TERAGO Reports Second Quarter and Six Months Ended 2026 Financial Results

Toronto – August 12, 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 second quarter and six months ended June 30, 2026. All figures reported in this release are in thousands of Canadian dollars.

"The second quarter marked another period of meaningful progress for TERAGO, driven by stronger year-to-date booking activity and continued growth in ARPA," said Daniel Vucinic, CEO of TERAGO. "We achieved year-over-year growth in Adjusted EBITDA, increased ARPA, and generated improved booking activity, which contributed to sequential growth in Backlog MRR[1] from the first quarter. These results reflect the strength of our operating strategy and the growing demand for our services. We are encouraged by the positive momentum across the business and remain focused on delivering sustainable profitable growth.

The quarter also marked a transformative milestone for TERAGO with ISED's recent decision establishing a clear transition path to flexible-use licensing and the 2027 mmWave spectrum auction. This represents a pivotal development for the Canadian mmWave ecosystem. As Canada's largest mmWave spectrum holder, we believe the framework significantly enhances the strategic value and future monetization potential of our spectrum portfolio, while expanding opportunities across advanced fixed wireless, private 5G, enterprise and consumer mobility, and other next-generation connectivity applications. We believe TERAGO is uniquely positioned to capitalize on these emerging opportunities and drive long-term shareholder value."

Selected Financial Highlights and Key Developments

- Total revenue decreased for quarter and six months ended June 30, 2026 by 2.1% to $6,210 and by 2.9% to $12,382 respectively, compared to $6,344 and $12,758 for the same periods in 2025. The decrease was primarily driven by a combination of decreased bookings in 2025 and delays in installations associated with larger multi-site deployments. In addition, management continued its 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 June 30, 2026 increased by 16.8% to $1,055 as compared to an Adjusted EBITDA[1,2] of $903 for the same period in 2025. For the six months ended June 30, 2026, Adjusted EBITDA[1,2] increased by 2.6% to $1,986 as compared to an Adjusted EBITDA[1,2] of $1,935 for the same period in 2025. The increases were primarily attributable to lower operating expenses in 2026 compared to the same periods in 2025.

- Net loss for the quarter and six months ended June 30, 2026, was $3,823 or $(0.10) per share (basic and diluted) and $6,960 or $(0.18) per share (basic and diluted) respectively, compared to a loss of $4,256 or $(0.21) per share (basic and diluted) and $7,792 or $(0.39) per share (basic and diluted), respectively in the same period in 2025.

- ARPA[1] for the quarter ended June 30, 2026 increased by 4.2% to $1,279 compared to $1,228 for the same period in 2025. For the six months ended June 30, 2026, ARPA[1] increased by 3.0% to $1,266 compared to $1,229 for the same period in 2025. The increase in ARPA[1] was a result of the Company's ongoing focus to attract mid-market and large-scale, predominantly multi-location customers, as well as increasing wallet share with existing customers through its high-touch telecom aggregator service model.

- Churn[1] for the quarter and six months ended June 30, 2026 increased to 1.0% compared to 0.9% for the same periods in 2025. The Company continues to review, modify and improve its customer experience practices with a focus on reducing customer churn.

- Backlog MRR[1] in the connectivity business decreased to $78,788 as of June 30, 2026, compared to $93,279 as of June 30, 2025. The decrease was primarily attributable to higher installation volumes, partially offset by lower booking levels experienced during fiscal 2025. Backlog MRR[1] increased from March 31, 2026, reflecting improved booking activity, with bookings in 2026 trending above 2025 levels.

(1) See " Non-IFRS Measures"

