fiscal Year Ended December 31, 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.

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

SELECTED FINANCIAL INFORMATION

The following table sets out selected financial information for the periods indicated. The selected financial information of the Company as at December 31, 2025 and 2024 and for the fiscal years ended December 31, 2025, 2024 and 2023 has been derived from the Company's audited financial statements.

(in thousands of dollars, except with respect to loss per share, unaudited)

| | Quarter Ended December 31 | | Year Ended December 31 | | |
|--|------------------------------|-------------------|---------------------------|--------------------|--------------------|
| | 2025 | 2024 | 2025 | 2024 | 2023 |
| Revenue | | | | | |
| Connectivity Revenue | 6,200 | 6,572 | 25,356 | 26,165 | 26,034 |
| Other Revenue | - | - | - | - | 18 |
| Total Revenue | 6,200 | 6,572 | 25,356 | 26,165 | 26,052 |
| Expenses | | | | | |
| Cost of services | 1,674 | 1,703 | 6,679 | 6,981 | 6,948 |
| Salaries and related costs | 2,789 | 2,763 | 11,226 | 11,713 | 12,626 |
| Other operating expenses | 1,277 | 1,206 | 5,055 | 5,019 | 5,804 |
| Amortization of intangible assets | 21 | 20 | 81 | 49 | 9 |
| Depreciation of network assets, property and equipment | 2,310 | 2,343 | 9,190 | 9,556 | 10,345 |
| | 8,071 | 8,035 | 32,231 | 33,318 | 35,732 |
| Loss from operations | (1,871) | (1,463) | (6,875) | (7,153) | (9,680) |
| Loss from sale of assets | - | - | (341) | - | - |
| Loss on debt extinguishment | (972) | - | (972) | - | - |
| Foreign exchange (loss) gain | (22) | 145 | (25) | 180 | (7) |
| Finance costs | (2,094) | (1,895) | (8,644) | (6,459) | (3,707) |
| Finance income | 46 | 39 | 92 | 161 | 209 |
| Loss before income taxes | (4,913) | (3,174) | (16,765) | (13,271) | (13,185) |
| Income Taxes | | | | | |
| Income tax expense | - | - | - | - | - |
| Net loss and comprehensive loss | \$ (4,913) | \$ (3,174) | \$ (16,765) | \$ (13,271) | \$ (13,185) |
| Basic & diluted loss per share | \$ (0.20) | \$ (0.16) | \$ (0.47) | \$ (0.67) | \$ (0.67) |
| Basic & diluted weighted average number of shares outstanding | 24,035 | 19,973 | 35,916 | 19,915 | 19,771 |

Management's Discussion and Analysis

Quarter and Fiscal Year Ended December 31, 2025

Selected Balance Sheet Data

(in thousands of dollars)

| | As at December 31 | | | | | |
|--|-------------------|---------------|-------------|---------------|-------------|---------------|
| | <u>2025</u> | | <u>2024</u> | | <u>2023</u> | |
| Cash and cash equivalents | \$ | 12,648 | \$ | 4,186 | \$ | 4,403 |
| Short term investments | \$ | - | \$ | 234 | \$ | 235 |
| Accounts receivable | \$ | 1,432 | \$ | 1,905 | \$ | 1,990 |
| Prepaid expenses and other assets | \$ | 839 | \$ | 695 | \$ | 992 |
| Network assets, property and equipment | \$ | 31,579 | \$ | 34,485 | \$ | 33,549 |
| Total Assets | \$ | 58,968 | \$ | 53,987 | \$ | 53,496 |
| Accounts payable and accrued liabilities | \$ | 4,317 | \$ | 4,161 | \$ | 2,999 |
| Current portion of long-term debt | \$ | - | \$ | 24,847 | \$ | - |
| Current portion of other long-term liabilities | \$ | - | \$ | 806 | \$ | - |
| Long-term debt | \$ | 28,932 | \$ | - | \$ | 16,871 |
| Other long-term liabilities | \$ | - | \$ | - | \$ | 672 |
| Shareholders' equity | \$ | 5,602 | \$ | 4,920 | \$ | 17,333 |

