

## Risk Factors Comparison 2025-03-13 to 2024-04-01 Form: 10-K

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Our business faces significant risks. Some of the following risks relate principally to our business and the industry and statutory and regulatory environment in which we operate, including those highlighted in this section and summarized below. Other risks relate principally to the securities markets and ownership of our stock. **As a result, the following risk factors, as well as other information included or incorporated by reference elsewhere in this Annual Report on Form 10-K, should be considered in evaluating our business and future prospects. The risks described below may not be the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our business operations.** If any of the events or circumstances described in the following risk factors actually occur, our business, financial condition or results of operations could suffer, and the trading price of our common stock could decline. **Risk Factor Summary**

- **RISKS RELATED TO OUR BUSINESS AND INDUSTRY**—We face intense **operate in highly** competition **competitive** and consolidation—**consolidating** in the industries and markets we serve. If we do not continue to provide services that are useful to users, **which** we may not remain competitive and be forced to reduce our prices, and our revenues and operating results could be adversely affected. The industries and markets we serve are characterized by intense competition and consolidation. Be it the U. S. Internet services industry serviced by our Ting segment, the U. S. wireless communications industry serviced by Tucows Corporate Mobile Services, the BSS/OSS software industry serviced by our Wavelo segment or the Internet services and domain registration market serviced by our Tucows Domains segment, these industries and markets have become extremely competitive and are characterized both by the entrance of new competitors or the expansion of services offered by existing competitors. Our brands compete with incumbent service providers and their affiliate brands. Across all our segments, most of our competitors have greater financial, technical, personnel and marketing resources and a larger market share than we do, and we may not be able to compete successfully against them. Due to our competitors' size and bargaining power, they may obtain discounts for facilities, equipment, devices, content, and services, potentially placing us at a competitive disadvantage. As consolidation in these industries creates even larger competitors, our competitors' purchasing and cost structure advantages may increase further, hampering our efforts to attract and retain customers. Our competitors may use their market power and resources to introduce additional products and service features (or lower prices) that we are unable to offer at similar cost or price to the customer. This may impact our ability to **grow** win over significant market share from these competitors. To remain competitive, we may be compelled to reduce the prices for our services or augment our service offerings. Any subsidies or price reductions that we offer in order to remain competitive may reduce our revenues and **maintain** margins, and may adversely affect our profitability and cash flows. ● Any subsidies or price reductions may also make our services more accessible to new, lower-value customers with less disposable income available to spend on our services. In addition, if prices decline, customers without long-term contracts may change their service providers more frequently, thereby increasing our churn and resulting in higher acquisition costs to replace those customers. A shift to lower value or less loyal customers could have an adverse impact on our results of operations and cash flows. Our service offerings may not be successful if we are unable to maintain existing customer relationships or establish new relationships. Maintaining our existing customer relationships and being able to establish new relationships is critical to our success across all our segments, regardless if that customer is an end consumer wanting Gigabit Fiber or Fixed Wireless Internet service to their home, a telecommunication provider, or a leading global domain reseller. ● Long-term success is dependent upon..... financial results may be adversely affected. Our service offerings may be limited in **their** ability to grow their respective businesses and customer base unless we can continue to manage our vendor relationships and supply chain to obtain valuable products and service options to offer to our customers. In order to remain competitive ● **Changes in Internet infrastructure**, **adoption** we must provide a multitude of valuable products and services to our customers. To enable this, we need to continue to manage our vendor relationships and **navigation practices** **could impact** supply chain to ensure we are able to obtain valuable inventory, services and products across our segments **business**. ● **Investments in new businesses** In particular, we need to obtain MNO network capacity for our mobile services; fiber optic cable, installation equipment, ONT and **technologies** router inventory, and third party network capacity for our Ting segment; as well as **divestitures** a multitude of domain name registration options in the form of TLDs/ccTLDs for our Tucows Domains segment. Any change in our ability **carry inherent risks that may impact** or the ability of third parties with whom we contract, to provide these products and services could adversely affect our operations and financial performance. ● In our retail mobile services, we retain control over such a small subset of our historical subscriber base all of which are fixed to one MNO network which could hinder our ability to negotiate favorable rates and access to the mobile services mentioned above in the future. In our Tucows Domains segment, each registry typically imposes a fee in association with the registration of each domain name and any increases in fees could adversely impact our business. For example, Verisign, the registry for .com, presently charges a \$9.59 fee for each .com registration and ICANN currently charges a \$0.18 fee for each .com domain name registered in the gTLDs that fall within its purview. We have no control over these agencies and cannot predict when they may increase their respective fees. An amendment to the registry agreement between ICANN and Verisign was approved by the U. S. Department of Commerce in November 2018. The amendment confirms that Verisign will operate the .com registry until 2024 and permits Verisign to pursue with ICANN an up to 7 percent increase in the prices for .com domain names, in each of the last four years of the six-year term of the .com Registry Agreement. The changes also affirm that Verisign may not vertically integrate or operate as a registrar in the .com top-level domain. Verisign acted on this ability to raise pricing during the year ended December 31, 2023 ("Fiscal 2023"), increasing our cost of .com registrations by 6.9 percent, relative to the prior

year. Our service offerings may experience a material adverse effect should the nature of the Internet fundamentally change or fail to grow and expand internationally as a viable medium for commerce. This includes changes in current navigation practices, technologies or marketing practices. The success of all of our segments depends on the continued development, acceptance and widespread access to the Internet, and its existing domain system and infrastructure as a foundational resource for communication and commerce. In our Ting segment, a number of factors could prevent the continued growth and acceptance of symmetrical gigabit Internet infrastructure and service as a medium for faster Internet communication, including (a) the unwillingness of companies and customers to shift their purchasing from traditional ISP vendors to alternative vendors like Ting Internet; (b) Fiber infrastructure may not be able to support the demands placed on it, and its performance and reliability may decline as usage grows; or (c) where the development of alternative, wireless technologies could provide a similar or reasonably acceptable Internet speed and service without a fixed connection / physical network. Any of these issues could slow the growth of the adoption of Fiber Internet, which could limit our growth and revenues. In our Tucows Domains segment, the domain name registration industry continues to develop and adapt to changing technology and the demands of individual governments. These developments may include changes in the administration or operation of the Internet, including (a) the creation and institution of alternate systems for directing Internet traffic without the use of the existing domain system or (b) systems under local government control that splinter from, or thwart the operation of, the Internet. Systems existing outside the domain name system are not subject to ICANN accreditation requirements and restrictions. Other competitors have attempted to introduce naming systems that use keywords rather than traditional domains. The widespread acceptance of any alternative systems and Internet navigation practices could eliminate the need to register a domain to establish an online presence and could materially adversely affect our business, financial condition and results of operations. Additionally, we believe that a major source of growth for Internet-based companies will come from individuals and businesses outside the U. S. where Internet access and use is currently less prevalent. A substantial number of our resellers are currently based outside the U. S. and we plan to grow our business in other countries. If Internet usage in these jurisdictions does not increase as anticipated, or if governments prohibit the registration and use of domain names or certain classes of domain names, our revenues may not grow as anticipated. Our ongoing investment in new businesses, services and technologies and divestment of old businesses and services is inherently risky, and could disrupt our current operations. We may not be able to realize the intended and anticipated benefits from our investments, acquisitions and agreements, which could affect the value of these decisions to our business and our ability to meet our financial obligations and targets in the short or medium term. We have and expect to continue to acquire companies, assets or the rights to technologies in the future in order to develop new services, enhance existing services, enhance our operating infrastructure, to fund expansion, to respond to competitive pressures or to acquire complementary businesses across all of our segments. Entering into these types of arrangements entails many risks, any of which could materially harm our business, including: the diversion of management's attention from other business concerns; the failure to effectively integrate the acquired technology or company into our business; the incurring of significant acquisition costs; the loss of key employees from either our current business or the acquired business; the assumption of significant liabilities of the acquired company; inability to obtain the appropriate technical and operational resources; and unanticipated local or federal regulatory changes that could cause us to fail to realize the anticipated benefits of such investments. Any of the foregoing or other factors could harm our ability to achieve anticipated levels of profitability from the acquired technology or business or to realize other anticipated benefits of acquisitions or return of capital on our investments. For example, in Corporate, as part of the DISH Purchase Agreement, the Company is entitled to a 10-year payment stream that is a function of the margin generated by the transferred subscribers over the 10-year period. With subscribers able to accept offers, plans or pricing from DISH, this consideration structure may not prove to be successful or profitable in the long-term to us if the existing subscriber base churns at an above average rate upon acquisition by DISH. Additionally, given DISH controls the revenues and costs incurred associated with the acquired subscribers, there could arise a situation where profitability for the subscriber base is diminished either by lower price points or cost inflation. If any of these events occur, our operational performance and financial results may be adversely affected. We may not be able to identify or consummate any future acquisitions on favorable terms, or at all. If we do effect an acquisition, it is possible that the financial markets or investors will view the acquisition negatively. No assurance can be given that such investments will be successful and will not adversely affect our financial condition and operating results. The Company's success depends on our ability to **adapt to keep pace with technological advances, advancements and evolving industry trends.** Failure to respond to rapid technological changes in the industries **industry trends.** • **Our business depends on our strong brands. If we serve are not able to maintain and enhance or our brands,** difficulty in sealing or **our ability to expand our** adapting existing architecture could result in the loss of customers - **customer base will be impaired** and cause us to incur additional expenses. In our **business** Ting segment, currently there is no Internet access technology that comes close to the speed, reliability, scalability and value of fiber-optics **operating results will be harmed**. However, it • **The Company's** possible that another medium, that's better or more economically / easily deployed, could be developed in the longer term, or wireless could be improved enough to supplant the need for fiber in certain types of installations, like multi-family units, that would impact Ting's ability to grow. To be successful --- **success depends** as we continue to build out the Ting Internet network in communities across the U. S. and bring customers onto the network, we must ensure that our network infrastructure performs well and is reliable. The greater the user traffic and the greater the complexity of our services, the more computing power we will need. We have spent, and expect to continue to spend, substantial amounts on the **continued** purchase of equipment to enable our network infrastructure to handle increased traffic. This expansion is expensive and complex and could result in inefficiencies or operational failures. If we do not expand successfully, or if we experience inefficiencies and operational failures, the quality of our services - **service** and our customers' experience could decline. This could damage our reputation and lead us to lose current and potential customers. Cost increases, loss of traffic or failure to accommodate new technologies or changing business requirements could harm our operating results and financial condition. In our Wavele

