Adya Inc.

Management's Discussion and Analysis

For the year ended December 31, 2025 and 2024

June 29, 2026

This document provides management's discussion and analysis ("MD&A") of the financial condition as at, and results of operations for, the year ended December 31, 2025 and 2024. This MD&A is intended to help the readers, including shareholders and stakeholders, understand the dynamics of Adya's business and the key factors underlying its financial results, and should be read together with our audited consolidated financial statements for the year ended December 31, 2025 ("Annual Financial Statements") and accompanying notes.

The Annual Financial Statements and the comparative periods presented have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts in this document are in Canadian dollars.

Throughout this document, unless otherwise specified or the context otherwise indicates, the "Company", "Adya", "we", "us" and "our" refer to Adya Inc. and its subsidiaries.

Additional information on Adya is available and can be found on Adya's website at www.adya.ca or through the System for Electronic Document Analysis and Retrieval ("SEDAR") at sedarplus.ca and includes the Company's other recent financial reports, securities and continuous disclosure documents.

The Annual Financial Statements and information and analysis in the MD&A includes amounts and conclusions based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration as to materiality. In addition, in preparing the financial information, management must interpret the financial information, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information.

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking information related to our future financial condition and results of operations and anticipated future events and circumstances. This information is based on our estimates about the conditions in which we operate and our beliefs and assumptions regarding these conditions. Unless otherwise indicated, the forward-looking information in this MD&A describes our expectations on the date of this MD&A. In some cases, forward-looking information may be identified by words such as "anticipate", "believe", "could", "expect", "plan", "seek", "may", "intend", "will", "forecast" and similar expressions.

This information is subject to important risks and uncertainties, which are difficult to predict, and is based on and subject to assumptions, which may prove to be inaccurate. Some of the risk factors that could cause results or events to differ materially from current expectations include but are not limited to: increasing competition; ability to achieve strategies and plans; timing of product introductions; ability to manage our cost structure; general economic and business conditions; demographic changes; reliance on systems; changing technology; demand for our products and services; changing regulations; dependence on key suppliers; reliance on key personnel; legal contingencies and changes in laws; and tax related risks. Some of these risk factors are largely beyond our control. Should any risk factor affect us in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Unless otherwise indicated, forward-looking information does not take into account the effect that transactions, non-recurring or other special items, announced or occurring after this information is provided may have on our business. All of the forward-looking information reflected in this document and the documents referred to within are qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences for us. Except as may be required by Canadian securities laws, we disclaim any intention and assume no obligation to update or revise any forward-looking information, even if new information becomes available, as a result of future events or for any other reason. Readers should not place undue reliance on any forward-looking information as various factors could cause actual future results, conditions or events to differ materially from expectations or estimates expressed in these forward-looking statements.

See the section titled "Definitions – Additional GAAP Measures and Non-GAAP Measures" for descriptions of Operating Income (loss), EBITDA, Adjusted EBITDA and the reconciliation of EBITDA and Adjusted EBITDA to net income (loss) for the periods presented. These items do not have a standardized meaning under IFRS and therefore are unlikely to be comparable to similar measures presented by other companies. EBITDA and Adjusted EBITDA are non-GAAP measures which should not be considered as a substitute or alternative for GAAP measures.

COMPANY OVERVIEW

Adya Inc. ("Adya" or the "Company") is a publicly traded holding company and is currently a strategic shareholder in telecommunications and technology companies. With offices located in Toronto, Canada, the Company is focused on diversifying its portfolio through the acquisition of accretive businesses and strategic alignment for critical telecom infrastructure deployment. Adya has been publicly traded on the TSX Venture Exchange (TSX.V: ADYA) since 1997.

The Company has also listed its common shares on OTCQB under trading symbol "ADYIF" effective July 21, 2022. Adya's vision is to be able to identify and acquire best in class products and services that customers can confidently rely on, with a highly intelligent software platform that enables effective, reliable, affordable communications products and services globally.

As at December 31, 2025, 2530469 Ontario Corp. (a company owned by the Chief Executive Officer) owned approximately 90% of the Company's common shares and is the controlling shareholder of the Company. 2530469 Ontario Corp. holds the shares on behalf of Iris Technologies Inc. ("Iristel").

Telecom Investments

Adya's telecommunication investments services include full-service long distance, internet and business services. Adya's wholly owned subsidiaries are registered with the Canadian Radio-Television and Telecommunications Commission ("CRTC") as a licensed Class "A" Telecom Carrier and with the American Federal Communications Commission ("FCC").

