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

*The following management's discussion and analysis of financial condition and results of operations (the "MD&A") is intended to help the reader understand the results of operations and financial condition of TERAGO Inc. and should be read in conjunction with our unaudited interim condensed consolidated financial statements for the quarter and nine months ended September 30, 2026, and the notes thereto, which we prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A should also be read in conjunction with our annual MD&A and audited consolidated financial statements for the years ended December 31, 2025 and 2024, which we prepared in accordance with IFRS Accounting Standards ("IFRS") and are available on SEDAR at www.sedarplus.ca. The information in this MD&A is provided as of November 12, 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, the ability for TERAGO to further finance, 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.

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 Key Developments

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

- Total revenue decreased for quarter and nine months ended September 30, 2026 by 3.2% to $6,196 and by 3.0% to $18,578 respectively, compared to $6,398 and $19,156 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 September 30, 2026 increased by 3.9% to $1,009 as compared to an Adjusted EBITDA[1,2] of $971 for the same period in 2025. For the nine months ended September 30, 2026, Adjusted EBITDA[1,2] increased by 3.1% to $2,995 as compared to an Adjusted EBITDA[1,2] of $2,906 for the same period in 2025. The increases were primarily attributable to lower salaries and related expenses in 2026 compared to the same periods in 2025.

- Net loss for the quarter and nine months ended September 30, 2026, was $3,695 or $(0.09) per share (basic and diluted) and $10,655 or $(0.27) per share (basic and diluted) respectively, compared to a loss of $4,060 or $(0.20) per share (basic and diluted) and $11,852 or $(0.59) per share (basic and diluted), respectively for the same periods in 2025.

- ARPA[1] for the quarter ended September 30, 2026 increased by 4.6% to $1,298 compared to $1,241 for the same period in 2025. For the nine months ended September 30, 2026, ARPA[1] increased by 3.5% to $1,277 compared to $1,233 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 nine months ended September 30, 2026, marginally increased to 1.1% and remained flat for the nine months ended September 30, 2026 at 1.0%, compared to 1.0% 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 $71,131 as of September 30, 2026, compared to $95,832 as of September 30, 2025. The decrease was primarily attributable to higher installation volumes, partially offset by lower booking levels experienced during fiscal 2025.

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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 holders, the Company possesses exclusive spectrum licenses in the 24 GHz and 38 GHz spectrum bands, which it utilizes to provide secure, dedicated SLA guaranteed enterprise grade performance that is technology diverse from buried cables ensuring high availability connectivity services. TERAGO serves Canadian and Global businesses operating in major markets across Canada, including Toronto, Montreal, Calgary, Edmonton, Vancouver, Ottawa, and Winnipeg, and has been providing wireless services since 1999. For more information about TERAGO and its suite of wireless internet and SD-WAN solutions, please visit **www.terago.ca**.

## TERAGO'S NETWORK

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

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

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

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

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

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

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

### Quality of Service Capabilities

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

## 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" licenses for an equal amount of spectrum upon expiry of the current 10-year license term, or earlier upon voluntary license cancellation. Flexible use licenses will permit licensees to deploy mobile systems to support 5G, while retaining the current ability to deploy on a fixed wireless basis. The Company holds 25 of 27 issued 38 GHz spectrum licenses in Canada.

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

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

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

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

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

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

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

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.

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1 Based on 2021 Canadian data cited by ISED.

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.

On September 24, 2026, ISED revised the timetable for the 26 GHz and 38 GHz spectrum auction, rescheduling the start of the auction from October 2027 to January 25, 2028, with associated auction milestones adjusted to reflect the revised timeline. The revised timing does not change the spectrum available for auction or the framework for eligible incumbent licensees to transition existing spectrum holdings to flexible-use-licences.

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.