segment, the U. S. wireless communications industry is experiencing rapid growth of new technologies, products and services, like adoption of artificial intelligence. We cannot predict which of many possible future technologies, products, or services will be important to maintain our competitive position or what expenditures we will be required to make in order to develop and provide these technologies, products or services. To the extent we do not keep pace with technological advances or fail to respond timely to changes in the competitive environment affecting our industry, we could lose market share or experience a decline in revenue, net income, and cash flows from our platform and other professional services (both retail and platform related services). As a result of the financial strength and benefits of scale enjoyed by some of our competitors, they may be able to offer their services at lower prices than we can, thereby adversely affecting our revenues, growth and profitability. In our Tucows Domains segment, the Internet and e-commerce are characterized by rapid technological change. Sudden changes in user and customer requirements and preferences, the frequent introduction of new applications and services embodying new technologies and the emergence of new industry standards and practices could make our applications, services and systems obsolete. The emerging nature of applications and services in the Internet application and services industry and their rapid evolution will require that we continually improve the performance, features and reliability of our applications and services. Our success will depend, in part, on our ability: to develop and license new applications, services and technologies that address the increasingly sophisticated and varied needs of our current and prospective customers; and to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development of applications and services and other proprietary technology involves significant technological and business risks and requires substantial expenditures and lead time. We may be unable to use new technologies effectively or adapt our internally developed technology and transaction-processing systems to customer requirements or emerging industry standards in a timely manner, or at all. Our internal development teams may also be unable to keep pace with new technological developments that affect the marketplace for our services. In addition, as we offer new services and functionality, we will need to ensure that any new services and functionality are well integrated with our current services, particularly as we offer an **and availability** increasing number of **key personnel** our services as part of bundled suites. ● To the extent that any new services offered by us do not interoperate well with our existing services, our ability to market and sell those new services would be adversely affected and our revenue level and ability to achieve and sustain profitability might be harmed. Updating technology internally and licensing new technology from third parties may require us to incur significant additional capital expenditures. Our ability to accurately forecast construction and marketing costs as well as manage the cost per serviceable address within expected targets will impact our return on investment on the Ting Internet footprint. ● The build-out of our Fiber network requires significant costs to be incurred ahead of revenue generation, including design, procurement of materials, construction of primary infrastructure and customer installation. Our ability to accurately forecast these costs and execute an efficient construction plan will impact the returns that we are ultimately able to realize. Our costs to build-out segments of the Ting Internet footprint are also impacted by factors outside of our control such as material prices, general price inflation, weather conditions, labor markets, local permitting and regulation changes. Our ability to generate sufficient investment returns is also dependent upon generating sufficient customer penetration on completed network segments over time, which also requires investments ahead of revenue generation in the form of marketing and other customer acquisition costs. We continuously monitor our expenditures and adjust accordingly to achieve our targets. We rely on network operators, bandwidth providers, data centers and other vendors in providing services to our customers, and any system failure or interruption in the services provided by either our Company or third parties could harm our ability to operate our business and damage our reputation. In our Ting segment, we rely on the continuing operation of our Fiber Network. Any damage to or failure of our network facilities could result in interruptions in our service, which could reduce our revenues and profits, and damage our brands. Our systems are vulnerable to damage or interruption from earthquakes, terrorist attacks, floods, fires, power loss, telecommunications failures, or other attempts to harm our systems. In any Ting town where we are not the underlying network operator and are utilizing the Fiber network of a third party, we rely on those third parties and their affiliates to maintain their network facilities, government authorizations and to comply with government policies and regulations. If they fail to do so, we may incur substantial losses. Some of our data centers are located in areas with a high risk of major earthquakes. Our data centers are also subject to break-ins, sabotage and intentional acts of vandalism, and to potential disruptions if the operators of these facilities have financial difficulties. The occurrence of a natural disaster, a decision to close a facility without adequate notice or other unanticipated problems at our data centers could result in lengthy interruptions in our service. In our Wavelo segment, the availability of our platform services is reliant on data centers and public cloud providers, to continue to operate. Wavelo also depends on key observability service providers that integrate with our platforms to be operating in order to alert us of an outage or issue with our client's billing or provisioning services. In our Tucows Corporate-Mobile Services segment, as provider of retail mobile services, we do not own or operate a physical network, but rather utilize the nationwide wireless communication networks of our Network Operator. We rely on them and their third-party affiliates to maintain their wireless facilities and government authorizations and to comply with government policies and regulations. If they fail to do so, we may incur substantial losses. Some of the risks related to their nationwide wireless communication networks and infrastructure include: major equipment failures, breaches of **network operators, data centers, and service providers, and any disruptions to these systems could negatively impact our business.** ● Our Ting Internet **businesses rely** information technology security that affect their wireless networks, including transport facilities, communications switches, routers, microwave links, cell sites or other equipment or third-party owned local and long-distance networks on **Network Operators** which we rely, power surges or outages, software defects and disruptions beyond their control, such as natural disasters and acts of terrorism, among others. **Failure by a** The Master Services Agreement with our Network Operator **to** does not contain **obtain** any contractual indemnification provisions relating **the proper licenses and governmental approvals from regulatory authorities would cause us to be unable to successfully operate those businesses.** ● We are subject to minimum purchase commitments with some partner **network providers** outages or other

disruptions. Any impact on their nationwide wireless communication networks could disrupt our operations, require significant resources, result in a loss of subscribers or impair our ability to attract new subscribers, which in turn could have a material adverse effect on our business, results of operations and **mobile** financial condition. Delays or failure to add network capacity, or increased costs of adding capacity or operating the network, could limit our ability to increase our customer base, limit our ability to increase our revenues, or cause a deterioration of our operating margin. In our Tucows Domains segment, the availability of our Domain Name services depends on the continuing operation of our information technology and communications systems. Any damage to or failure of our systems could result in interruptions in our service, which could reduce our revenues and profits, and damage our brands. Our systems are vulnerable to damage or interruption from earthquakes, terrorist attacks, floods, fires, power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm our systems. Some of our data centers are located in areas with a high risk of major earthquakes. Our data centers are also subject to break-ins, sabotage and intentional acts of vandalism, and to potential disruptions if the operators of these facilities have financial difficulties. ● Some of our systems are not fully redundant, and our disaster recovery planning cannot account for all eventualities. The occurrence of a natural disaster, a decision to close a facility without adequate notice or other unanticipated problems at our data centers could result in lengthy interruptions in our service.

We are parties to agreements with other unrelated parties for certain business operations and to license third-party technologies. Any claims against these unrelated parties that we rely upon for business operations and / or licensed technology could result in the need to incur substantial costs to replace technology or services which could delay and increase the cost of product and service developments. economies of scale may offer services at lower prices, impacting our revenue growth and margins. ●

**Tucows Domains:** The **Company's** domain registration and internet services industry is evolving with AI-powered tools enabling automated domain search, DNS management, and fraud detection. These innovations may reduce demand for traditional domain registration services or allow competitors to optimize pricing and customer acquisition more efficiently. Additionally, emerging e-commerce platforms and AI-generated website builders could disrupt the traditional domain ecosystem, requiring us to adapt or risk losing market share. Our long-term success depends on continuous investment **the continued service and availability of key personnel. Much of the Company's future success depends on the continued availability and service of key personnel, including its Chief Executive Officer, executive team and other highly skilled employees. Experienced personnel in the technology, infrastructure, industry are in high demand and service innovation competition for their talents is intense. Failure We may not be able to retain our key employees adapt to market changes, integrate emerging technologies, or replace them when necessary maintain operational scalability could negatively impact our growth, competitive position, and financial performance.** Our business depends on our strong brands. If we are not able to maintain and enhance our brands, our ability to expand our customer base will be impaired and our business and operating results will be harmed. In recognition of the evolving nature of the Internet services market and to make it easier to clearly differentiate each service we offer from our competitors, we enhanced our branding by focusing our primary service offerings under seven distinct brands, namely "OpenSRS", "eNom", "Hover", "EPAG", "Ascio", "Ting", and "Wavelo". We also believe that maintaining and enhancing the "Tucows" corporate brand and our service brands is critical to expanding our customer base. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive. Maintaining and enhancing our brands will depend largely on our ability to be a technology leader providing high quality products and services, which we may not do successfully. To date, we have engaged in relatively little direct brand promotion activities. This enhances the risk that we may not successfully implement brand enhancement efforts in the future. Additionally, as part of the **EchoStar-DISH** Purchase Agreement executed in the year ending December 31, 2020 ("Fiscal 2020"), the Company granted **EchoStar-DISH** the right to use the name "Ting" and its associated domain name over a 24-month period, after which **EchoStar-DISH** had an option to purchase the brand from the Company. **EchoStar-DISH** has formally refused their option to purchase the Ting brand, however the right to use the name "Ting" by **EchoStar-DISH** was subsequently extended by the Company and now runs month to month **until the end of Fiscal 2024**. Any actions taken by **EchoStar-DISH** as part of the transactions contemplated by the **EchoStar-DISH** Purchase Agreement may impact the Ting brand's reputation. These actions could range from poor service quality, bad customer experience, privacy concerns, data breaches, and other events that could negatively impact the Ting brand permanently. The Ting brand could then carry negative connotation with consumers and impact our ability to continue to grow our Fiber Internet business under the Ting brand. If any of these events occur, our operational performance and financial results, in particular those of our Fiber Internet business may be adversely affected. **We are subject to minimum purchase commitments with some partner network providers. In some Ting markets, our Ting segment operates Internet networks owned by third parties, such as municipalities or private entities ("Partner Network Providers"), rather than owning and constructing the Internet network ourselves. The Company's pays a fee to Partner Network Providers in exchange for the use of the Internet network. Fees are commonly subject to minimum purchase commitments which can vary in their structure, but often increase as the Internet network is constructed and Ting is provided success access to more depends on the continued service serviceable addresses and availability of key personnel. Much of In order to generate profit and avoid losses in the these partner markets, we must generate enough revenue to offset our costs Company's future success depends on the continued availability and service of key personnel, including its Chief Executive Officer, executive team and other highly skilled employees. Experienced personnel in the technology industry are in high demand and competition for their talents is intense. We may not be able to retain our key employees or our replace them when necessary minimum purchase commitments by attracting new customers and managing attrition.**

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**RISKS RELATED TO OUR OPERATIONS**  
**LEGAL, GOVERNMENTAL AND INFRASTRUCTURE** Our **REGULATORY MATTERS** The use of Across all of our business segments, we have entered into agreements with third parties for licensing of certain technologies, the day-to-day execution of certain services, the development and maintenance of certain systems necessary for the operation of our businesses

and for network equipment, handsets, devices and other equipment where appropriate. We expect our dependence on key suppliers to continue as more advanced technologies and services are developed. If we experience difficulties with regard to these arrangements or are unable to negotiate on commercially reasonable terms or at all with future vendors, it could result in additional expense, loss of customers and revenue, interruption of our services or a delay in the roll-out of new technology and services for our customers. Our systems face security risks that could adversely affect our business operations, financial condition, and growth strategy; including risks related to implementation difficulties, operational disruptions, and financial impacts. To reflect the ongoing operational prioritizations of the Ting segment and to lower year-over-year operating expenses, we undertook the Ting workforce reductions on February 7, 2024 and October 30, 2024. The 2024 workforce reductions were aimed at streamlining the operations within our Ting segment and reducing capital expenditures. The successful execution of these plans was critical to our efforts to reduce costs, improve efficiency, and align our resources with strategic priorities. However, the implementation of the workforce reductions requires significant management attention and financial resources and is subject to a number of risks that could negatively impact our results of operations, including the following:-

- Implementation difficulties and costs:** The process of implementing the Capital Efficiency Plan may encounter unforeseen challenges, including delays and higher-than-anticipated expenses. These difficulties could hinder our ability to achieve the anticipated benefits of the Plan, such as cost savings and improved operational efficiencies.-
- Operational Disruptions:** Changes to our operational structure as part of the Capital Efficiency Plan, such as workforce reductions, may lead to temporary disruptions in our operations. These disruptions could adversely affect our ability to meet customer demands, maintain service quality, and achieve our growth objectives.-
- Financial Impacts:** The Capital Efficiency Plan has resulted in significant costs related to severance, asset write-downs, and other restructuring charges, which were incurred in the current fiscal period. While these expenditures were necessary to implement the plan and are expected to yield long-term financial benefits, they have negatively impacted our profitability in the short term. There is also a risk that the anticipated efficiencies and cost savings may take longer than expected to materialize or may not fully offset the upfront costs.-
- Employee Morale and Retention:** The Capital Efficiency Plan may impact employee morale and lead to challenges in retaining key personnel. Maintaining a motivated workforce is crucial to our ongoing success, and any compromise of negative effects on employee morale could adversely impact our business operations and financial performance.-
- Market and Competitive Pressures:** As we restructure our operations, there is a risk that competitors may take advantage of any perceived disruptions or weaknesses, potentially impacting our market position and competitive advantage.-