RESULTS OF OPERATIONS

Comparison of the quarter and year ended December 31, 2025, and 2024

(in thousands of dollars, except with respect to gross profit margin¹, loss per share, backlog MRR¹, churn rate¹ and ARPA¹)

| (unaudited) | Quarter ended December 31 | | | Year ended December 31 | | |
|---|---------------------------|-------------|--------|------------------------|-------------|--------|
| | <u>2025</u> | <u>2024</u> | % Chg | <u>2025</u> | <u>2024</u> | % Chg |
| Financial | | | | | | |
| Total Revenue | \$ 6,200 | 6,572 | (5.7) | 25,356 | 26,165 | (3.1) |
| Cost of Services ¹ | \$ 1,674 | 1,703 | (1.7) | 6,679 | 6,981 | (4.3) |
| Gross Profit Margin ¹ | 73.0% | 74.1% | (1.5) | 73.7% | 73.3% | 0.5 |
| Salaries and Related Costs ¹ | \$ 2,402 | 2,542 | (5.5) | 10,128 | 10,437 | (3.0) |
| Other Operating Expenses ¹ | \$ 1,239 | 1,126 | 10.0 | 4,759 | 4,731 | 0.6 |
| Adjusted EBITDA ^{1,2} | \$ 885 | 1,201 | (26.3) | 3,790 | 4,016 | (5.6) |
| Net Loss | \$ (4,913) | (3,174) | 54.8 | (16,765) | (13,271) | 26.3 |
| Basic & diluted loss per share | \$ (0.20) | (0.16) | 28.6 | (0.47) | (0.67) | (30.0) |
| Operating | | | | | | |
| <u>Backlog MRR¹</u> | | | | | | |
| Connectivity | \$ 71,328 | 111,905 | (36.3) | 71,328 | 111,905 | (36.3) |
| <u>Churn Rate¹</u> | | | | | | |
| Connectivity | 0.7% | 0.8% | | 0.9% | 0.9% | |
| <u>ARPA¹</u> | | | | | | |
| Connectivity | \$ 1,265 | 1,212 | 4.4 | 1,258 | 1,184 | 6.3 |

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

2 See "Adjusted EBITDA" for a reconciliation of net loss to Adjusted EBITDA

Management's Discussion and Analysis

Quarter and Fiscal Year Ended December 31, 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.

Revenue

Total revenue decreased for the quarter and year ended December 31, 2025 by 5.7% to \$6,200 and by 3.1% to \$25,356 respectively, compared to \$6,572 and \$26,165, respectively, for the same periods in 2024. The decrease was primarily driven by a combination of decreased bookings, delays in installations associated with larger multi-site deployments, and a reduction in one-time revenues. In addition, management continued initiatives to optimize the customer base by discontinuing service to unprofitable accounts. The overall decrease was partially offset by revenue from new customers in the current period.

Cost of Services and Gross Profit Margin¹

For the quarter ended December 31, 2025, cost of services¹ decreased by 1.7% to \$1,674 compared to \$1,703 in the same period in 2024. For the year ended December 31, 2025, cost of services¹ decreased by 4.3% to \$6,679 compared to \$6,981 in the same period in 2024. The decrease is attributable to tighter controls and improved results related to supplier costs.

Gross Profit Margin¹ decreased to 73.0% for the quarter ended December 31, 2025 compared to 74.1% for the same period of 2024. For the year ended December 31, 2025, gross profit margin¹ was 73.7%, increased by 0.5% compared to the same period of 2024.

Salaries and related costs and other operating expenses ("SG&A")¹

For the quarter ended December 31, 2025, SG&A decreased by 0.8% to \$3,641 compared to \$3,668 for the same period in 2024. For the year ended December 31, 2025, SG&A decreased by 1.9% to \$14,887 compared to \$15,168 for the same period in 2024. The overall decrease in SG&A year over year was driven by lower overall operating costs 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^{1,2}

Adjusted EBITDA^{1,2} for the quarter ended December 31, 2025 decreased by 26.3% to \$885 as compared to an Adjusted EBITDA^{1,2} of \$1,201 for the comparative period in 2024. Adjusted EBITDA^{1,2} for the year ended December 31, 2025 decreased by 5.6% to \$3,790 as compared to \$4,016 for the comparative period in 2024. The decrease was a result of decrease in revenues in the current period compared to same periods in the prior year.

