

TERAGO Reports Fourth Quarter and Full Year 2025 Financial Results

Announces restatement of Q3 2025 Interim Financial Statements for non-routine, non-cash sale and leaseback transaction accounting adjustment

Toronto – March 27, 2026 – TERAGO Inc. (“TERAGO” or the “Company”) (TSX: TGO, <https://terago.ca>), Canada’s largest mmWave spectrum holder (91% of spectrum held) and a leading provider of Managed Fixed Wireless Internet, 5G Private Wireless Networks and SD-WAN solutions today reported financial and operating results for the fourth quarter and full year ended December 31, 2025. All figures reported in this release are in thousands of Canadian dollars.

“In Q4 and throughout 2025, we strengthened our foundation through financing initiatives including new term debt and equity capital that enhanced our financial flexibility. We maintained disciplined investment in fixed wireless access and private 5G while advancing targeted cost optimization. We have recently launched new fixed wireless broadband products to meet growing market demand. We are also encouraged by improving ARPA and lower churn, which reflects the effectiveness of our customer segmentation strategy as lower-margin and unprofitable accounts exit the base, our revenue profile improves. While macroeconomic pressures continue to extend procurement cycles and delay contract signings across the telecom sector, our focus on customer quality, cost discipline and balance sheet strength positions us for sustainable long-term performance. With a strengthened balance sheet and valuable mmWave spectrum holdings, we believe TERAGO is well-positioned to capitalize on rising demand for high-capacity, low-latency connectivity. As we enter 2026, we remain focused on executing this strategy and delivering long-term value for our shareholders,” said Daniel Vucinic, CEO of TERAGO.

Selected Financial Highlights and Key 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 \$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 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) See “Non-IFRS Measures”

(2) See “Adjusted EBITDA” for a reconciliation of net loss to Adjusted EBITDA.

Restatement of Previously Issued Interim Financial Statements

The Company has restated its previously issued unaudited interim condensed consolidated financial statements for the quarter and nine months ended September 30, 2025 to correct an error related to the accounting for a non-routine sale and leaseback transaction. The restatement reflects revisions to the application of IFRS 16, including the recognition and measurement of the related right-of-use asset and lease liability. The matter was identified during the preparation of the Company's audited annual consolidated financial statements for the year ended December 31, 2025. The restatement had no impact on the Company's revenue, Adjusted EBITDA^{1,2} or cash flows for the periods presented, but resulted in changes to net loss and certain balance sheet line items in the previously issued unaudited interim condensed consolidated financial statements, primarily reflecting the change from a previously recognized gain on sale of assets to a loss on sale of assets. The Company's audited annual consolidated financial statements for the year ended December 31, 2025 are not impacted by this restatement.

The Company has determined that this matter resulted from a material weakness in internal control over financial reporting related to non-routine transactions. The Company has implemented enhanced controls over the review of such transactions, including increased involvement of technical accounting expertise and enhanced documentation of key conclusions.

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, earnings per share¹, backlog MRR¹, churn rate,¹ and ARPA¹)

(in thousands of dollars, unaudited)	Quarter ended December 31			Year ended December 31		
	2025	2024	% Chg	2025	2024	% 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)
	Quarter ended December 31			Year ended December 31		
	2025	2024	Chg	2025	2024	Chg
Operating						
<u>Backlog MRR¹</u>						
Connectivity	\$ 71,328	111,905	(40,577)	\$ 71,328	111,905	(40,577)
<u>Churn Rate¹</u>						
Connectivity	0.7%	0.8%	-0.1%	0.9%	0.9%	0.0%
<u>ARPA¹</u>						
Connectivity	\$ 1,265	1,212	4.4%	\$ 1,258	1,184	6.3%

Conference Call

Management will host a conference call on Monday, March 30, 2026, at 10:00 AM ET to discuss these results.

To access the conference call, please dial 888-506-0062 or 973-528-0011 and use conference ID 908973 if applicable. Please call the conference telephone number 15 minutes prior to the start time so that you are in the queue for an operator to assist in registering and patching you through.

An archived recording of the conference call will be available through Monday, April 13, 2026. To listen to the recording, call 877-481-4010 or 919-882-2331 and enter passcode 53766# if applicable.

(1) See "Non-IFRS Measures"

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

A reconciliation of net loss to Adjusted EBITDA¹ is found below and in the MD&A for the quarter and year ended December 31, 2025. Adjusted EBITDA¹ does not have any standardized meaning under IFRS/GAAP. TERAGO's method of calculating Adjusted EBITDA¹ may differ from other issuers and accordingly, Adjusted EBITDA¹ may not be comparable to similar measures presented by other issuers. The table below reconciles net loss to Adjusted EBITDA¹ 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 EBITDA¹	\$ 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)	-
Foreign exchange loss on 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⁾ **Non-IFRS Measures**

This press release contains references to “Cost of Services”, “Gross Profit Margin”, “Salaries and Related Costs”, “Other Operating Expenses”, “Adjusted EBITDA”, “Backlog MRR”, “Churn” and “ARPA” which are not measures prescribed by International Financial Reporting Standards (IFRS).

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

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

Other operating expenses includes sales commission expense, advertising and marketing expenses, travel expenses and 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.

Adjusted EBITDA - The Company believes that Adjusted EBITDA is useful additional information to management, the Board and investors as it 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 it 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 is also used by some investors and analysts for the purpose of valuing a company. The Company calculates Adjusted EBITDA as 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. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to operating earnings (losses), or net earnings (losses) determined in accordance with IFRS as an indicator of our financial performance or as a measure of our liquidity and cash flows. 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.

(1) See " Non-IFRS Measures"

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.

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:

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Forward-Looking Statements

This news release includes certain forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond TERAGO’s control. Forward-looking statements may include but are not limited to statements regarding, the increasing importance of the mmWave spectrum, the progress of the ISED mmWave consultation, and having sufficient capital to support its growth strategy, consistently executing across all fronts of the business, success in providing Canadian enterprises with managed services and the 5G fixed wireless trials being conducted by the Company. 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 is subject to risks, uncertainties and assumptions, including those risks set forth in the “Risk Factors” section in the Annual Information Form for the year ended December 31, 2025 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, delays with the ISED mmWave spectrum consultation, 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.