**Reputational Harm:** The public perception and reputation of our company could be adversely affected by the execution of significant restructuring plans like the Plan. Public, customer, and investor perceptions of our actions, especially in relation to workforce reductions, service changes, or other visible outcomes of the restructuring, could negatively influence our brand and reputation in the market. Despite these challenges -

- Impede Growth:** The restructuring plans are expected to significantly reduce capital expenditures, which will in turn slow, and in some markets pause, the expansion Plan and believe that it is a necessary step towards achieving our long-term strategic goals. We are closely monitoring the progress of the restructuring activities -

**Ting Internet footprint.** The resulting reduction in capital spend will result in fewer additions to the Company's Owned Infrastructure Serviceable Addresses, which in turn could lead to fewer net additions to Internet Subscribers Under Management and revenue growth are prepared to take corrective actions as needed to mitigate these risks. However, investors should be aware that the factors described above, among others, could have disrupt our business, damage our reputation and -

- an adverse impact on our overall financial condition and result**

**results** in the disclosure of operations confidential information, legal liability for damages and loss of customers. In the ordinary course of our business -

### **RISKS RELATED TO CYBERSECURITY, DATA PRIVACY, AND INTELLECTUAL PROPERTY AS A PROVIDER OF OUR BUSINESS-INTERNET-BASED SERVICES**

we collect and store, and process sensitive customer, employee, and business data across, including intellectual property, our operations proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our customers and employees. We rely Due to the fact that all of our services are Internet based, the amount of data we store for our users on our servers (including personal information) naturally increases. We make extensive use of online services and centralized data processing, including through online services, and third-party providers, increasing our exposure to cyber threats, data breaches, and unauthorized access. Any compromise of our network security or IT systems could lead to service disruptions, data loss, reputational harm, regulatory penalties, and financial liability. Cyberattacks, including malware, phishing, ransomware, deepfake fraud, and AI-driven hacking techniques, continue to increase in sophistication, frequency, and impact. Nation-state actors and organized cybercriminal groups are increasingly targeting technology infrastructure providers, -

- The secure maintenance and transmission of customer information is an important element of our operations. From time to time, concerns have been expressed about whether our services compromise the privacy of our users and others. Concerns about our practices with regard to the collection, use, disclosure or security of personal information or other privacy-related matters driven threats, such as realistic social engineering attacks even if unfounded, could damage our reputation and operating results and domain abuse, may further expose us to fraudulent activity litigation and possible liability, including claims for unauthorized purchases with credit card information, impersonation, or fraud claims and other claims relating to the misuse of personal information and unauthorized marketing purposes. While we strive to comply with all applicable data protection laws and regulations - regulatory scrutiny,**

as well as our own privacy policies, any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others, which could potentially have an **and increased compliance costs** adverse effect on our business. **Additionally, supply chain** We have previously been the target of attacks — **particularly** and must monitor and develop our systems to protect this data from misappropriation. Our information technology and other systems that maintain and transmit customer information, including location or personal information, or those **targeting open-source software and** of service providers, may be compromised by a malicious third-party penetration **dependencies** — **have become more prevalent, increasing the risk** of our network **compromised infrastructure and** security **; vulnerabilities. Despite** or our that **investments in security controls, fraud detection tools, and risk mitigation strategies, our defensive measures may not be sufficient to prevent or detect all cyber incidents. A significant security breach, data loss, or service outage could result in legal claims, increased regulatory oversight, financial penalties, loss of customer trust, and damage to our competitive position, all of which could materially affect our business, financial condition, and results of operations. The legal framework surrounding intellectual property, domain registration, and online content liability continues to evolve, and changes in these laws could increase our legal exposure, regulatory burden, and compliance costs. As a provider of domain registration and hosting services, we do not monitor the appropriateness of domain names or website content created by our customers, nor are we required to do so under our ICANN accreditation. However, we may be subject to legal claims arising from illegal or infringing activities conducted by third parties using domains registered through our platforms. While we maintain policies to address misuse, we cannot prevent all violations, and enforcement efforts may result in legal disputes, reputational harm, or regulatory penalties. Several laws currently shield internet service providers and domain registrars from liability, including:**

- **The Communications Decency Act (CDA), which limits liability for user-generated content, except in cases of direct participation in unlawful activity.**
- **The Digital Millennium Copyright Act (DMCA), which provides safe harbor protections for hosting third-party content service provider, contingent on compliance with takedown requests.**
- **The Anti** or impacted by advertent or inadvertent actions or inactions by our employees, or those of a third-party service provider. **Cyber-attacks** **Cybersquatting Consumer Protection Act (ACPA)** , which **governs domain name disputes** include the use of malware, computer viruses and **limits registrar liability absent bad faith intent to profit. These protections, however, are subject to judicial interpretation and legislative changes, both in other— the means— U. S. and internationally. Some jurisdictions have introduced stricter content liability laws, data localization mandates, and intellectual property protections that may be difficult or costly to comply with. If courts narrow existing legal protections or governments impose new regulatory obligations on domain registrars, we may be required to modify our business practices, enhance compliance programs, or absorb additional operational costs. Additionally, domain registrars are increasingly facing tort liability for disruption or domain disputes, security breaches, and fraudulent registrations. While we implement safeguards against unauthorized access-transfers, phishing have increased in frequency, scope and domain hijacking potential harm in recent years, our defenses may not always be effective including recently as retaliation for geo-political alliances, support and country imposed sanctions. While, to date, we may be have not been subject to claims that increase any successful cyber-attacks or our litigation exposure and other cyber incidents which, individually or in the aggregate, have been material to our operations or financial condition, the preventive actions we take to reduce the risk. We maintain general liability insurance, but coverage of cyber incidents and protect our information technology and networks may be insufficient to repel, disputed, or unavailable for certain claims. Any significant uninsured losses, regulatory penalties, or litigation costs could adversely impact our financial condition and results of operations. In 2018, the European Commission adopted the GDPR, which creates obligations around the procurement, processing, publication and sharing of personal data. Potential fines for violations of certain provisions of GDPR reach as high as 4 % of a major cyber company's annual total revenue, potentially including the revenue of its international affiliates. The solutions we develop for GDPR - compliance attack in the future. Due to the recent increase in geopolitical instability, and the increase in industry cyber attacks by nation state actors as a proxy to traditional kinetic warfare, we may not be adequate in targeted by threat actors of the highest sophistication with yet unseen capabilities to **views of regulatory authorities or ICANN,** which we and others may have no defense or can prepare for. Our position as a provider of technology serving as the backbone of the internet may cause **the loss of WHOIS privacy revenue** us to be targeted by such nation state actors attacking infrastructure assets. As a result, our- **or** subscribers' information may be lost, disclosed, accessed, used, corrupted, destroyed or taken without the subscribers' consent. In addition, the development and use of generative AI could broaden the cybersecurity threat landscape and increase the impact and severity of existing cybersecurity risks. Businesses have seen increasingly sophisticated social engineering attacks utilizing the voices, images, and writing style of key individuals and executives to conduct fraud or **our costs** otherwise breach systems through this category of **developing compliant solutions** attacks leveraging the trust amongst persons. Previous effective measures to prevent this category of attacks, such as voice or visual verification, will likely lose their effectiveness or in fact become the method of attack. Technology to combat these risks effectively has not yet been developed. We make use of open source software in elements of our- **or** applications and infrastructure. Supply chain attacks, including those targeting open source software and their dependencies have increased in frequency and complexity in recent years. Any major compromise of our data or network security, failure to prevent or mitigate the loss of our services or customer information and delays in detecting any such compromise or loss could disrupt our operations, impact our reputation and subscribers' willingness to purchase our services and subject us to additional costs and liabilities, including litigation, which **liability, civil penalties, or loss of market share. As the privacy laws and regulations around the world continue to evolve, these changes could adversely affect** be material. Disputes concerning the ownership or **our** rights to use intellectual property and litigation involving other rights of third parties could be costly and time-consuming to litigate, may distract management from operating the **business operations** , and may result in **similar ways** us paying significant damage awards, losing significant rights and our ability to operate all or a portion of our business. We rely upon copyright, trade**

secret and trademark law, confidentiality and nondisclosure agreements, invention assignment agreements and work-for-hire agreements to protect our proprietary technology, all of which offer only limited protection. Due to the global nature of our web-based businesses and services, we cannot ensure that our efforts to protect our proprietary information will be adequate to protect against infringement and misappropriation by third parties, particularly in foreign countries where laws or law enforcement practices may not protect proprietary rights as fully as in the U. S. and Canada. We have licensed, and may in the future license, some of our trademarks and other proprietary rights to others. Third parties may also reproduce or use our intellectual property rights without seeking a license and thus benefit from our technology without paying for it. Third parties could also independently develop technology, processes or other intellectual property that are similar to or superior to those used by us. Actions by licensees, misappropriation of the intellectual property rights or independent development by others of similar or superior technology might diminish the value of our proprietary rights or damage our reputation. The unauthorized reproduction or other misappropriation of our intellectual property rights, including copying the look, feel and functionality of our website could enable third parties to benefit from our technology without us receiving any compensation. The enforcement of our intellectual property rights may depend on our taking legal action against these infringing parties, and we cannot be sure that these actions will be successful. Defense of claims of infringement of intellectual property or other rights of third parties against us would require the resources of both our time and money. Third parties may assert claims of infringement of patents or other intellectual property rights against us concerning past, current or future technologies. Content obtained from third parties and distributed over the Internet by us may result in liability for defamation, negligence, intellectual property infringement, product or service liability and dissemination of computer viruses or other disruptive problems. We may also be subject to claims from third parties asserting trademark infringement, unfair competition and violation of publicity and privacy rights relating specifically to domains. As a domain name registrar, we regularly become involved in disputes over registration of domain names. These disputes are typically resolved through the UDRP, ICANN's administrative process for domain name dispute resolution, or less frequently through litigation under the Anti Cyber Squatting Consumer Protection Act "ACPA", or under general theories of trademark infringement or dilution. The UDRP generally does not impose liability on registrars, and the ACPA provides that registrars may not be held liable for registering or maintaining a domain name absent a showing of bad faith intent to profit or reckless disregard of a court order by the registrars. However, we may face liability if we fail to comply in a timely manner with procedural requirements under these rules. In addition, these processes typically require at least limited involvement by us, and therefore increase our cost of doing business. The volume of domain name registration disputes may increase in the future as the overall number of registered domain names increases. We have substantial goodwill and other intangible assets, therefore to the extent that any intellectual property is deemed impaired we would be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill or intangible assets is determined. Any impairment charges or changes to the estimated amortization periods could have a material adverse effect on our financial results. **Domain names** Our service offerings are exposed to **valuable and critical assets for businesses, serving as digital storefronts and key components of brand identity, customer engagement, and online commerce. As a domain registrar, we facilitate the registration, renewal, and management of domain names on behalf of customers. However, cyber threats such as phishing, social engineering, credential theft, and unauthorized account access create risks that could result in** associated with credit card and other -- **the loss** online payment chargebacks, transfer, or hijacking of **valuable domain names. In the event that we, our systems, or a customer's account is compromised due to a cyberattack, the affected party may suffer significant reputational and financial harm. A lost or stolen domain name can lead to business disruption, loss of web traffic, loss of value, intellectual property disputes, and potential legal claims. Even if the security breach originates from a customer's own systems, we may be blamed for failing to prevent the loss or unauthorized transfer of the domain, leading to liability exposure, regulatory scrutiny, or litigation. Despite implementing security measures such as multi-factor authentication, domain locking, and account monitoring, no system is immune to attack. Additionally, evolving cyber threats — particularly AI-driven fraud and new payment methods. Across all of our business segments, regardless if** **deepfake impersonation, and credential stuffing — may increase** those -- **the** services operate on a postpaid or prepaid basis, **likelihood of domain-related security breaches. If we are held responsible** exposed to the risks associated with credit card and other online payment technologies, chargebacks and fraud associated with these payment types. A substantial majority of our revenue originates from online credit card transactions. Under current credit card industry practices, we are liable for **a domain name loss** fraudulent and disputed credit card transactions because we do not obtain the cardholder's signature at the time of the transaction, even **whether** though **through** the **direct fault or perceived negligence, our reputation,** financial **position** institution issuing the credit card may have authorized the transaction. Under credit card association rules, penalties may **and operations could** be imposed at the discretion of the association. Any such potential penalties would be imposed on our credit card processor by the association. Under our contract with our processor, we are required to reimburse our processor for such penalties. Our current level of fraud protection, based on our fraudulent and disputed credit card transaction history, is within the guidelines established by the credit card associations. However, we face the risk that one or more credit card associations may, at any time, assess penalties against us or terminate our ability to accept credit card payments from customers, which would have a material adverse effect on our business, financial condition and results of operations. Furthermore, for our postpaid businesses, namely the Tucows Corporate-Mobile Services and Ting segment, our success depends on our ability to manage credit risk while attracting new customers with profitable usage patterns. Both of these segments have relatively short operating histories and there can be no assurance that it will be able to manage credit risk or generate sufficient revenue to cover its postpaid-related expenses, including losses arising from its customers' failure to make payments when due. We manage credit risk exposure using techniques that are designed to set terms and limits for the credit risk it accepts. The techniques we use may not accurately predict future defaults due to, among other things, inaccurate assumptions or fraud. Our ability to manage credit risk may also be adversely affected by legal or