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

Regulatory Development

On May 14, 2026, ISED released its Policy and Licensing Framework for Spectrum in the 26 GHz and 38 GHz bands, providing regulatory clarity on the future licensing and use of mmWave spectrum in Canada. The decision established the framework and timetable for the mmWave spectrum auction that is set to take place in October 2027. 2,400 MHz in 26 GHz and 2,400 MHz in 38 GHz bands is to be auctioned subject to a cross-band spectrum cap of 1,200 MHz. The framework also enables eligible incumbent licensees to transition existing spectrum holdings to flexible-use licences. TERAGO believes the decision affirms the strategic importance of mmWave spectrum to Canada's communications infrastructure and provides long-term certainty regarding the licensing and future use of the Company's spectrum holdings. As the largest holder of mmWave spectrum licences in Canada, the Company expects to hold contiguous 400 MHz spectrum blocks in the lower 26 GHz band and contiguous blocks varying in the upper 38 GHz band following completion of the transition process. TERAGO believes it is well positioned to participate in the flexible-use transition framework and to capitalize on future opportunities enabled by flexible-use licensing. These opportunities include fixed, nomadic, and mobile applications such as enterprise connectivity, private 5G wireless networks, public hotspot capacity expansion and advanced fixed wireless access. The Company intends to actively participate in the transition process and expects the decision to support continued investment, innovation, and long-term growth across its spectrum portfolio and network platform.

RESULTS OF OPERATIONS

Comparison of the quarter and six months ended June 30, 2026 and 2025

(In thousands of dollars, except with respect to gross profit margin[1], earnings per share[1], backlog MRR[1], churn rate,[1] and ARPA[1])

(in thousands of dollars, unaudited)		Quarter ended June 30				Six months ended June 30		
		2026	2025	% Chg		2026	2025	% Chg
Financial								
Total Revenue	$	6,210	6,344	(2.1)	$	12,382	12,758	(2.9)
Cost of Services[1]	$	1,681	1,663	1.1	$	3,323	3,335	(0.4)
Gross Profit Margin[1]		72.9%	73.8%	(1.2)		73.2%	73.9%	(0.9)
Salaries and Related Costs[1]	$	2,330	2,508	(7.1)	$	4,745	5,232	(9.3)
Other Operating Expenses[1]	$	1,144	1,270	(9.8)	$	2,328	2,256	3.2
Adjusted EBITDA[1,2]	$	1,055	903	16.8	$	1,986	1,935	2.6
Net Loss	$	(3,823)	(4,256)	(10.2)	$	(6,960)	(7,792)	(10.7)
Basic & diluted loss per share	$	(0.10)	(0.21)	(53.3)	$	(0.18)	(0.39)	(54.3)

		Quarter ended June 30				Six months ended June 30		
		2026	2025	Chg		2026	2025	Chg
Operating								
Backlog MRR[1]								
Connectivity	$	78,788	93,279	(14,491)	$	78,788	93,279	(14,491)
Churn Rate[1]								
Connectivity		1.0%	0.9%	0.1%		1.0%	0.9%	0.1%
ARPA[1]								
Connectivity	$	1,279	1,228	4.2%	$	1,266	1,229	3.0%

Conference Call

Management will host a conference call on Thursday, August 13, 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 411519 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 Thursday, August 27, 2026. To listen to the recording, call 877-481-4010 or 919-882-2331 and enter passcode 54348# if applicable.

A reconciliation of net loss to Adjusted EBITDA[1] is found below and in the MD&A for the quarter and six months ended June 30, 2026. Adjusted EBITDA[1] does not have any standardized meaning under IFRS/GAAP. TERAGO's method of calculating Adjusted EBITDA[1] may differ from other issuers and accordingly, Adjusted EBITDA[1] may not be comparable to similar measures presented by other issuers. The table below reconciles net loss to Adjusted EBITDA[1] for the quarter and six months ended June 30 2026 and 2025.

(1) See " Non-IFRS Measures"

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

(in thousands of dollars, unaudited)	Quarter ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Adjusted EBITDA[1]	$ 1,055	903	$ 1,986	1,935
Deduct:				
Depreciation of network assets, property and equipment and amortization of intangible assets	2,173	2,305	4,355	4,647
Stock-based compensation expense, net	427	251	331	479
Restructuring and other costs	196	267	196	332
Loss from operations	(1,741)	(1,920)	(2,896)	(3,523)
Add/deduct:				
Foreign exchange loss (gain)	7	(20)	9	(29)
Finance costs	2,142	2,372	4,194	4,336
Finance income	(67)	(16)	(139)	(38)
Net loss for the period	$ (3,823)	(4,256)	$ (6,960)	(7,792)

(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 which includes equity settled deferred share unit expense 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.

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.

(1) See " Non-IFRS Measures”

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

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.

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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.

(1) See " Non-IFRS Measures”