Net loss

Net loss for the quarter ended December 31, 2025 was \$4,913 or \$(0.20) per share (basic and diluted) compared to a loss of \$3,174 or \$(0.16) per share (basic and diluted) in the same period in 2024. For the year ended December 31, 2025, net loss was \$16,765 or \$(0.47) per share (basic and diluted) compared to a loss of \$13,271 or \$(0.67) per share (basic and diluted) in the same period in 2024.

ARPA¹

For the quarter and year ended December 31, 2025, ARPA¹ for the connectivity business increased by 4.4% to \$1,265 and by 6.3% to \$1,258, respectively, compared to \$1,212 and \$1,184, respectively for the same periods in 2024. The increase in ARPA¹ was a result of the Company's ongoing focus to attract mid-market and large-scale, predominantly continued multi-location customers.

Churn¹

For the quarter ended December 31, 2025, churn¹ for the connectivity business decreased to 0.7% compared to 0.8% for the same period in 2024. For the year ended December 31, 2025, churn¹ for the connectivity business was 0.9% compared to 0.9% for the same period in 2024. The Company its 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 Company continues to review, modify and improve its customer experience practices with a focus on reducing customer churn¹.

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

² See "Adjusted EBITDA" for a reconciliation of net loss to Adjusted EBITDA

Management's Discussion and Analysis

Quarter and Fiscal Year Ended December 31, 2025

Backlog MRR¹

Backlog MRR¹ in the connectivity business decreased year over year to \$71,328 as of December 31, 2025, compared to \$111,905 for the same period in 2024. The decrease in backlog MRR¹ was a result of decreased bookings in the current year period.

Finance costs

For the quarter and year ended December 31, 2025, finance costs increased 10.5% to \$2,094 and 33.8% to \$8,644 respectively compared to \$1,895 and \$6,459, respectively for the same period 2024. The increase was primarily attributable to higher average debt levels during the current period, with a modest impact from the refinancing completed in the fourth quarter of current year period.

Depreciation and amortization

For the quarter and year ended December 31, 2025, depreciation of network assets, property and equipment and amortization of intangibles decreased 1.3% to \$2,332 and 3.5% to \$9,272, respectively compared to \$2,363 and \$9,605, respectively for the same period in 2024. The decrease for year ended in current year period resulting from the sale of seven telecommunications towers.

The table below reconciles net loss to Adjusted EBITDA^{1,2} for the quarter and year ended December 31, 2025, and 2024:

(in thousands of dollars, unaudited)

| | Quarter ended December 31 | | Year ended December 31 | |
|--|------------------------------|----------------|---------------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| Adjusted EBITDA^{1,2} | \$ 885 | 1,201 | \$ 3,790 | 4,016 |
| Deduct: | | | | |
| Depreciation of network assets, property and equipment and amortization of intangible assets | 2,332 | 2,363 | 9,272 | 9,605 |
| Stock-based compensation expense | 111 | 236 | 749 | 863 |
| Restructuring and other costs | 313 | 65 | 645 | 701 |
| Loss from operations | \$ (1,871) | (1,463) | \$ (6,876) | (7,153) |
| Add/deduct: | | | | |
| Loss from sale of assets | - | - | (341) | - |
| Loss on debt extinguishment | (972) | - | (972) | - |
| Foreign exchange (loss) gain | (22) | 145 | (25) | 180 |
| Finance costs | (2,094) | (1,895) | (8,644) | (6,459) |
| Finance income | 46 | 39 | 92 | 161 |
| Net loss for the period | \$ (4,913) | (3,174) | \$ (16,765) | (13,271) |

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

² Adjusted EBITDA is a Non-GAAP measure.

Management's Discussion and Analysis

Quarter and Fiscal Year Ended December 31, 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 December 31, 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 margin¹, backlog MRR¹, churn rate¹ and ARPA¹.