regulatory changes, competitors' actions, consumer behavior, and inadequate collections staffing or techniques. While we continually seek to improve our assumptions and controls, the failure to manage credit risk appropriately may materially impacted adversely affect our profitability and ability to grow. **RISKS RELATED TO FINANCIAL AND MACROECONOMIC CONDITIONS** Our indebtedness could adversely affect our ability to raise additional capital to fund our operations, our ability to operate our business, execute our strategy divert our cash flow from operations for debt payments, and prevent us from meeting our debt obligations. The Company's wholly owned subsidiary, Ting Fiber, LLC, as well as its Ting LLC's wholly owned subsidiaries are financed by the 2023 and 2024 Term Notes (as defined in Note 9-8 – Notes Payable to the Company's Consolidated Financial Statements) as well as the Unit Purchase Agreement (“UPA”) with Generate (as defined in Note 14-13 – Redeemable Preferred Units to the Company's Consolidated Financial Statements). On May 4, 2023 (the "Closing Date"), Tucows Inc. through its indirect and wholly owned subsidiaries, including Ting Fiber, LLC, entered into a definitive agreement relating to a securitized financing facility related to (i) \$ 168, 357, 000 of its 5. 95 % Secured Fiber Revenue Notes, Series 2023- 1, Class A- 2, (ii) \$ 23, 289, 000 of its 7. 40 % Secured Fiber Revenue Notes, Series 2023- 1, Class B and (iii) \$ 46, 859, 000 initial principal amount of 9. 95 % Secured Fiber Revenue Notes, Series 2023- 1, Class (together, the “2023 Term Notes”). On the Closing Date, Ting Issuer LLC, a Delaware limited liability company (the “Issuer”), a limited purpose, bankruptcy- remote, indirect wholly owned subsidiary of the Company issued the 2023 Term Notes. The net proceeds from the issuance of the 2023 Term Notes were \$ 220. 5 million, after deducting a debt discount of \$ 11. 2 million and issuing costs of \$ 6. 7 million. As of April 1 March 13, 2024 2025, our outstanding 2023 Term Notes was \$ 238. 5 million. On August 20, 2024, Tucows Inc., through its indirect and wholly owned subsidiaries, including Ting Fiber, LLC, entered into a definitive agreement relating to a securitized financing facility related to a privately placed securitization transaction. On August 20, 2024, Ting Issuer LLC, the Issuer, a limited purpose, bankruptcy- remote, indirect wholly owned subsidiary of the Company, issued the 2024 Term Notes. The net proceeds from the issuance of the 2024 Term Notes were \$ 61. 0 million, after deducting issuance costs of \$ 2. 0 million. As of March 13, 2025, our outstanding 2024 Term Notes was \$ 63 million. The 2023 Term Notes and 2024 Term Notes are secured by certain of the Ting Issuer LLC's, revenue- generating assets, consisting principally of fiber- network related agreements, fiber- network assets and customer contracts (collectively, the “Securitized Assets”) that are owned by certain other limited- purpose, bankruptcy- remote, wholly owned indirect subsidiaries of the Company that act as the Guarantors (collectively with the Issuer, the “Obligor”) under the Base Indenture, dated as of May 4, 2023 (the “Base Indenture”). The 2023 Term Notes and 2024 Term Notes are subject to a series of covenants, restrictions and other investor protections including (i) that the Issuer maintains specified reserve accounts to be used to make required payments in respect of the 2023 Term Notes and 2024 Term Notes, (ii) provisions relating to optional and mandatory prepayments and the related payment of specified amounts, (iii) certain indemnification payments, (iv) that the guarantors comply with standard bankruptcy- remoteness covenants, including not guaranteeing or being liable for other affiliates debts or liabilities, and (v) covenants relating to recordkeeping, access to information, and similar matters. Our ability to remain in compliance with our operating restrictions, generate cash flow from operations to maintain reserve account, make principal, interest payments on our debt will depend on our future performance, which will be affected by a range of economic, competitive and business factors and changes in government monetary or fiscal policy. Failure to maintain compliance with the operating restrictions of our credit facility could result in a default and could have a material adverse effect on our business and results of operation. As of April 1 March 13, 2024 2025, Generate has purchased preferred units under the UPA for an aggregate amount equal to \$ 91. 5 million, with a further capital commitment of \$ 108. 5 million available to Ting Fiber, LLC through Milestone Fundings (Please see “Note 13 – Redeemable preferred units” of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report). The terms of Ting Fiber, LLC's amended and restated limited liability company agreement (the "LLC Agreement") with Generate prohibit Tucows from funding the operations or capital investments in Ting Fiber, LLC with funds generated by its subsidiaries outside of Ting Fiber, LLC's or its wholly owned subsidiaries (“Tucows businesses excluding Ting”). In order to continue the planned expansion of the Ting Internet footprint and fund future operating losses, we will may need to access Milestone Fundings under the UPA, as well as engage in equity and further debt financing. Our ability to achieve the Milestones to access the additional funding under the UPA will depend on our future performance, which will be affected by a range of economic, competitive and business factors and changes in government monetary or fiscal policy. Our financing partner, Generate, may not grant permission for Ting Fiber, LLC to engage in further debt or equity financings. Failure to access the additional funding, could have a material adverse effect on our business. In addition, the terms of the LLC Agreement restrict distribution from Ting Fiber, LLC's net cash flow without Generate's consent. On September 22, 2023, the Company and its wholly owned subsidiaries, Tucows. com Co., Ting Inc., Tucows (Delaware) Inc., Wavelo, Inc. and Tucows (Emerald), LLC (each, a “Borrower” and together, the “Borrowers,” collectively with the Company, “Tucows”) and certain other subsidiaries of the Company, as guarantors, entered into a Credit Agreement (the “2023 Credit Agreement”) with Bank of Montreal, as administrative agent (“BMO” or the “Agent”), and the lenders party thereto, to, among other things, provide the Borrowers with a revolving credit facility in an aggregate amount not to exceed \$ 240 million (the “2023 Credit Facility”). The Borrowers may request an increase to the 2023 Credit Facility through new commitments of up to \$ 60 million if the Total Funded Debt to Adjusted EBITDA Ratio (as defined in the 2023 Credit Agreement) is less than 3. 75: 1. 00. The 2023 Credit Facility expires on September 22, 2026, which is the third anniversary of the effective date of the 2023 Credit Facility. The 2023 Credit Facility contains customary representations and warranties, affirmative and negative covenants, and events of default. The 2023 Credit Agreement requires that the Company comply with certain customary non- financial covenants and restrictions. In addition, the Company has agreed to comply with the following financial covenants: (1) a leverage ratio by maintaining at all times a Total Funded Debt to Adjusted EBITDA Ratio of not more than (i) 4. 50: 1: 00 at any time from and after the Closing Date to and including December 30, 2023 ; (ii) 4. 25: 1: 00 from December 31, 2023 to and including March 30, 2024 ; (iii) 4. 00: 1. 00 from