## RESULTS OF OPERATIONS

***Comparison of the Quarter and nine months ended September 30, 2026 and 2025***

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

| (unaudited) | Quarter ended September 30 | | | Nine months ended September 30 | | |
|---|---|---|---|---|---|---|
| | **2026** | **2025** | **% Chg** | **2026** | **2025** | **% Chg** |
| **Financial** | | | | | | |
| Total Revenue | $ 6,196 | 6,398 | (3.2) | 18,578 | 19,156 | (3.0) |
| Cost of Services[1] | $ 1,644 | 1,670 | (1.6) | 4,967 | 5,005 | (0.8) |
| Gross Profit Margin[1] | 73.5% | 73.9% | (0.6) | 73.3% | 73.9% | (0.8) |
| Salaries and Related Costs[1] | $ 2,294 | 2,494 | (8.0) | 7,039 | 7,726 | (8.9) |
| Other Operating Expenses[1] | $ 1,249 | 1,263 | (1.1) | 3,577 | 3,519 | 1.6 |
| Adjusted EBITDA [1,2] | $ 1,009 | 971 | 3.9 | 2,995 | 2,906 | 3.1 |
| Net Loss | $ (3,695) | (4,060) | (9.0) | (10,655) | (11,852) | (10.1) |
| Basic & diluted loss per share | $ (0.09) | (0.20) | (52.7) | (0.27) | (0.59) | (53.7) |
| **Operating** | | | | | | |
| Backlog MRR[1] | | | | | | |
| Connectivity | $ 71,131 | 95,832 | (25.8) | 71,131 | 95,832 | (25.8) |
| Churn Rate[1] | | | | | | |
| Connectivity | 1.1% | 1.0% | | 1.0% | 1.0% | |
| ARPA[1] | | | | | | |
| Connectivity | $ 1,298 | 1,241 | 4.6 | 1,277 | 1,233 | 3.5 |

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

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

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

***Revenue***
Total revenue decreased for the quarter and nine months ended September 30, 2026 by 3.2% to $6,196 and by 3.0% to $18,578 respectively, compared to $6,398, and $19,156 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.

***Cost of Services and Gross Profit Margin %[1]***
For the quarter ended September 30, 2026, cost of services decreased by 1.6% to $1,644 compared to $1,670 in the same period in 2025. For the nine months ended September 30, 2026, cost of services decreased by 0.8% to $4,967 compared to $5,005 in the same period in 2025.

Gross Profit Margin[1] decreased marginally to 73.5% and 73.3% for the quarter and nine months ended September 30, 2026, respectively, compared to 73.9% and 73.9%, respectively, for the same periods of 2025.

***Salaries and related costs and other operating expenses ("SG&A")*** [1]
For the quarter and nine months ended September 30, 2026, SG&A decreased by 8.0%% to $2,295 and 8.9% to $7,039, respectively, compared to $2,494 and 7,726, respectively 2025. The overall decrease in SG&A period over period was driven by lower salaries related costs partially offset by an increase in other operating expenses related to termination of leases. 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 September 30, 2026 increased by 3.9% to $1,009 compared to an Adjusted EBITDA[1,2] of $971 for the same period in 2025. For the nine months ended September 30, 2026, Adjusted EBITDA[1,2] increased by 3.1% to $2,995 compared to $2,906 for the same period in 2025. The increases were primarily attributable to lower overall operating expenses in 2026 compared to the same periods in 2025.

***Net loss***
Net loss for the quarter and nine months ended September 30, 2026 was $3,695 or $(0.09) per share (basic and diluted) and $10,655 or $(0.27) per share (basic and diluted), respectively, compared to a loss of $4,060 or $(0.20) per share (basic and diluted) and $11,852 or $(0.59), respectively for the same periods in 2025.

***ARPA*** [1]
For the quarter ended September 30, 2026, ARPA[1] increased by 4.6% to $1,298 compared to $1,241 for the same period in 2025. ARPA[1] increased by 3.5% to $1,277 for the nine months ended September 30, 2026, compared to $1,233 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 nine months ended September 30, 2026, churn[1] marginally increased to 1.1% and remained flat for the nine months ended September 30, 2026 at 1.0%, compared to 1.0% 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]
Backlog MRR[1] in the connectivity business decreased to $71,131 as of September 30, 2026, compared to $95,832 as of September 30, 2025. The decrease was primarily attributable to higher installation volumes, partially offset by lower booking levels experienced during fiscal 2025.