| (unaudited) | Q4 - 25 | Q3 - 25 | Q2 - 25 | Q1 - 25 | Q4 - 24 | Q3 - 24 | Q2 - 24 | Q1 - 24 |
|---|------------|---------|---------|---------|---------|---------|---------|---------|
| Financial | | | | | | | | |
| Revenue | \$ 6,200 | 6,398 | 6,344 | 6,414 | 6,572 | 6,544 | 6,577 | 6,472 |
| Gross Profit Margin % ¹ | 73.0% | 73.9% | 73.8% | 73.9% | 74.1% | 73.2% | 73.0% | 72.9% |
| Adjusted EBITDA ^{1,2} | \$ 885 | 971 | 903 | 1,032 | 1,201 | 944 | 941 | 930 |
| Net loss | \$ (4,913) | (4,060) | (4,256) | (3,536) | (3,174) | (3,338) | (3,212) | (3,547) |
| Basic & diluted loss per share | \$ (0.20) | (0.20) | (0.21) | (0.18) | (0.16) | (0.17) | (0.16) | (0.18) |
| Basic & diluted weighted average number of shares outstanding | 24,035 | 20,054 | 20,035 | 20,003 | 19,973 | 19,939 | 19,888 | 19,858 |
| Operating | | | | | | | | |
| <u>Backlog MRR¹</u> | | | | | | | | |
| Connectivity | \$ 71,328 | 95,832 | 93,279 | 96,405 | 111,905 | 114,136 | 46,584 | 48,328 |
| <u>Churn Rate¹</u> | | | | | | | | |
| Connectivity | 0.7% | 1.0% | 0.9% | 1.2% | 0.8% | 0.9% | 1.0% | 0.8% |
| <u>ARPA¹</u> | | | | | | | | |
| Connectivity | \$ 1,265 | 1,241 | 1,228 | 1,229 | 1,212 | 1,221 | 1,200 | 1,158 |

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 annual agreements requiring payments in the first quarter, annual rate increases in existing long-term contracts, payments of prior year end accruals, such as variable compensation, audit and other compliance costs and the restart on January 1st of payroll taxes and other levies related to employee compensation.

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

² Adjusted EBITDA is a non-GAAP measure.

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 and the issuance of equity securities. 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.

Below is a summary of our cash flows from (used in) operating, financing, and investing activities for the periods indicated:

| | Quarter ended December 31 | | Year ended December 31 | |
|---|------------------------------|----------------|---------------------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| <i>(in thousands of dollars, unaudited)</i> | | | | |
| Statement of Cash Flows Summary | | | | |
| Cash inflows and (outflows) by activity: | | | | |
| Operating activities | \$ (382) | 1,613 | \$ 2,885 | 5,015 |
| Investing activities | (1,152) | (815) | (2,577) | (3,517) |
| Financing activities | 12,815 | (2,257) | 8,087 | (1,895) |
| Net cash outflows | <u>11,281</u> | <u>(1,459)</u> | <u>8,395</u> | <u>(397)</u> |
| Cash and cash equivalents, beginning of period | 1,297 | 5,500 | 4,186 | 4,403 |
| Change in cash due to foreign exchange | 70 | 145 | 67 | 180 |
| Cash and cash equivalents, end of period | \$ 12,648 | 4,186 | \$ 12,648 | 4,186 |

Operating Activities

We used cash of \$382 from operating activities for the quarter ended December 31, 2025. Of the cash used, \$571 was attributable to cash generated from operating activities and \$953 was attributable to negative movements in non-cash working capital. We generated cash of \$2,885 from operating activities for the year ended December 31, 2025. Of the cash generated, \$3,145 was attributable to cash generated from operating activities and \$260 was attributable to negative movements in non-cash working capital.

We generated cash of \$1,613 from operating activities for the quarter ended December 31, 2024. Of the cash generated, \$1,035 was attributable to cash generated from operating activities, and \$578 to positive movements in non-cash working capital. We generated cash of \$5,015 from operating activities for the year ended December 31, 2024. Of the cash generated, \$3,072 was attributable to cash generated from operating activities and \$1,943 was attributable to positive movements in non-cash working capital.

Financing Activities

For the quarter ended December 31, 2025, cash generated in financing activities was \$12,815 compared to cash used of \$2,257 for the same period in 2024. The increase in cash generated was a result of proceeds from rights offering & private placement and proceeds from debt borrowings, partially offset by financing costs paid in connection with the recapitalization, repayment of the former term debt facility, payment of lease liabilities and interest payments made.

For the year ended December 31, 2025, cash generated in financing activities was \$8,087 compared to cash used of \$1,895 for the same period in 2024. The increase in cash generated was a result of proceeds from rights offering & private placement and proceeds from debt borrowings, partially offset by financing costs paid in connection with the recapitalization, repayment of the former term debt facility, payment of lease liabilities and interest payments made.