March 31, 2024 to and including June 29, 2024 ; and (iv) 3. 75: 1. 00 thereafter ; and (2) an interest coverage ratio by maintaining as of the end of each rolling four financial quarter period, an Interest Coverage Ratio (as defined in the 2023 Credit Agreement) of not less than 3. 00: 1. 00. Tucows businesses excluding Ting are financed by the Company' s 2023 Credit Facility. As of ~~April 1, 2024~~ **March 13, 2024** ~~2025~~, our outstanding debt under the 2023 Credit Facility was \$ ~~211. 195. 94~~ million with remaining committed funds of \$ ~~28. 44. 16~~ million. Absent sufficient cash flows from operations, Tucows businesses excluding Ting may need to engage in equity or debt financings to secure additional funds to meet our operating and capital needs. The covenants and restrictions on the 2023 Credit Facility may prevent the Tucows businesses excluding Ting from accessing the remaining committed funds if additional financing is required. In any situation where the Company is seeking such debt or equity financing, it may not be able to secure additional debt or equity financing on favorable terms, or at all, at the time when funding is needed. The Company does not currently have an effective " universal " shelf registration statement on Form S- 3 on file with the SEC, which might delay the Company' s ability to complete an equity financing. In addition, even though we may have sufficient cash flow, we may still elect to sell additional equity or debt securities or obtain credit facilities for other reasons. If we raise additional funds through further issuances of equity or convertible debt securities, our existing shareholders could suffer significant dilution in their percentage ownership of our company, and any new equity securities we issue could have rights, preferences and privileges senior to those of holders of our common stock. In addition, if we decide to raise funds through debt or convertible debt financings, we may be unable to meet our interest or principal payments. Our inability to generate sufficient cash flow from operations or obtain additional capital or alternative financing on acceptable terms could have a material adverse effect on our business, financial condition and results of operations. ~~Our debt agreements impose significant operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities across the Company. Breaching these agreements could have a materially adverse impact on the Company.~~ The agreements governing our current 2023 Credit Facility impose significant operating and financial restrictions on Tucows businesses excluding Ting. These restrictions, subject in certain cases to customary baskets, exceptions, and incurrence- based ratio tests, may limit our subsidiaries' ability to engage in some transactions, including the following: incurring additional indebtedness and issuing stock; paying dividends, share repurchases or making other restricted payments or investments; selling assets, properties, or licenses that we have or in the future may procure ; ~~;~~ creating liens on assets; engaging in mergers, acquisitions, business combinations, or other transactions. The trailing twelve month debt to Adjusted EBITDA ratio was ~~3. 42~~ **26** : 1. ~~00 as of~~ **00 as of** December 31, ~~2023~~ **2024** for the Tucows businesses excluding Ting. Our covenants under the Company' s 2023 Credit Facility required us to maintain a debt to Adjusted EBITDA ratio of ~~4. 25~~ **not more than 3. 25** : 1. ~~00 until March 30, 2024~~. Our ability to remain in compliance with our operating restrictions, generate cash flow from operations to make principal, interest payments on our debt will depend on our future performance, which will be affected by a range of economic, competitive and business factors as well as changes in government monetary or fiscal policy. Failure to maintain compliance with the operating restrictions of the 2023 Credit Facility could result in default and could have a material adverse effect on our business. With respect to the UPA, Ting **Fiber**, LLC is obligated to redeem Generate' s equity interests for an amount equal to the outstanding capital balance plus the unsatisfied preferred return (and pay a make- whole premium if the redemption of the preferred units occurs within the four years following the **closing of the transaction (the " Transaction Close "** ), upon certain conditions, including a material breach of any Tucows' credit agreement that is not cured, the failure to pay the preferred return in two consecutive quarters following the second anniversary of the Transaction Close, and the six year anniversary of the Transaction Close. These restrictions could limit our ability to react to changes in our operating environment or the economy. Triggering the make- whole provision could have a material adverse effect on our business. With respect to the 2023 **and 2024** Term Notes are secured by certain of the Company' s revenue- generating assets, consisting principally ~~of fiber- network related agreements, fiber- network assets and customer contracts (collectively, the " Securitized Assets ")~~ that are owned by ~~certain other -- the limited- purpose, bankruptcy- remote, wholly owned indirect subsidiaries of the Company that act as the Guarantors (collectively with the Issuer, the " Obligor ")~~ under the Base Indenture. The 2023 **and 2024** Term Notes are subject to a series of covenants, restrictions and other investor protections including (i) that the Issuer maintains specified reserve accounts to be used to make required payments in respect of the 2023 **and 2024** Term Notes, (ii) provisions relating to optional and mandatory prepayments and the related payment of specified amounts, (iii) certain indemnification payments, (iv) the guarantors comply with standard bankruptcy- remoteness covenants, including not guaranteeing or being liable for other affiliates debts or liabilities, and (v) covenants relating to recordkeeping, access to information, and similar matters. Our ability to remain in compliance with our operating restrictions, generate cash flow from operations to maintain reserve account, make principal, interest payments on our debt will depend on our future performance, which will be affected by a range of economic, competitive and business factors as well as changes in government monetary or fiscal policy. Failure to maintain compliance with the operating restrictions of our credit facility could result in default and could have a material adverse effect on our business. Any future indebtedness that we incur may contain similar or more restrictive covenants. Any failure to comply with the restrictions of our debt agreements may result in an event of default under these agreements, which in turn may result in defaults or acceleration of obligations under these agreements and other agreements, giving our lenders the right to terminate any commitments they had made to provide us with further funds and to require us to repay all amounts then outstanding. Any of these events would have a material adverse effect on our business, financial condition, and operating results. Our preferred unit financing arrangement could **impact** adversely affect our financial condition **by** ~~;~~ our ability to operate our business, **divert** ~~diverting~~ our cash flow **to** from operations for debt payments ~~;~~ and **limiting** prevent us from meeting our debt obligations **ability to operate effectively**. **It also** ~~Our preferred unit financing agreement imposes predetermined operational and financial drawdown milestones on our Ting segment, which could restrict access to~~ **may prevent us from obtaining additional funding financing under such preferred unit financing arrangement. In addition, the Company may need additional financing to further accelerate the expansion of the Ting Internet footprint.** On August 8, 2022, Ting **Fiber**, LLC entered into the UPA with

Generate under which Ting **Fiber**, LLC has committed to issue and sell \$ 60 million of Series A Preferred Units at the Initial Funding, subject to customary closing conditions, and an additional aggregate of \$ 140 million Series A Preferred Units if the Milestones are achieved over a three year period from the date of the Transaction Close. As of **April 1 of March 13, 2024 2025**, our outstanding preferred units purchased under the UPA was \$ 91. 5 million, with a further capital commitment of \$ 108. 5 million available to Ting LLC through Milestone Fundings. The Series A Preferred Units accrue a preferred return to the holder at a rate of 15 % per annum, subject to adjustments based on the value of approved projects under the Equity Capital Contribution Agreement (the " ECC Agreement "). The preferred return on the Series A Preferred Units purchased under the Unit Purchase Agreement may be adjusted down to a floor of 13 % or up to a ceiling of 17 % per annum based on commitment and contribution amounts under the ECC Agreement. The preferred return accrues daily, and is compounded quarterly. The preferred return accrued during the first two years is not payable unless and until the Series A Preferred Units are redeemed. The preferred return accrued after the second anniversary of the Transaction Close is payable by the Company quarterly. If the Company should redeem the Series A Preferred Units prior to the fourth anniversary of the Transaction Close, the Company is required to pay a make- whole premium. On May 4, 2023, Ting Fiber, LLC executed the Ting Class C Notes- Redemption Agreement (the" Redemption Agreement") and the Ting Class C Notes – Side Letter (the" Side Letter Agreement") with Generate. Under the terms of the Redemption Agreement, Ting Fiber, LLC redeemed 5, 173, 067 Series A Preferred Units held by Generate at \$ 6 per unit, totaling a redemption of \$ 31 million. The terms of the redemption were modified by the Side Letter Agreement, which granted a 30 % discount on the make- whole premium which amounted to \$ 14. 7 million for a total redemption price of \$ 45. 7 million inclusive of the make- whole premium. Terms of the Side Letter Agreement also preclude Ting Fiber, LLC from issuing additional Series A Preferred Units for 365 days from the closing of the Redemption Agreement during which time standby fees will be suspended. ~~150ur~~ **Our** ability to achieve the Milestones to access the additional funding, as well as to generate cash flow from operations to make the payments in respect of the preferred return, will depend on our future performance, which will be affected by a range of economic, competitive and business factors as well as changes in government monetary or fiscal policy. The failure to access the additional funding or pay the preferred return, could have a material adverse effect on our business. In addition, the Company is obligated to redeem Generate' s equity interests for an amount equal to the outstanding capital balance plus the unsatisfied preferred return (and pay a make- whole premium if the redemption occurs within the four years following the Transaction Close), upon certain conditions, including a material breach of any Tucows' credit agreement that is not cured, the failure to pay the preferred return in two consecutive quarters following the second anniversary of the Transaction Close, and the six year anniversary of the Transaction Close. **As a** ~~in addition, if in order to further accelerate the expansion of the Ting Internet footprint, the Company may seek additional financing, which may include an equity or debt issuance, a partnership or collaborating arrangement with multinational another third party. We may not be able to secure additional financing on favorable terms, or at all, at the time when that funding is needed, and if not available, could have a material adverse effect on our business. Moreover, any additional financing may be dilutive to existing investors. The international nature of our businesses and operations expose us to additional risks that could harm our business, operating results, and growth strategy; including risks related to taxation and foreign currencies fluctuations. We are a U- S- based multinational company~~. Expansion into international markets is a continued element of our growth strategy. Introducing and marketing our services internationally, developing direct and indirect international sales and support channels and managing foreign personnel and operations all require significant management attention and financial resources. We face a number of risks associated with expanding our businesses internationally that could negatively impact our results of operations, including the following:- Foreign currency fluctuations and exchange rates: Our operating results are accordingly subject to fluctuations in foreign currency exchange rates, which could adversely affect our future operating results. We attempt to mitigate a portion of these risks through foreign currency hedging, based on our judgment of the appropriate trade- offs among risk, opportunity and expense. We generally use hedging programs to partially hedge our exposure to foreign currency exchange rate fluctuations for Canadian dollars, the currency in which we incur the majority of operating expenses. Although we regularly review our hedging program and make adjustments as necessary based on the judgment factors discussed above, our hedging activities may not offset more than a portion of the adverse financial impact resulting from unfavorable movement in foreign currency exchange rates, which could adversely affect our financial condition or results of operations.- Potentially adverse tax consequences or an inability to realize tax benefits: Significant judgment is required in determining our provision for income taxes, deferred tax assets or liabilities and in evaluating our tax positions on a worldwide basis. While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible that these positions may be overturned by jurisdictional tax authorities, which may have a significant impact on our provision for income taxes. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied, including the Tax Cuts and Job Act of 2017. In addition, governmental tax authorities are increasingly scrutinizing the tax positions of companies. If the U. S. or other foreign tax authorities change applicable tax laws, our overall taxes could increase, and our business, financial condition or results of operations may be adversely impacted.- Management, communication and integration problems resulting from cultural differences and geographic dispersion.- Compliance with foreign laws, accreditation and regulatory requirements in relation to provision of services, protection of intellectual property and third- party data in foreign jurisdictions.- Competition from companies with international operations, including large international competitors and entrenched local companies.- To the extent we choose to make acquisitions to enable our international expansion efforts, the identification of suitable acquisition targets in the markets into which we want to expand.- Political and economic instability in some international markets.- Sufficiently qualified labor pools in various international markets.- We may not succeed in our efforts to continue to expand our international presence as a result of the factors described above or other factors that may have an adverse impact on our overall financial condition and results of operations. The **execution of our Company' s subsidiary Ting restructuring plan will require additional financing in order to meet its future financial obligations. Ting incurred a net loss of \$ 121. 7 million and \$ 119**