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

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

***Finance costs***

For the quarter and nine months ended September 30, 2026, finance costs decreased 0.7% to $2,198 and 2.4% to $6,392 respectively, compared to $2,214 and $6,550, respectively, for the same periods in 2025.

***Depreciation and amortization***

For the quarter and nine months ended September 30, 2026, depreciation and amortization decreased 9.4% to $2,078 and 7.3% to $6,433, compared to $2,293 and $6,940 for the same periods in 2025. The decrease was primarily attributable to lower purchases of network assets, property and equipment in recent periods, a shift in asset mix with longer average useful lives and the impact of changes in right-of-use assets.

The table below reconciles Adjusted EBITDA[1,2] to net loss for the quarter and nine months ended September 30, 2026 and 2025:

| (in thousands of dollars, unaudited) | Quarter ended September 30 | | Nine months ended September 30 | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| **Adjusted EBITDA**[1,2] | $ 1,009 | 971 | $ 2,995 | 2,906 |
| Deduct: | | | | |
| Depreciation of network assets, property and equipment and amortization of intangible assets | 2,078 | 2,293 | 6,433 | 6,940 |
| Stock-based compensation expense, net | 479 | 159 | 810 | 638 |
| Restructuring and other costs | - | - | 196 | 332 |
| **Loss from operations** | $ (1,548) | (1,481) | $ (4,444) | (5,004) |
| Add/deduct: | | | | |
| Loss from sale of assets | | 341 | | 341 |
| Foreign exchange loss | 1 | 32 | 10 | 3 |
| Finance costs | 2,198 | 2,214 | 6,392 | 6,550 |
| Finance income | (52) | (8) | (191) | (46) |
| **Net loss for the period** | $ (3,695) | (4,060) | $ (10,655) | (11,852) |

## Summary of Quarterly Results

The following table sets out our selected financial and operating information for each of the eight most recent quarters, the latest of which ended September 30, 2026. Our quarterly operating results have historically fluctuated and may continue to fluctuate in the future. Therefore, we believe that past operating results and period-to-period comparisons should not be relied upon as an indication of the Company's future performance.

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

| (unaudited) | | Q3 - 26 | Q2 - 26 | Q1 - 26 | Q4 - 25 | Q3 - 25 | Q2 - 25 | Q1 - 25 | Q4 - 24 |
|---|---|---|---|---|---|---|---|---|---|
| **Financial** | | | | | | | | | |
| Revenue | $ | 6,196 | 6,210 | 6,172 | 6,200 | 6,398 | 6,344 | 6,414 | 6,572 |
| Gross Profit Margin %[1] | | 73.5% | 72.9% | 73.4% | 73.0% | 73.9% | 73.8% | 73.9% | 74.1% |
| Adjusted EBITDA[1,2] | $ | 1,009 | 1,055 | 931 | 885 | 971 | 903 | 1,032 | 1,201 |
| Net loss | $ | (3,695) | (3,823) | (3,137) | (4,913) | (4,060) | (4,256) | (3,536) | (3,174) |
| Basic & diluted loss per share | $ | (0.09) | (0.10) | (0.08) | (0.20) | (0.20) | (0.21) | (0.18) | (0.16) |
| Basic & diluted weighted average number of shares outstanding | | 39,036 | 39,035 | 39,016 | 24,035 | 20,054 | 20,035 | 20,003 | 19,973 |
| **Operating** | | | | | | | | | |
| Backlog MRR[1] | | | | | | | | | |
| Connectivity | $ | 71,131 | 78,788 | 71,427 | 71,328 | 95,832 | 93,279 | 96,405 | 111,905 |
| Churn Rate[1] | | | | | | | | | |
| Connectivity | | 1.1% | 1.0% | 0.9% | 0.7% | 1.0% | 0.9% | 1.2% | 0.8% |
| ARPA[1] | | | | | | | | | |
| Connectivity | $ | 1,298 | 1,279 | 1,253 | 1247* | 1,241 | 1,228 | 1,229 | 1,212 |

*ARPA for the quarter ended December 31, 2025 has been updated to reflect a refinement in the methodology applied to this operating metric.