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Investing Activities

For the quarter ended December 31, 2025, cash used in investing activities was \$1,152 compared to cash used \$815 for the same period in 2024. The cash used in investing activities was a result of increased capital spend and unfavourable movements in non-cash working capital related to network assets, property and equipment and intangible assets, partially offset by sale of assets and sale of short-term investment.

For the year ended December 31, 2025, cash used in investing activities was \$2,577 compared to \$3,517 for the same period in 2024. The decrease in cash used in investing activities was mainly as a result of proceeds from sale of assets and sale of short-term investment, offset by unfavourable movements in non-cash working capital related to network assets, property and equipment and intangible assets and increased purchase of network, property and equipment and intangible assets.

Capital Resources

As at December 31, 2025, the Company had cash and cash equivalents of \$12,648. On October 16, 2025, the Company completed a series of recapitalization transactions, which included issuing 18,924,964 common shares through a combination of rights offering and non-brokered private placement for gross proceeds of \$15,897. The equity financing formed a key component of the Company's capital resources during the period and was undertaken to strengthen the Company's balance sheet and enhance near-term liquidity. The proceeds contributed to funding ongoing operations and capital expenditures and reduced near-term funding risk, particularly in advance of upcoming debt obligations. While the transaction resulted in dilution to existing shareholders who did not participate in the rights offering, it provided all shareholders with the opportunity to participate and maintain their proportionate ownership. The equity raise, together with the new term loan facility described below, supports the Company's ability to execute its operating plan and manage its liquidity requirements. In addition, the Company entered into a new 36-months senior secured term loan facility to re-finance the former term debt facility.

Management believes the Company's current cash and anticipated cash from operations will be sufficient to meet its working capital and capital expenditure requirements for at least the next 12 months. In order to meet its repayment obligations, the Company will need to either extend its existing debt facility and/or raise additional debt and/or additional equity.

Term Debt Facility

Former 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") providing for a secured drawdown credit facility in the amount of U.S. \$20,000. The Credit Agreement bore interest at a variable interest rate of SOFR plus 9.00%, payable monthly, and was structured as an interest-only facility with a contractual term of 36 months. The Credit Agreement also included a 1% annual standby fee, payable monthly, on undrawn amounts and an exit fee payable on maturity or repayment of up to a maximum of \$1,000 calculated on a pro-rata basis on the amount drawn under the facility. The Company incurred financing fees in the amount of \$395 to facilitate the execution of the Credit Agreement. In connection with the Credit Agreement, the Company issued 216,463 warrants for the purchase of common shares, each exercisable to acquire one common share of the Company at an exercise price of \$4.43 for a period of five years. The warrants vested on a pro-rata as amounts were drawn down under the facility. From 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 warrants issued to CrowdOut.

The Credit Agreement and the warrants issued thereunder were accounted for as a compound financial instrument comprising a liability component representing the debt obligation and an equity component representing the warrants issued to the lenders. As the warrants entitle the holder to acquire a fixed number of the Company's common shares for a fixed exercise price, they meet the fixed-for-fixed criterion and are classified as equity instruments. Upon each drawdown under the facility, the liability component was initially measured at its fair value using the prevailing market borrowing rate applicable to the Company at the drawdown date, including reference to the forward SOFR curve, with the equity component measured as the residual amount of the compound instrument. Deferred financing costs were recorded as a reduction of the carrying amount of the debt and amortized over the expected life of the facility using the effective interest method.

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On May 29, 2024, the Company and CrowdOut entered into a First Amending Agreement, pursuant to Cymbria Corporation ("Cymbria") joined the syndicate of lenders and certain facility terms were amended. Under the amendment, the committed facility under the Credit Agreement was reduced from U.S. \$20,000 to U.S. \$19,000, with the remaining U.S. \$5,000 funding was to be provided in two tranches consisting of U.S. \$2,000 available upon execution of the amendment and U.S. \$3,000 available after July 1, 2024. The amendment also removed the standby fee on undrawn amounts and eliminated any further accrual of exist fees payable to CrowdOut and increased the Adjusted Term SOFR floor from 1.5% to 5%.