million for the year ended December 31, 2024 and the year ended December 31, 2023, respectively. At December 31, 2024, Ting had \$ 61. 7 million in cash and cash equivalents, restricted cash and restricted cash equivalents, \$ 1. 2 million in accounts receivable, \$ 1. 2 million in accounts payable and \$ 15. 8 million in accrued liabilities. At December 31, 2024, Ting' s long term liabilities included \$ 287. 6 million payable on the 2023 and 2024 Term Notes as well as \$ 122. 1 million on the Redeemable Preferred Units. Ting incurred an operating cash flow deficit of \$ 49. 9 million and \$ 50. 4 million for the year ended December 31, 2024 and the year ended December 31, 2023, respectively. Ting has scheduled interest payments of \$ 39. 9 million in the twelve months following December 31, 2024. Ting may not be able to meet its financial obligations over the twelve months following December 31, 2024 without additional financing. Ting has historically relied on the proceeds from its Redeemable Preferred Units as well as its 2023 and 2024 Term Notes to fund its operations and the expansion of the Ting fiber Internet footprint. Ting currently has limited capacity to expand its borrowings under the Base Indenture and it is uncertain whether Ting will be able to access additional Milestone Fundings under the Redeemable Preferred Unit facility. Our ability to obtain additional financing if required will be subject to a number of factors, including market conditions, our operating performance and investor sentiment. If we are unable to raise additional capital when required or on acceptable terms, we may have to further restrict our operations or obtain funds by entering into agreements on unattractive terms, which would likely have a material adverse effect on our business, stock price and our relationships with third parties with whom we have business relationships, at least until additional funding is obtained, and which could result in additional dilution to our stockholders. If we do not have sufficient funds to continue operations, Ting could be required to seek bankruptcy protection or other alternatives that could adversely likely result in our stockholders losing some or all of their investment in us. Should Ting fail to pay the Unsatisfied Preferred Return associated with the Series A Preferred Units for two consecutive quarters, Generate has the option to either (i) require Ting to redeem the Series A Preferred Units at the Redemption Price ; or (ii) compel the sale of certain assets of Ting and / or its subsidiaries to Generate with a value equal to the Redemption Price. The Redemption Price is an amount equal to the outstanding Unreturned Series A Capital Balance plus the Unsatisfied Preferred Return (and pay a Make- Whole Premium if the redemption of the preferred units occurs within the four years following the Transaction Close). The Make- Whole Premium is an amount calculated immediately prior to redemption equal to: (i) (A) the Unreturned Series A Capital Balance and Unsatisfied Preferred Return outstanding immediately prior to such redemption plus (B) the cumulative and compounded Preferred Return that would have accrued (at the Preferred Rate as in affect-effect immediately prior to such redemption) on such Unreturned Series A Capital Balance through and including the six- year anniversary of the Effective Date had such Series A Preferred Units not been redeemed, and thereafter applying to such sum a discount rate on a quarterly compounded basis equal to the Applicable Treasury Rate plus 50 basis points, less (ii) the Unreturned Series A Capital Balance and Unsatisfied Preferred Return outstanding immediately prior to such redemption. The Company continues to operate in a challenging macro environment as inflation and interest rates continue to rise globally. The impact of these issues on our business will vary by geographic market and operating segment. We continue to monitor economic conditions closely, as well as segment revenues, cash position, cash flow from operations, interest rates financial condition, and growth strategy; including risks related other factors. The Company continues to implementation difficulties, monitor and assess wage inflation across all our operational- operating disruptions segments- Ting , Tucows Domains, and financial impacts Wavelo, and is managing it against offsets in hiring plans and contractor mix . Our To reflect the ongoing operational prioritizations of the Ting segment and to lower year- over- year operating expenses, we undertook the Ting restructuring plan (the " Plan"). The Plan, was aimed at streamlining the operations within our Ting segment. The successful execution of this plan is critical also exposed to our efforts inflation through its Fiber Network build and installation costs, and sustained levels of inflation increase the costs of related materials and contracted labor. We continue to assess ways to reduce costs, improve efficiency however there can be no assurance as to the effectiveness of our efforts to mitigate any impact of the adverse economic conditions , and align other unknown developments. We have substantial debt obligations, including credit facilities and term notes. Our ability to service this debt depends on operational cash flows, borrowing capacity, and prevailing interest rates. Rising interest rates our- or resources with changes in the credit market could increase the cost of debt servicing, limit our ability to access additional financing on favorable terms, or affect our ability to deploy capital for strategic priorities initiatives . In However, the implementation event of the Plan requires significant management attention and- an financial resources economic downturn, reductions in IT spending by businesses and consumers is subject to a number of risks that could negatively impact demand for domain registrations, website services, and fiber broadband subscriptions, further affecting our financial condition. In addition, our exposure to interest rate fluctuations relate primarily to our 2023 Credit Facility, entered into on September 22, 2023. The Company' s interest rates are based on the Secured Overnight Financing Rate (" SOFR"). Our financial performance is directly and indirectly impacted by global and regional economic conditions, which in turn are influenced by financial market volatility, inflation, interest rates, tariffs, trade disputes, credit availability, and overall consumer and business confidence. Economic uncertainty may result in reduced business investment, delayed spending decisions, our- or cost-cutting measures by customers, which could negatively impact demand for our domain services, internet infrastructure, and platform offerings. Additionally, weak economic conditions may lead to reduced public- sector spending and shifts in government policies that affect telecommunications infrastructure and internet governance. Political instability, trade restrictions, and geopolitical conflicts — including the war in Ukraine, ongoing tensions in the Middle East, and the potential expansion of these conflicts — may disrupt supply chains, increase regulatory uncertainty, or impact global financial markets, leading to fluctuations in currency exchange rates, interest rate volatility, and potential restrictions on international business operations. In particular, changes in trade policies, tariffs, and taxation laws could affect our cost

structure, cross-border transactions, and market access. Additionally, prolonged economic downturns or tightening credit conditions may increase our exposure to customer credit risk, impact our receivables collections, and result in higher allowances for doubtful accounts. If these conditions persist, they could have a material adverse effect on our business, financial condition, and results of operations.

### RISKS RELATED TO REGULATORY AND LEGAL COMPLIANCE

Our business is subject to evolving federal, including the following, state, and international regulations, which may increase operational costs, restrict market access, or impact future growth. The FCC grants wireless licenses that are subject to renewal and revocation. If our Network Operator's license is not renewed or if compliance requirements change, it could disrupt our service offerings. Additionally, various state regulations on billing practices, privacy, and consumer protection could increase compliance costs and make it more difficult to implement national sales and marketing programs. Our Tucows Domains segment operates in a regulatory environment that is increasingly complex and subject to change. Governments worldwide may impose new laws affecting online resellers, content liability, privacy, consumer protection, and cross-implementation difficulties and border commerce. Changes in tax regulations, content policies, or data security requirements could result in higher compliance costs, increased liability, or restrictions on our ability to provide services. The process adoption of new regulations implementing the Plan may encounter unforeseen challenges, including delays and higher-than-anticipated expenses. These difficulties re-interpretation of existing laws, or removal of legal protections for internet services could hinder market growth, increase costs, or disrupt our operations, potentially impacting our financial condition and results of operations. Our Domain Services business operates globally under standard customer agreements that outline the terms of our services and include provisions intended to limit our liability. These agreements are typically executed electronically or deemed accepted through continued use of our services. While this approach aligns with industry practices, courts in certain jurisdictions could challenge the validity or enforceability of these agreements, potentially exposing us to increased legal liability and compliance costs. Although we maintain general liability insurance, coverage may be insufficient or disputed, and claims may exceed policy limits. Additionally, while we seek indemnifications from technology and content providers, we cannot guarantee their accuracy or adequacy. If we are required to pay claims that are uninsured, underinsured, or not covered by indemnification, our financial condition and operating results could be materially affected. Across all our business segments, we are exposed to risks associated with credit card transactions, chargebacks, and online payment fraud, regardless of whether services operate on a postpaid or prepaid basis. A significant portion of our revenue comes from online credit card transactions, where we assume liability for fraudulent and disputed charges under industry rules. If chargeback rates exceed established thresholds, we may face higher processing fees, penalties, or restrictions from payment networks, which could impact our ability to accept credit card payments. Additionally, achieve the anticipated benefits of the Plan, in our postpaid businesses, including Tucows Corporate – Mobile Services, Ting and Wavelo, our ability to manage credit risk while acquiring profitable customers is critical. These segments have relatively short operating histories, and we may be unable to accurately predict customer defaults, fraud risks, or collection challenges.

**Factors** such as regulatory cost savings and improved operational efficiencies. – **Operational Disruptions:** Changes changes to, competitive pricing strategies, our or consumer behavior shifts operational structure as part of the Plan, such as workforce reductions may further impact lead to temporary disruptions in our operations. These disruptions could adversely affect our ability to meet customer demands, mitigate credit risk and maintain service quality, and achieve profitability. If fraud rates rise our or growth objectives. – **credit losses exceed expectations, we may need to implement costly fraud prevention measures, enhance credit risk models, or absorb financial losses** Impacts: The Plan is expected to incur significant upfront costs related to severance, all asset write-downs, and other restructuring charges. While these expenditures are anticipated as part of which the plan's implementation, they could negatively affect our profitability in the short term, even if the long-term financial benefits are expected to be positive. – **Employee Morale and Retention:** The Plan may impact employee morale and lead to challenges in retaining key personnel. Maintaining a motivated workforce is crucial to our margins ongoing success, and any negative effects on employee morale could adversely impact our business operations. **operational efficiency,** and **overall** financial performance. – **Market and Competitive Pressures:**..... affect our operating results and financial condition.

We are subject to income and other taxes in a number of jurisdictions and our tax structure is subject to review by both domestic and foreign tax authorities. We must make significant assumptions, judgments and estimates to determine our current provision for income taxes, deferred tax assets and liabilities and any valuation allowance that may be recorded against our deferred tax assets. Although we believe that our estimates are reasonable, the ultimate determination of our tax liability is always subject to review by the applicable tax authorities. Any adverse outcome of such a review could have a negative effect on our operating results and financial condition in the period or periods for which such determination is made. Our current and future deferred tax liabilities could be adversely affected by:- international income tax authorities, including the Canada Revenue Agency and the U. S. Internal Revenue Service, challenging the validity of our arms-length related party transfer pricing policies or the validity of our contemporaneous documentation.- changes in the valuation of our deferred tax assets; or- changes in tax laws, regulations, accounting principles or the interpretations of such laws. We have identified a material weakness in our internal control over financial reporting that, if not properly remediated, could adversely affect our business and results of operations. In connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2023, we have concluded that there is a material weakness relating to our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis. In addition, given our reliance on IT systems to synthesize both financial and nonfinancial information, any material weaknesses in our IT controls may result in errors in not only our consolidated financial statements but our nonfinancial metrics as well. Specifically, as discussed in more detail in Item 9A of this Form 10-K, we identified a material

weakness occurred because we did not design and maintain (i) program change management controls for certain financial systems to ensure that IT program and data changes affecting certain IT systems and underlying accounting records are identified, tested, authorized and implemented appropriately and (ii) user access controls that adequately restrict user access to certain financial systems, programs and data to appropriate company personnel. As a result of this material weakness, management has determined that our disclosure controls and procedures and internal control over financial reporting were not effective as of December 31, 2023. In light of the material weakness identified, we performed additional analysis and other post-closing procedures to ensure that our consolidated financial statements accurately reflected our financial position and results of its operations as of and for the year ended December 31, 2023. Subsequent to our December 31, 2023 fiscal year end, we began taking a number of actions, including evaluating access controls to key financial systems and implementing enhanced procedures for regular access reviews. We expect to continue our remediation efforts, including testing of operating effectiveness of new controls, and expect to incur additional costs remediating this material weakness. Although we believe we are taking appropriate actions to remediate the control deficiency we identified and to strengthen our internal control over financial reporting, we may need to take additional measures to fully mitigate the material weakness, and the measures we have taken, and expect to take, to improve our internal controls may not be sufficient to address the issues identified, to ensure that our internal controls are effective or to ensure that the identified material weakness will not result in a material misstatement of our annual or interim consolidated financial statements. In addition, other material weaknesses or deficiencies may be identified in the future. If we are unable to correct material weaknesses or deficiencies in internal controls in a timely manner, our ability to record, process, summarize and report financial information accurately and within the time periods specified in the rules and forms of the SEC will be adversely affected. This failure could negatively affect the market price and trading liquidity of our common stock, negatively affect our ability to raise financing, and cause investors to lose confidence in our reported financial information, subject us to civil and criminal investigations and penalties, and generally materially and adversely impact our business and financial condition. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Implementation of new technology related to the control system may result in misstatements due to errors that are not detected and corrected during testing. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected. We could be subject to changes in tax rates, the adoption of new U. S. or international tax legislation, or exposure to additional tax liabilities. This could discourage the registration or renewal of domain names. Due to the global nature of the Internet, it is possible that, although our services and the Internet transactions related to them typically originate in the United States, Canada, Denmark and Germany, governments of other states or foreign countries might attempt to regulate our transactions or levy sales, income or other taxes relating to our activities. Tax authorities at the international, federal, state and local levels are currently reviewing the appropriate treatment of companies engaged in Internet commerce. New or revised international, federal, state or local tax regulations may subject us or our customers to additional sales, income and other taxes. We cannot predict the effect of current attempts to impose sales, income or other taxes on commerce over the Internet on Tucows or on our customers. New or revised taxes and, in particular, sales taxes, would likely increase the cost of doing business online and decrease the attractiveness of advertising and selling goods and services over the Internet. New taxes could also create significant increases in internal costs necessary to capture data, and collect and remit taxes. Any of these events could have an adverse effect on our business and operating results. **The Company's success depends on.....**