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

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

***Seasonality***

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

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

## LIQUIDITY AND CAPITAL RESOURCES

The Company's principal source of liquidity is cash generated from operations, which is supplemented by borrowings under its existing term debt facility 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's ability to continue as a going concern is dependent on its ability to secure additional financing through debt or the issuance of equity. As part of its financing strategy, the Company regularly reviews its capital structure, cost of capital, and the need for additional debt financing or raising equity capital. See "Financial Risk Management – Liquidity Risk" for a discussion of the material uncertainty related to going concern, and note 2(a) of the interim condensed consolidated financial statements.

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

| (in thousands of dollars, unaudited) | Quarter ended September 30 | | Nine months ended September 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Statement of Cash Flows Summary** | | | | |
| Cash inflows and (outflows) by activity: | | | | |
| Operating activities | $ 1,700 | 1,140 | $ 2,122 | 3,267 |
| Investing activities | (960) | 865 | (2,897) | (1,425) |
| Financing activities | (2,190) | (2,375) | (6,735) | (4,728) |
| Net cash outflows | (1,450) | (370) | (7,510) | (2,886) |
| Cash and cash equivalents, beginning of period | 6,588 | 1,699 | 12,648 | 4,186 |
| Change in cash due to foreign exchange | (4) | (32) | (4) | (3) |
| **Cash and cash equivalents, end of period** | **$ 5,134** | **1,297** | **$ 5,134** | **1,297** |

***Operating Activities***

We generated cash of $1,700 from operating activities for the quarter ended September 30, 2026. Of the cash generated, $1,009 was attributable to cash from operating activities offset by $691 attributable to negative movements in non-cash working capital. We generated cash of $2,122 from operating activities for the nine months ended September 30, 2026. Of the cash generated, $2,799 was attributable to cash from operating activities offset by $677 attributable to negative movements in non-cash working capital.

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

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

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

***Financing Activities***

For the quarter and nine months ended September 30, 2026, cash used in financing activities was $2,190 and $6,735, respectively, compared to cash used in financing activities of $2,375 and $4,728, respectively, for the same periods in 2025. The increase in cash used in financing activities was primarily attributable to debt financing proceeds of $2,760 received during the comparative periods in 2025, with no corresponding proceeds received in 2026. This was partially offset by lower cash interest payments in 2026 as a portion of interest under the new long-term debt is not paid in cash but instead is added to the outstanding principal amount and payable at maturity.

***Investing Activities***

For the quarter and nine months ended September 30, 2026, cash used in investing activities was $960 and $2,897, respectively, compared to cash generation of $865 and used $1,425, respectively, for the same periods in 2025. The decrease in cash generated in the quarter was a result of proceeds from sale of tower assets in the prior year period. The increase in cash used in investing activities was primarily as a result of increased installations resulting in higher capitalized labour costs in 2026 compared to the same periods in 2025.

***Term Debt Facility***

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 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.

Interest on the facility is recognized using the effective interest method, which incorporates contractual cash interest, PIK interest and the amortization of financing fees. The difference between interest expense recognized and cash interest paid results in an increase in the carrying value of the debt during the period.

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.

Former Term debt facility:

The Company's previous credit facility with CrowdOut Capital LLC, as amended, was fully repaid on October 15, 2025 in connection with the refinancing described above. Refer to Note 10 of the 2025 Consolidated Financial Statements for further details regarding the terms, amendments and extinguishment of this facility.