In connection with this amendment, the Company issued 54,100 warrants to Cymbria on substantially similar terms to those previously issued to CrowdOut, exercisable at \$4.43 per share and vesting pro-rata as Cymbria's funding was drawn. The Company incurred financing fees in the amount of \$274 in connection with the amendment. On May 30, 2024, the Company drew the first tranche in the amount of \$2,736 (U.S. \$2,000), resulting in the vesting of 21,640 Cymbria warrants, and on August 27, 2024, the Company drew the second tranche in the amount of \$4,038 (U.S. \$3,000), resulting in the vesting of the remaining 32,460 Cymbria warrants.

On March 31, 2025, the Company entered into a Second Amending Agreement, which increased the committed facility from U.S. \$19,000 to U.S. \$21,000, with the additional U.S. \$2,000 funded by Cymbria on April 3, 2025, and increased the exit fee payable to CrowdOut by up to U.S.\$210, payable upon the earlier of maturity or repayment of the facility. In connection with this amendment, the Company issued 800,000 warrants to Cymbria in four tranches of 200,000 warrants each with exercise prices of \$2.50, \$2.00, \$1.50 and \$1.06, respectively. The warrants were valued using the Black-Scholes option pricing model, incorporating a risk-free interest rate of 2.47%, an expected life of three years, and expected volatility of 79.97%, resulting in a fair value of \$274, which was recorded in warrant reserve with a corresponding reduction in the carrying amount of the debt. The Company incurred financing fees of \$138 in connection with the amendment and incurred additional exit fees of \$295.

On September 10, 2025, the Company entered into a Third Amendment extending the maturity date of the Credit Agreement to October 31, 2025. The Credit Agreement contained financial covenants relating to leverage, liquidity and fixed charge coverage ratios. As at September 30, 2025, the Company did not meet the covenant requiring minimum cash and short-term investments of \$1,500, however the lender granted a waiver, and the facility remained in good standing.

All amendments to the Credit Agreement were assessed under IFRS 9 and determined to represent non-substantive modifications of the existing financial liability and therefore did not result in derecognition of the liability prior to repayment.

For the year ended December 31, 2025, prior to its repayment, interest expense recognized in respect of the Credit Agreement totaled \$3,210 (2024 - \$3,234) and amortization of deferred financing costs totaled \$1,566 (2024 - \$982), which were recorded within finance costs in the consolidated statements of comprehensive loss.

On October 15, 2025, the Company repaid in full all outstanding obligations under the Credit Agreement using proceeds from the new term loan facility described below. The repayment included settlement of the outstanding principal balance together with contractual exit fees of approximately \$1,081 payable to the lenders. Upon repayment, the Company derecognized the financial liability associated with the Credit Agreement in accordance with IFRS 9 and recognized a loss on extinguishment of debt of \$972, representing primarily the write-off of unamortized financing costs, settlement of exit fee obligations and foreign exchange impacts associated with the settlement of the U.S. dollar denominated liability.

New Senior Secured Term loan facility:

On October 15, 2025, the Company entered into a 36-month senior secured term loan facility with Cymbria Corporation as lender and EdgePoint Investment Group Inc. as administrative and collateral agent, providing gross proceeds of approximately \$30,571. The facility bears interest at 15% per annum, of which 10% is payable in cash in quarterly installments and 5% is payable-in-kind ("PIK"), accruing to the principal balance and payable at maturity. Interest expense recognized during the period includes both the cash interest and the non-cash PIK interest, with PIK interest accreting to the carrying amount of the debt. There are no scheduled principal repayments during the term of the facility, with the full outstanding principal balance, including accrued PIK interest, due at maturity. The facility matures on

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October 15, 2028 and is secured by a first-ranking charge over substantially all of the Company's assets and does not contain financial maintenance covenants.

On October 21, 2025, the facility was syndicated by the administrative agent to additional lenders. In connection with the syndication, the Company issued 2,053,411 common share purchase warrants to the participating lenders on a pro-rata basis, each exercisable to acquire one common share of the Company for a period of 60 months following issuance.

Consistent with the accounting applied to the Company's former Credit Agreement, the new term loan and the warrants issued in connection with the financing are accounted for as a compound financial instrument consisting of a liability component for the debt and an equity component for the warrants. On initial recognition, the liability component was measured at its fair value using the market borrowing rate applicable to the Company at the date of issuance, and the equity component representing the warrants was measured as the residual amount and recorded within warrant reserve in shareholders' equity.