**GOVERNMENTAL AND REGULATORY MATTERS** The use of ICANN oversees the -s Oversight of Domain Name Registration System and domain name registration system involve charges and imposes fees. If these fees increase, this may have a significant impact on our domain registrar. They operating operate as results. ICANN is a private sector, not-for-profit corporation formed in 1998 by entity but faces ongoing public, governmental, and industry scrutiny regarding its governance, policies, and decision-making processes. Regulatory bodies, including the U. S. Department of Commerce for the express purposes of overseeing a number of Internet related tasks previously performed directly on behalf of the U. S. government, including managing the domain name registration system. ICANN currently imposes a fee of \$ 0.18 for each domain name registered in the gTLDs that fall within its purview. We have no control over ICANN and cannot predict when they may increase their respective fees. If we absorb such cost increases, or if surcharges act as a deterrent to registration, our profits may be adversely impacted by these third-party fees. ICANN has been subject to strict scrutiny by the public and by the U. S. and other governments around the world with many of those governments becoming increasingly interested in Internet governance. For example, the U. S. Congress has held hearings to and international authorities, periodically evaluate ICANN's selection process for new TLDs. In addition, ICANN faces significant questions regarding efficacy as a private sector entity. ICANN may continue to evolve both its long-term structure and mission to address perceived shortcomings such as a lack of accountability to the public and a failure to maintain a diverse representation of interests on its board of directors. We continue to face the risks that: the U. S. or any other government may reassess its decision to introduce competition into, or ICANN's role in overseeing, policies, and fee structures, which could lead to structural changes, increased regulation, or shifts in oversight. These changes may introduce uncertainty and potential instability in the domain registration market - the Internet community or the U. S. We face several risks related S. Department of Commerce or U. S. Congress may refuse to recognize ICANN's oversight and evolving authority or support its policies, including: • Fee increases which could create instability in the raise our costs or deter domain registration registrations system; - some of ICANN's policies and practices, and the policies and practices adopted by registries and registrars, could be found to conflict with the laws of one or more jurisdictions; - ICANN may lose any one of the several claims pending against it in both the U. • Changes to S. and international courts, in which case its credibility may suffer and its policies may be discredited; - the terms of the Registrar Accreditation Agreement that could be disadvantageous or (the "RAA"), under which we are accredited in extreme cases,

prevent us from operating as a registrar. • Conflicts between ICANN policies and national laws, leading to compliance challenges or operational restrictions in certain jurisdictions. • Legal or regulatory actions against ICANN, which could impact its authority and introduce change in ways that are disadvantageous to us or under certain uncertainty into circumstances could be terminated by ICANN preventing us from operating our Registrar, or ICANN could adopt unilateral changes to the RAA that are unfavorable to us, that are inconsistent with our current or future plans, or that affect our competitive position; ICANN and, under their the registry agreements, VeriSign and other registries may impose increased fees received for each ICANN accredited registrar and / or domain name system. • registration managed by those registries; ICANN or any registries may implement policy changes that would impact our ability to run our current business practices throughout the various stages of the lifecycle of a domain name; and international International regulatory or governing bodies, such as the ITU International Telecommunications Union or the EU European Union, gaining greater may gain increased influence over the management and regulation of the domain governance registration system, potentially leading to new increased regulation in areas such as taxation and, privacy, or competition regulations. -If any of these events occur, they could create disrupt the instability-- stability in of the domain registration market, increase system. These events could also disrupt or our suspend portions of compliance costs, our- or reduce our ability to operate efficiently, negatively affecting our wholesale and retail domain registration solution, which would result in reduced revenue. Data protection regulations may impose legal obligations on us that we cannot meet or that conflict with our ICANN contractual requirements. In 2018, the European Commission adopted the GDPR, which creates obligations around the procurement, processing, publication and sharing of personal data. Potential fines for violations of certain provisions of GDPR reach as high as 4 % of a company's annual total revenue, potentially including the revenue of its international affiliates. The solutions we develop for GDPR compliance may not be adequate in the views of regulatory authorities or ICANN, which may cause the loss of WHOIS privacy revenue or increase our costs of developing compliant solutions or subject us to litigation, liability, civil penalties, or loss of market share. As the privacy laws and regulations around the world continue to evolve, these changes could adversely affect our business operations in similar ways. The law relating to the use of and ownership of intellectual property on the Internet as well as the liability of Internet services companies for data and content carried on or disseminated through their network's websites is currently unsettled and could expose us to unforeseen liabilities. This could negatively affect the public's perception of our corporate image. As a host of content through our Exact Hosting business, and to a lesser extent as a registrar of domain names services, we may be subject to potential liability for illegal activities by our resellers' customers on their websites. We provide an automated service that enables users to register domain names. We do not monitor or review, nor does our accreditation agreement with ICANN require that we monitor or review, the appropriateness of the domain names we register for our customers or the content of their websites, and we have no control over the activities in which these customers engage. While we have policies in place to terminate domain names or to take other action if presented with evidence of illegal conduct, customers could nonetheless engage in prohibited activities without our knowledge. Several bodies of law may be deemed to apply to us with respect to various customer activities. Because we operate in a relatively new and rapidly evolving industry and since our industry is characterized by rapid changes in technology and in new and growing illegal activity, these bodies of laws are constantly evolving. Some of the laws that apply to us with respect to certain customer activities include the following: -The CDA generally protects online service providers, such as Tucows, from liability for certain activities of their customers, such as posting of defamatory or obscene content, unless the online service provider is participating in the unlawful conduct. Notwithstanding the general protections from liability under the CDA, we may nonetheless be forced to defend ourselves from claims of liability covered by the CDA, resulting in an increased cost of doing business. -The DMCA provides recourse for owners of copyrighted material who believe that their rights under U. S. copyright law have been infringed on the Internet. Under the DMCA, we generally are not liable for infringing content posted by third parties. However, if we receive a proper notice from a copyright owner alleging infringement of its protected works by web pages for which we provide hosting services, and we fail to expeditiously remove or disable access to the allegedly infringing material, fail to post and enforce a digital rights management policy or a policy to terminate accounts of repeat infringers, or otherwise fail to meet the requirements of the safe harbor under the DMCA, the owner may seek to impose liability on us. -Although established statutory law and case law in these areas to date generally have shielded us from liability for customer activities, court rulings in pending or future litigation may serve to narrow the scope of protection afforded us under these laws. In addition, laws governing these activities are unsettled in many international jurisdictions, or may prove difficult or impossible for us to comply with in some international jurisdictions. Also, notwithstanding the exculpatory language of these bodies of law, we may be embroiled in complaints and lawsuits which, even if ultimately resolved in our favor, add cost to our doing business and may divert management's time and attention. Finally, other existing bodies of law, including the criminal laws of various states, may be deemed to apply or new statutes or regulations may be adopted in the future. Our insurance may not be adequate to compensate or may not cover us at all in the event we incur liability for damages due to data and content carried on or disseminated through our network. Any costs not covered by insurance that are incurred as a result of this liability or alleged liability, including any damages awarded and costs of litigation, could harm our business and prospects. -Domain name registrars also face potential tort law liability for their role in wrongful transfers of domain names. The safeguards and procedures we have adopted may not be successful in insulating us against liability from such claims in the future. In addition, we face potential liability for other forms of "domain name hijacking," including misappropriation by third parties of our network of customer domain names and attempts by third parties to operate websites on these domain names or to extort the customer whose domain name and website were misappropriated. Furthermore, our risk of incurring liability for a security breach on a customer website would increase if the security breach were to occur following our sale to a customer of an SSL certificate that proved ineffectual in preventing it. Finally, we are exposed to potential liability as a result of our private domain name registration service, wherein we become the domain name registrant, on a proxy basis, on behalf of our customers. While we have a policy of providing the underlying