## OFF-BALANCE SHEET TRANSACTIONS

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

## FINANCIAL RISK MANAGEMENT

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

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

The Company has incurred recurring losses and has a shareholders' deficiency. The Company's existing cash resources and expected cash flows are not sufficient to fund its planned business operations and investment plans for the next twelve months. Accordingly, the Company's business plan is dependent upon securing additional financing through debt or issuance of equity to finance its operations within and beyond the next twelve months. The Company has been successful in securing financing in the past, including the senior secured term loan facility of $30,571 entered into on October 15, 2025 (see "Term Debt Facility"). Management is currently exploring financing alternatives; however, there is no assurance that the Company will be successful in obtaining additional financing, or that such financing will be available on terms acceptable to the Company.

The conditions described above indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, management considered all available information about the future, covering at least twelve months from September 30, 2026. Management has concluded that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis, based on its assessment of the Company's ability to raise additional financing. The interim condensed consolidated financial statements do not reflect any adjustments to the carrying value of assets, liabilities, and reported revenues and expenses that might be material and necessary should the Company be unable to continue as a going concern. Refer to note 2(a) of the interim condensed consolidated financial statements.

***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, which we manage by dealing with large chartered Canadian banks and investing in highly liquid investments.

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

***Interest Rate Risk***
Interest rate risk 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 September 30, 2026, 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. The Company has foreign currency exposure with respect to cash and cash equivalents, accounts receivable and accounts payable. It is also exposed to foreign currency risk on revenue and expenses where it invoices or procures in U.S. dollars. If a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss could change by approximately $24 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 quarter and nine months ended September 30, 2026 from the years presented in our annual consolidated financial statements for the years ended December 31, 2025 and 2024.

In addition, management's assessment of the Company's ability to continue as a going concern requires significant judgment, including its expectations regarding future cash flows and the Company's ability to obtain additional financing. See "Financial Risk Management – Liquidity Risk" and note 2(a) of the interim condensed consolidated financial statements.

## RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2026, the Company adopted the following new amendments to IFRS:

- *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.

- *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 adoption of these amendments did not have any impact on the interim financial statements for the quarter and nine months ended September 30, 2026.

## RECENT ACCOUNTING PRONOUNCEMENTS

The IASB has issued the following new standard that is not yet effective for the quarter and nine months ended September 30, 2026:

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

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

The Company is continuing to assess the impact of IFRS 18 on the Company's consolidated financial statements once they are adopted.

## OUTSTANDING SHARE DATA

As of November 12, 2026, there are 39,035,621 Common Shares issued and outstanding.

In addition, as of November 12, 2026 there were: (i) 2,936,657 stock options outstanding with exercise prices ranging from $0.80 to $1.32 per share; (ii) 227,273 deferred share units ("DSUs") outstanding under the Company's deferred share unit plan for non-executive members of the Board of Directors, which represents the right to acquire one common share per DSU when the Board member is no longer rendering service to the Company; (iii) 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; (iv) 54,100 warrants issued to Cymbria as part of the First Amending Agreement to the Former Credit Agreement for the purchase of Common Shares; (v) 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 (vi) 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 September 30, 2026, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective and that material information relating to the Company was made known to them and was recorded, processed, summarized, and reported within the time periods specified under applicable securities legislation.

### *Internal controls over financial reporting*

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

### *Material weakness in ICFR*

As previously disclosed in the Company's MD&A for the year ended December 31, 2025, Management identified a material weakness in the Company's ICFR related to a non-routine sale and leaseback transaction entered into during the third quarter of 2025.

### *Status of Remediation*

During the quarter and nine months ended September 30, 2026, the Company continued to implement its remediation plan. These measures include enhancing controls over the identification, evaluation and review of non-routine transactions, formalizing a technical accounting review process, engaging external technical accounting expertise where appropriate, and strengthening documentation of accounting conclusions. While progress has been made, the material weakness has not yet been remediated, as the enhanced controls have not operated for a sufficient period to allow management to conclude on their effectiveness.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that its objectives are met. Due to its inherent limitations, 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.

### *Changes in ICFR*

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 nine months ended September 30, 2026, 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 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 which includes equity settled deferred share unit expense 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.

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

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

**Key Performance Indicators**

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

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

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