SELECTED ANNUAL INFORMATION

	2025	2024	2023
Total revenue	$66,128,076	$1,790,366	$2,168,443
Net loss	$(1,263,127)	$(594,667)	$(464,145)
Net loss per share (basic and diluted)	$(0.053)	$(0.025)	$(0.020)
Total assets	$896,605	$1,553,550	$509,322
Total non-current financial liabilities	$4,338,253	$3,209,556	-
Dividends declared	-	-	-

FINANCIAL REVIEW

The following discussion of the Company's financial performance is based on the audited consolidated financial statements for the year ended December 31, 2025.

As at December 31, 2025, the Company had cash of $67,785 (December 31, 2024 – $52,521) and total current assets of $875,357 (December 31, 2024 – $935,383). The decrease in current assets primarily the increase in trade and other receivables net of allowance to $162,073 (December 31, 2024 – $52,314) offset by the decrease in prepaid expenses and other current assets to $157,358 (December 31, 2024 – $309,191).

Long-term assets as at December 31, 2025, totalled $21,248, compared to $618,167 at December 31, 2024. The significant decrease reflects a lease modification effective June 17, 2025, which shortened the Company's office lease term and reduced the right-of-use asset accordingly, as well as ongoing amortization.

Total current liabilities were $1,842,049 and non-current liabilities were $4,338,253 at December 31, 2025, compared to $2,364,565 and $3,209,556, respectively, at December 31, 2024. Included in non-current liabilities is the aggregate balance drawn on the grid promissory notes payable to Iristel in the amount of $4,338,253 (December 31, 2024 – $2,679,318).

Revenue for the year ended December 31, 2025, was $66,128,076 compared to $1,790,366 for the year ended December 31, 2024. The dramatic increase in revenue reflects the significant growth of the Company's wholesale telecom business services line, which commenced during 2024 and scaled substantially through 2025. The net loss and comprehensive loss for the year ended December 31, 2025, was $1,263,127 compared to $594,667 for the year ended December 31, 2024.

The Company continued operating its wholesale telecom business services line throughout 2025, which accounted for the substantial majority of revenue. The high-volume, lower-margin nature of wholesale services results in gross margin being a smaller percentage of revenue than in prior periods.

Gross Margin

	Year ended December 31, 2025	Year ended December 31, 2024
Revenue	$66,128,076	$1,790,366
Telecommunications costs	65,789,602	779,539
Gross margin	**$338,474**	**$1,010,827**
Gross margin %	0.5%	56.5%

The decrease in gross margin percentage from 56.5% in 2024 to 0.5% in 2025 reflects a structural shift in the business model. While wholesale telecom services have increased overall revenue significantly, these services are higher-volume services that carry lower margins than traditional retail or other service lines. Gross margin in absolute dollar terms decreased from $1,010,827 to $338,474 as a result of this shift in revenue mix.

Operating Expenses

	2025	2024	% Change
General and administrative	$1,234,126	$1,070,457	15%
Marketing and selling	21,944	25,426	(14%)
Development and technical support	69,263	201,370	(66%)
Depreciation and amortization	111,660	155,005	(28%)
Total operating expenses	**$1,436,993**	**$1,452,258**	(1%)

General and administrative expenses, which include corporate overhead, management and administrative personnel, legal and audit fees, rent, business development, and office expenses, increased by $163,669 (15%) year-over-year. The increase relates to a general increase in business activity.

Marketing and selling expenses, which consist of advertising, promotional activities, and sales commissions on business services, decreased by $3,482 (14%), primarily due to lower commission expenses as no commissions are paid on the new wholesale telecom revenue stream.

Development and technical support expenses, which include IT wages and technical support costs, decreased by $132,107 (66%), reflecting reductions in staffing requirements aligned with changes in customer service needs.

Depreciation and amortization, a non-cash expense, relates to the systematic allocation of the cost of right-of-use assets, property and equipment over their useful lives. The decrease from $155,005 to $111,660 reflects the impact of the lease modification in June 2025, which reduced the right-of-use asset and corresponding depreciation on a go-forward basis. Full-year depreciation in 2024 included a full year of charges on the lease renewed in early 2024.

Other Items

Finance costs, net for the year ended December 31, 2025, were $193,135 compared to $156,248 in 2024. Finance charges primarily consist of interest and accretion expense on the lease liabilities and notes payable to Iristel. The increase reflects a higher outstanding balance on the grid promissory notes and the associated interest accrual at 7.5% per annum.

During the year ended December 31, 2025, the Company recognized a gain on modification of lease of $14,013 relating to the June 2025 modification of its office premises lease at 151 Front Street West, Toronto. The modification reduced both the right-of-use asset and lease liability, with the $14,012 difference recorded as a gain.

Other income of $14,514 (2024 – $3,011) relates to miscellaneous recoveries and other items arising in the normal course of business.