The Company incurred financing fees of \$1,012 in connection with the new facility. These costs were directly attributable to the issuance of the debt liability and were therefore deducted from the carrying amount of the liability component and are amortized over the term of the facility using the effective interest method. No portion of the transaction costs was allocated to the equity component associated with the warrants.

Contractual Obligations

The Company is committed to leases for premises, office equipment, network real estate access, automobiles, telecommunication facilities and radio spectrum licenses. Annual minimum payments over the next five years and thereafter for contractual obligations that are not recognized as liabilities at December 31, 2025 are as follows (in thousands):

| | 2026 | 2027 | 2028 | 2029 | 2030 | Thereafter | Total |
|--|----------|------|------|------|------|------------|-------|
| Network assets, property and equipment | \$ 340 | - | - | - | - | - | 340 |
| Other obligations | 1,637 | 443 | 148 | 14 | 1 | - | 2,243 |
| Total commitments | \$ 1,977 | 443 | 148 | 14 | 1 | - | 2,583 |

Off-balance Sheet Arrangements

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.

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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 is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to changes in interest rates on its cash and cash equivalents. The impact of change in interest rates is not expected to be significant. As at December 31, 2025, the Company's outstanding term debt facility is denominated in Canadian dollars and bear interest at fixed rates. Accordingly, the Company is not exposed to fluctuating benchmark interest rates, including SOFR or other variable interest rates.

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. If a shift in foreign currency exchange rates of 1% were to occur, the foreign exchange gain or loss could change by approximately \$1 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, 2025 and 2024 which are available on SEDAR (www.sedarplus.ca). Certain accounting policies 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 year ended December 31, 2025.

Key areas of estimation and information about critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements are:

(i) *Estimates of useful lives of network assets, property and equipment and intangible assets:*

Management's estimate involve consideration of intended use, industry trends and other factors in determining the expected useful lives of depreciable assets, to determine depreciation methods, the asset's residual value and whether an asset is a qualifying asset for the purposes of capitalizing borrowing costs.

(ii) *Capitalization of costs:*

Judgments and estimates are used in assessing the direct labour and other costs capitalized to network assets, property, and equipment.

Management's Discussion and Analysis
Quarter and Fiscal Year Ended December 31, 2025

(iii) *Cash generating units:*

Judgment is required to assess the Company's determination of cash generating units for the purpose of impairment testing. The Company has determined there is only a single cash generating unit ("CGU").

(iv) *Impairment of Goodwill:*

Assessment of impairment is based on management's judgment of whether there are sufficient internal and external factors that would indicate that an CGU holding goodwill is impaired. The determination of a CGU is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets. Factors considered include whether an active market exists for the output produced by the asset or group of assets, as well as how management monitors and makes decisions about the Company's operations.

(v) *Impairment of non-financial assets:*

The process to calculate the recoverable amount of our CGU requires use of valuation methods such as the discounted cash flow method which uses significant assumptions including expected future revenue, operating margins, capital investment, discount rate, terminal growth rate. The Company also applied judgement on the use of available market data to estimate the value of its Spectrum holdings.

(vi) *Valuation allowance on trade receivables:*

In developing the estimates for an allowance against existing receivables, the Company considers general and industry economic and market conditions as well as credit information available for the customer and the aging of the account. Changes in the carrying amount due to changes in economic and market conditions could significantly affect the loss for the year. The Company applies the IFRS 9, Financial Instruments ("IFRS 9") model to record valuation allowances on trade receivables.

(vii) *Stock-based compensation:*

Estimating fair value for stock-based payments requires determining the most appropriate valuation model for a grant, which is dependent on the terms and conditions of the grant. In valuing stock options and warrants, the Company uses the Black-Scholes option pricing model. Several assumptions are used in the underlying calculation of fair values of the Company's stock options using the Black-Scholes option pricing model including the expected life of the option (or warrant), risk-free interest rate and volatility of the underlying stock.

(viii) *Provisions:*

The measurement of provisions requires management to make estimates based on the best information available at the reporting date. As additional information becomes available, the Company will reassess the potential liability and, if necessary, revise the provision amounts, using management's best estimate at that reporting date.