information and reserve the right to cancel privacy services on domain names giving rise to domain name disputes including when we receive reasonable evidence of an actionable harm, the safeguards we have in place may not be sufficient to avoid liability in the future, which could increase our costs of doing business. There have been ongoing legislative developments and judicial decisions concerning trademark infringement claims, unfair competition claims and dispute resolution policies relating to the registration of domains. To help protect ourselves from liability in the face of these ongoing legal developments, we have taken the following precautions: our standard registration agreement requires that each registrant indemnify, defend and hold us harmless for any dispute arising from the registration or use of a domain registered in that person's name; and since December 1, 1999, we have required our resellers to ensure that all registrants are bound to the UDRP as approved by ICANN. Despite these precautions, we cannot be assured that our indemnity and dispute resolution policies will be sufficient to protect us against claims asserted by various third parties, including claims of trademark infringement and unfair competition. New laws or regulations concerning domains and registrars may be adopted at any time. Our responses to uncertainty in the industry or new regulations could increase our costs or prevent us from delivering our domain registration services over the Internet, which could delay growth in demand for our services and limit the growth of our revenues. New and existing laws may cover issues such as: pricing controls; the creation of additional generic top-level domains and country code domains; consumer protection; cross-border domain registrations; trademark, copyright and patent infringement; domain dispute resolution; and the nature or content of domains and domain registration. An example of legislation passed in response to novel intellectual property concerns created by the Internet is the ACPA enacted by the United States government in November 1999. This law seeks to curtail a practice commonly known in the domain registration industry as cybersquatting. A cyber squatter is generally defined in the ACPA as one who registers a domain that is identical or similar to another party's trademark, or the name of another living person, with the bad faith intent to profit from use of the domain. The ACPA states that registrars may not be held liable for registration or maintenance of a domain for another person absent a showing of the registrar's bad faith intent to profit from the use of the domain. Registrars may be held liable, however, if they do not comply promptly with procedural provisions of the ACPA. For example, if there is litigation involving a domain, the registrar is required to deposit a certificate representing the domain registration with the court. If we are held liable under the ACPA, any liability could have a material adverse effect on our business, financial condition and results of operations. Our service offerings may become subject to new government regulations that may be costly to adopt, and may adversely affect our business prospects, future growth or results of operations. The FCC grants wireless licenses for terms of generally ten years that are subject to renewal and revocation. There is no guarantee that our Network Operator's license will be renewed. Failure to comply with FCC requirements applicable to a given license could result in revocation of that license and, depending on the nature of the non-compliance, other licenses. Various states are considering regulations over terms and conditions of service, including certain billing practices, privacy, and consumer-related issues that may not be pre-empted by federal law. If imposed, these regulations could make it more difficult and expensive to implement national sales and marketing programs and could increase the costs of our operations. Specifically regarding our Tucows Domains segment, to date, government regulations have not materially restricted use of the Internet in most parts of the world. The legal and regulatory environment pertaining to the Internet, however, is uncertain and may change. New laws may be passed, existing but previously inapplicable laws may be deemed to apply to the Internet, or existing legal safe harbors may be narrowed, both by U. S. federal or state governments and by governments of foreign jurisdictions. These changes could affect: the liability of online resellers for actions by customers, including fraud, illegal content, spam, phishing, libel and defamation, infringement of third-party intellectual property and other abusive conduct; other claims based on the nature and content of Internet materials, such as pornography; user privacy and security issues; consumer protection; sales and other taxes, including the value-added tax of the European Union member states; characteristics and quality of services; and cross-border commerce. The adoption of any new laws or regulations, or the application or interpretation of existing laws or regulations to the Internet, could hinder growth in use of the Internet and online services generally, and decrease acceptance of the Internet and online services as a means of communications, commerce and advertising. In addition, such changes in laws could increase our costs of doing business, subject our business to increased liability or prevent us from delivering our services over the Internet, thereby harming our business and results of operations. Our Ting Internet businesses rely on Network Operators. Failure by a Network Operator to obtain the proper licenses and governmental approvals from regulatory authorities would cause us to be unable to successfully operate those businesses. The FCC licenses currently held by our Network Operators and their third-party affiliates to provide wireless services are subject to renewal and revocation. There is no guarantee that their wireless or network licenses will be renewed. The FCC requires all licensee to meet certain requirements, including so-called "build-out" requirements, to retain their licenses. Their failure to comply with certain FCC requirements in a given license area could result in the revocation of their license for that geographic area. As Ting expands its Internet business, enters new markets, and considers offering regulated telecommunications services, it takes on additional local, state and federal regulatory and compliance obligations that require additional diligence and resources. We may experience unforeseen or potentially uninsured liabilities or losses in connection with our Domain Services business, including the risk that our standard agreements with customers may not be enforceable. This could negatively impact our financial results. We operate on a global basis and all of our customers must execute our standard agreements that govern the terms of the services we provide to our customers. These agreements contain provisions intended to limit our potential liability arising from the provision of services to our customers. As most of our customers purchase our services online, execution of our agreements by resellers occurs electronically or, in the case of our terms of use, is deemed to occur because of a user's continued use of the website / Internet service following notice of those terms. We believe that our reliance on these agreements is consistent with the practices in our industry, but if a domestic, foreign or international court were to find that either one of these methods of execution is invalid or that key provisions of our services agreements are unenforceable, we could be subject to liability that has a material adverse effect on our business or we could be required to change our business practices in a way that increases our cost of doing

business. Although we maintain general liability insurance, claims could exceed the coverage obtained or might not be covered by our insurance. While we typically obtain representations from our technology and content providers and contractual partners concerning the ownership of licensed technology and informational content and obtain indemnification to cover any breach of these representations, we still may not receive accurate representations or adequate compensation for any breach of these representations. We may have to pay a substantial amount of money for claims that are not covered by insurance or indemnification or for claims where the existing scope or adequacy of insurance or indemnification is disputed or insufficient.

**RISKS RELATED TO OWNERSHIP OF OUR CAPITAL MARKETS AND STOCK** Our share **VOLATILITY** The market price may be volatile, which may make it difficult for shareholders to sell their shares of our common stock when they want to, at an attractive price. Our share price has **fluctuated** varied recently and the price of our common stock may decrease in the future **continue to experience significant volatility**, regardless of our operating **financial** performance. Investors may be unable to resell their common shares at a desired price due to market conditions, reduced trading volume, or negative **sentiment toward our** stock following periods of volatility because of the market's adverse reaction to this volatility. **Several** The following factors may contribute to this volatility, including:

- actual **Actual** or anticipated variations in our quarterly operating **financial** results;
- **Service** interruptions **disruptions or outages that impact customer trust and operational performance;**
- **Seasonal fluctuations** in demand for our services and seasonality of the **those** markets and businesses of our customers;
- **announcements** **Announcements** of new technologies or new **competitive** services in by our company or our **industry** by our competitors;
- **Market perceptions of** our ability to accurately select appropriate business models and strategies **strategy**, growth initiatives, and execution;
- the operating and stock **Stock** price performance of other companies that investors may view as in our sector, particularly those considered comparable to us;
- **analyst** **Analyst** or ratings, short-seller reports **activity, or media coverage of our company;**
- **Macroeconomic** news relating to our company or our industry as a whole; and news relating to trends in our markets **affecting the technology and internet sectors**. The stock market, particularly in general and the market for Internet **internet** -related, **technology, and telecom** companies in particular, including our company, has experienced **periods of significant** volatility. We cannot guarantee **Broader market trends, economic conditions, or shifts in investor sentiment toward our industry may further impact our stock price, trading volume, and overall market valuation.** On February 13, 2025, our Board of Directors approved a stock repurchase program authorizing the Company to buy back up to \$ 40 million of its common stock in the open market. The program commenced on February 14, 2025, and is expected to terminate on February 13, 2026. While the Company has previously repurchased shares under similar programs, we are under no obligation to repurchase shares under this program, nor are we obligated to complete purchases up to the full authorized amount. The timing, quantity, and pricing of repurchases will depend on market conditions, available liquidity, and other strategic considerations, and the program may be modified, suspended, or discontinued at any time at the discretion of our Board. Stock repurchase programs can impact our share price and market volatility, but there is no assurance that the repurchase our recently announced stock buyback program will be fully consummated or that such program will enhance the long- term value of our stock or generate returns for shareholders.

**RISKS RELATED TO ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) FACTORS** Our operations rely on data centers, cloud computing resources, and domain registration infrastructure, all of which require significant energy consumption. As governments introduce carbon reduction policies and energy efficiency mandates, we may face higher electricity costs, increased environmental compliance requirements, and potential pressure from investors to adopt more sustainable energy practices. If we share -- are price. On February 22 unable to reduce our carbon footprint or comply with future environmental regulations, 2024 we could face reputational risks and higher operational costs. Investor and regulatory expectations for ESG (Environmental, Social, and Governance) transparency may require additional disclosures and compliance efforts. Institutional investors, regulatory agencies, and industry stakeholders are increasingly focused on ESG performance and corporate sustainability disclosures. We may be required to implement new reporting frameworks, publish ESG- related data, or enhance corporate governance structures to meet investor expectations and regulatory requirements in the Company announced that its Board had approved U. S., the U. K., Canada, and Europe. In addition, stakeholder expectations are not uniform, and both opponents and proponents of various ESG- related matters have increasingly resulted in a range stock buyback program to repurchase up to \$ 40 million of **activism** its common stock in the open market. The \$ 40 million buyback program commenced on February 23, 2024 and is expected to **advocate** terminate on February 22, 2025. Although the Company has repurchased shares under previous programs, there is no obligation for the **their positions, including Anti- ESG positions** Company to continue to repurchase or to repurchase any specific dollar amount of stock. **We** The stock buyback program could also affect the price of our stock and increase volatility in the market. We cannot guarantee that this program will be fully consummated **criticized by ESG detractors** or for that such program will enhance the **scope** long- term value of our or **nature of our ESG policies** share price. **GENERAL RISK FACTORS** Economic, political, and **practices. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could impact our access to capital** market **markets** conditions may adversely affect our, **investor sentiment, and corporate reputation. Our** businesses -- **business operations**, financial condition, and operating results. The financial results of our business are both directly and indirectly dependent upon economic conditions throughout the world, which in turn can be impacted by conditions in the global financial markets. Uncertainty about global economic conditions may lead businesses to postpone spending in response to tighter credit and reductions in income or asset values. Weak economic activity may lead government customers to cut back on services. Factors such as the availability of credit, changes in laws (including laws relating to taxation), trade barriers, currency exchange rates and controls, and national and international political circumstances including armed conflicts, wars, terrorist acts or security operations, and other geopolitical conflicts, such as the ongoing conflicts between Russia and Ukraine, Hamas and Israel, and the possible expansion of such conflict in surrounding areas could have a material adverse effect

on our business and investments, which could reduce our revenue, profitability and value of our assets. These factors may also adversely affect the business, liquidity and financial condition of our customers. In addition, periods of poor economic conditions could increase our ongoing exposure to credit risks on our accounts receivable balances. This could have a material adverse effect on our business, financial condition and results of operations. Rising inflation and interest rates may adversely affect our businesses, financial condition, and operating results. The Company continues to operate in a challenging macro environment as inflation and interest rates continue to rise globally. The impact of these issues on our business will vary by geographic market and operating segment. We continue to monitor economic conditions closely, as well as segment revenues, cash position, cash flow from operations, interest rates and other factors. The Company continues to monitor and assess wage inflation across all our operating segments—Ting, Tucows Domains, and Wavelo, and is managing it against offsets in hiring plans and contractor mix. Our Ting segment is also exposed to inflation through its Fiber Network build costs, and sustained levels of inflation increase the costs of related materials and contracted labor. We continue to assess ways to reduce build costs through more efficient management of our build design, build efficiency and real-time tracking of build costs to better manage total cost estimates against actual spends. However, there can be no assurance as to the effectiveness of our efforts to mitigate any impact of the adverse economic conditions, and other unknown developments. In addition, our exposure to interest rate fluctuations relate primarily to our 2023 Credit Facility, entered into on September 22, 2023. The Company's interest rates are based on SOFR. Our business and financial performance could be adversely **negatively** affected, directly or indirectly, by **extreme weather events**, both global and local climate and environmental **natural disasters**, **public health crises**, and other **large-scale disruptive disruptions** activities. Neither the occurrence nor the potential impact of global and local climate and environmental natural disasters, health crises and other disruptive activities can be predicted. However, these **These** occurrences could **events are inherently unpredictable and may** impact us directly as a result of, **by causing physical damage to infrastructure, disrupting service delivery, or increasing operational costs, or indirectly, by preventing us from conducting affecting customer demand, supply chain stability, our or business in the ordinary course broader economic conditions.** As climate-related risks continue to evolve, or our indirectly as a result of **fiber network infrastructure, data centers, and operational facilities** may be exposed to hurricanes, wildfires, floods, and their other extreme weather events. **Damage to physical assets may disrupt network services, increase maintenance and repair costs, and contribute to customer churn, which could impact on our customers revenue. Additionally**, suppliers or other **the counterparties**. We could also suffer adverse consequences to the extent that such occurrences **cost of insurance, regulatory compliance, and infrastructure hardening may increase over time, potentially affect affecting** the financial markets or **our capital expenditure planning and overall profitability** the economy in general or in any particular region or globally. Our ability to mitigate the **impact** adverse consequences of such **events** occurrences is in part dependent **depends** on the **quality effectiveness** of our **resiliency business continuity** planning, and our ability **network resilience strategies**, if any **and disaster recovery measures.** **However**, to anticipate **unanticipated disruptions or insufficient** the nature of any such event that occurs. The adverse impact of such occurrences also could be increased to the extent that there is a lack of preparedness on the part of **by local, national, or international**, national or regional emergency responders, **supply chain partners**, or on the part of other **key stakeholders could exacerbate** organizations and businesses that we deal with, particularly those **the financial and operational consequences of such events** that we depend upon but have no control over.