SELECTED QUARTERLY INFORMATION (in accordance with IFRS)

The following table summarizes the Company’s financial information for the last eight quarters. The Company’s level of activity and expenditure during a specific quarter have been influenced by the availability of working capital, the availability of additional external financing and the status of projects and level of expenditures required to complete them. All figures are reported in accordance with IFRS (rounded to the nearest thousand).

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenue	61,003	2,396	2,493	236	772	333	300	385
Net loss	(333)	(717)	16	(229)	182	(370)	(257)	(149)
Loss per share	(0.01)	(0.03)	0.00	(0.01)	0.01	(0.02)	(0.01)	(0.01)

The Company's business is not subject to significant seasonal fluctuations. The variation in quarterly results is primarily driven by changes in business mix and the timing of new revenue streams rather than seasonal patterns.

The most significant quarter-over-quarter change is the substantial increase in revenue from $2,493 in Q2 2025 to $61,003 in Q4 2025 (in thousands). This increase is attributable to the rapid scaling of the Company's wholesale telecom services business. While the Company commenced wholesale operations during the second quarter of 2024 and grew that activity through 2025, Q4 2025 saw a significant acceleration as high-volume wholesale carrier traffic transitioned to the Company's platform. Wholesale telecom services involve the resale of bulk long-distance minutes to high-volume resellers at discounted rates and, as such, generate substantially higher revenue volumes than the Company's legacy retail and business service lines, albeit at significantly lower margins. The concentration of wholesale volume in Q4 2025 reflects the timing of contractual arrangements with key wholesale customers rather than any seasonal factor. Revenue in all other quarters of 2025 and 2024 reflects the Company's legacy retail long-distance, home phone and business services, which remained relatively stable period over period.

DEFINITIONS – ADDITIONAL GAAP MEASURES AND NON-GAAP MEASURES

The Company measures the success of its strategy through certain key performance indicators, which are outlined below. The following key performance indicators are not measurements in accordance with IFRS and should not be used as an alternative to net income or any other measure of performance under IFRS.

EBITDA and Adjusted EBITDA

We define EBITDA as earnings before interest costs, taxes, depreciation and amortization. Adjusted EBITDA also excludes one-time income/charges. EBITDA and Adjusted EBITDA, which are non-GAAP financial measures, are commonly used measures used in the telecommunications industry to assist in understanding and comparing operating results. EBITDA and Adjusted EBITDA are reviewed regularly by management and our Board of Directors in assessing performance and in making decisions regarding the ongoing operations of the business and the ability to generate cash flows. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS. EBITDA and Adjusted EBITDA are not measures of financial performance nor do they have a standardized meaning under IFRS. In evaluating these measures, investors should consider that the methodology applied in calculating such measures may differ among companies and analysts. We have reconciled EBITDA and Adjusted EBITDA to their most comparable measure calculated in accordance with IFRS, being net income (loss) in the tables below.

Below is a reconciliation of "EBITDA" to net loss for the periods presented:

	Year ended December 31, 2025	Year ended December 31, 2024	% Change
Net loss	$(1,263,127)	$(594,667)	112%
Finance costs, net	193,135	156,248	24%
Depreciation and amortization	111,660	155,005	(28%)
EBITDA	$(958,332)	$(283,414)	238%
Gain on lease modification	(14,012)	-	n/a
Other income	(14,514)	(3,011)	382%
ADJUSTED EBITDA	**$(986,858)**	**$(286,425)**	245%

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash flows from operating, investing and financing activities, as presented in the consolidated statements of cash flows, are summarized in the following table:

Year ended December 31,	2025 $	2024 $	+/- $	% Change
Cash used in operating activities	(1,482,891)	(505,589)	(977,302)	(193%)
Cash from investing activities	-	-	-	-
Cash provided by financing activities	1,498,155	536,645	961,510	179%
Increase in cash	**15,264**	**31,056**	**(15,792)**	(51%)

Working capital is defined as current assets less current liabilities, and current ratio is calculated as current assets as compared to current liabilities. As at December 31, 2025, the Company had a working capital deficiency of $966,692 (December 31, 2024 – working capital deficiency of $1,429,182).

Cash used in operating activities of $1,482,891 for the year ended December 31, 2025, increased compared to $505,589 in 2024. The 2025 operating cash outflows primarily reflect the increase in net loss adjusted for non-cash items, and include increases in trade receivables related to the significant growth in wholesale revenue, and reductions in deferred revenue.

Cash from financing activities of $1,498,155 (2024 – $733,893) is primarily comprised of net proceeds from the grid promissory notes from Iristel. Proceeds of $1,658,935 were received, partially offset by payments against lease liabilities.