Management's judgment is required to assess the likelihood of an outflow of the economic benefits to settle contingencies, such as litigations or decommissioning and restoration obligations, which may require a liability to be recognized.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(ix) *Revenue from contracts with customers:*

The enforceable term of contracts requires estimating average contract terms based on available historical data. Significant judgements are also made in determining whether the promises to deliver certain services are considered distinct and represent separate performance obligations. In addition, evaluating whether costs incurred to obtain a contract are incremental and expected to be recoverable requires judgment based on the conditions of each individual contract.

(x) *Leases:*

Judgment is required to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Company is reasonably certain to exercise such options will impact the lease term. The rate at which these leases will be renewed requires estimation as most are negotiated at the time of renewal. In addition, as most of the Company's leases do not have embedded financing rates, judgment is required to arrive at discount rates that reflect the risk associated with each individual lease. The impact of these assumptions significantly impacts the amount of lease liabilities and right-of-use assets recognized.

(xi) *Warrants:*

Estimating fair value for warrants requires determining the most appropriate valuation model for an issuance, which is dependent on the terms and conditions of the issuance. In valuing warrants, the Company uses the Black-Scholes option pricing model. Several assumptions are used in the underlying calculation of fair values of the Company's warrants using the Black-Scholes option pricing model including the risk-free interest rate and volatility of the underlying stock.

The warrants related to the debt facility are exchangeable for a fixed number of Company's common shares and are classified as equity. The liability is measured at its fair value using the forward curve rate and the warrants are measured at the residual amount of the compound financial instrument.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

The accounting pronouncements indicated below are required to be applied beginning on or after January 1, 2025. Refer to Note 3 of our 2025 consolidated financial statements for a brief description of each accounting pronouncement. The Company adopted the following new accounting pronouncements which did not have a material impact on its consolidated financial statements:

- *Amendments to IAS 21: The effects of changes in foreign exchange rates*

RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards and amendments to standards and interpretations are not yet effective for the year ended December 31, 2025, and have not been applied in preparing these consolidated financial statements. In particular, the following relevant new and amended standards and interpretations are required to be implemented for financial years beginning on or after January 1, 2026, unless otherwise noted:

(i) *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.

(ii) *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.

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(iii) *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 March 27, 2026, there are 39,016,539 Common Shares issued and outstanding.

In addition, as of December 31, 2025 there were: (i) 1,917,854 stock options outstanding with exercise prices ranging from \$1.22 to \$5.44 per share; (ii) 216,463 warrants issued to CrowdOut as part of the Former 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 Amending Agreement to the Former Credit Agreement for the purchase of Common Shares; (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, to the Former Credit Agreement for the purchase of Common Shares; and (v) 2,053,411 warrants issued in connection with the New Senior Secured Term loan facility to the lending syndicate, for the purchase of Common Shares, of which 1,603,377 warrants were issued to Cymbria.

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 December 31, 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 control over financial reporting

Management is responsible for designing and maintaining internal controls over financial reporting ("ICFR") as defined under National Instrument 52-109.

Material weakness in ICFR

During the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2025, Management identified a material weakness in the Company's internal control over financial reporting related to the accounting for non-routine transactions.

Specifically, the material weakness relates to the accounting for the Company's a non-routine sale and leaseback transaction, including the application of IFRS 16, which involved determining the appropriate recognition and measurement of right-of-use assets, lease liabilities, and gains/loss on disposal. This material weakness is limited to a non-routine transaction and does not reflect a broader deficiency in the Company's control environment.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that its objectives are met. Due to inherent limitations, ICFR may not prevent or detect all misstatements on a timely basis. Accordingly, our disclosure controls and procedures are designed to provide reasonable, but not absolute assurance that the objectives of our control systems have been met.

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Due to the material weakness described above, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's internal control over financial reporting was not effective as at December 30, 2025, 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).

Management has implemented, and continues to enhance, controls over the identification, evaluation and review of non-routine transactions. These measures include the formalization of a technical accounting review process by engaging an external technical accounting expertise where appropriate, and enhanced documentation of conclusions.

Other than the material weakness described above and the related remediation activities, there were no changes in the Company's ICFR during the quarter and fiscal year ended December 31, 2025, that have materially affected or are reasonably likely to materially affect, the Company's ICFR.

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 Fiscal Year Ended December 31, 2025

Salaries and related costs

Salaries and related costs includes regular payroll related expenses, commissions and consulting fees. All stock-based compensation, restructuring and 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.