The Company's monthly burn rate on average, at its current operating level, will not be sufficient to fund ongoing operations to cover short-term and long-term operational needs as well as any capital costs. As such, the Company will need additional financing for costs related to operations, and to invest in its growth strategy. The Company is currently addressing its liquidity concerns by proactively planning future financings through related party loans, the sale of debt and (or) equity. The Company has been successful in the past at raising necessary funds (with related party loans in recent years). The ability to raise funds in the public markets will depend on the liquidity of the financial markets, economic conditions, as well as the acceptance of investors to small cap companies. There can be no guarantee that the Company will be able to secure any required financing.

The primary need for liquidity is to fund working capital requirements of the business. The primary source of liquidity has been through cash generated from operations and loans from Iristel.

The Company has the following financial commitments:

- Unsecured promissory notes ("Grid Notes") totalling $4,338,253, that bear interest at 7.5% per annum (calculated monthly). The Grid Notes have various maturity dates through December 31, 2027 (see Note 9 of the Annual Financial Statements for details).
- Lease liabilities of $32,198 representing the remaining lease obligation for the office premises at 151 Front Street West, Toronto, which terminates effective March 1, 2026.

The Company has no capital expenditure commitments and has the ability to reduce or increase other discretionary costs depending on the level of available funds.

Overall, given the working capital deficiency, the Company will require additional funding to be able to fulfil its operating requirements for 2026 and beyond. The Company's ability to continue as a going concern is dependent upon continued financial support from Iristel (see "Going Concern" discussion below).

Going Concern

As at December 31, 2025, the Company had a working capital deficiency of $966,692 (December 31, 2024 – $1,429,182), had not yet achieved profitable operations, and had accumulated losses of $11,539,346 (December 31, 2024 – $10,276,219). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon continued financial support from Iristel, including the extension or deferral of loans and advances as they become due, and on improving operating performance.

Management's plans to address the liquidity position include continued financial support from Iristel, renegotiation of supplier payment terms and the pursuit of additional financing. There can be no assurance that these measures will be successful.

RELATED PARTY TRANSACTIONS

Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. Related parties include the Company's subsidiaries, significant shareholders, and key management. Significant shareholders consist of 2530469 Ontario Corp. Key management consists of the Board of Directors, Chief Executive Officer, and Chief Financial Officer. Related parties also include companies controlled by key management. Related party transactions occur when there is a transfer of economic resources or financial obligations between related parties. Related party transactions in the normal course of business that have commercial substance are initially measured at fair value.

Key management personnel compensation is as follows for the year ended December 31, 2025 and 2024:

	2025	2024
Wages, salaries, director fees and other benefits	$18,000	$18,000
Total	**$18,000**	**$18,000**

The Company rents its head office space from Iristel, Adya's controlling shareholder. This lease is on a month-to-month basis for $2,000 per month and is recognized as an expense in the period incurred.

See Note 9 of the Annual Financial Statements for the Grid Promissory Notes from Iristel. As at December 31, 2025, a total of $4,338,253 (December 31, 2024 – $2,679,318) was advanced under the grid promissory notes, and total interest accrued under the grid promissory notes as at December 31, 2025 was $474,131 (December 31, 2024 – $316,759). Included in accounts payable is $179,843 (2024 – $nil) of amounts owing to Iristel.

Included in revenue earned from arm's length customer transactions during the year ended December 31, 2025, was approximately $37,511,399 (2024 – $770,000) generated through use of Iristel's service carrier lines. As at December 31, 2025, $7,286 (2024 – $9,456) of accounts receivable due from Iristel for these services has been applied against $1,125,925 (2024 – $972,375) due to Iristel for rent and service costs.

During the year ended December 31, 2025, telecommunications costs included $37,111,977 (2024 – $480,444) of transactions with Iristel.

During the prior year ended December 31, 2024, the Company provided telecom management services to 2530469 Ontario Corp., a company controlled by the Chief Executive Officer ("CEO") of the Company. These services were provided in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The total value of services provided was $450,000 plus HST. As at December 31, 2025, the amount of $478,500 (2024 - $508,500) was outstanding and recorded as due from related party.

All related party transactions have been conducted in the normal course of business and measured at fair value, as appropriate.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Key areas requiring judgment and estimation uncertainty include:

- Allowance for doubtful accounts - In developing the estimates for an allowance against existing receivables, the Company considers general and industry economic and market conditions as well as credit information available for the customer and the aging of the account. Changes in the carrying amount due to changes in economic and market conditions could significantly affect the earnings for the period;
- Right-of-use assets and lease liabilities — The recognition and measurement of right-of-use assets and lease liabilities requires management to make judgements and estimates in a number of areas. Key judgements include determining whether a contract contains a lease, the identification of the lease term (including the assessment of whether extension or termination options are reasonably certain to be exercised), and whether a change in lease terms constitutes a lease modification or a new arrangement. Key estimates include the determination of the incremental borrowing rate used to discount future lease payments where the rate implicit in the lease is not readily determinable, and the allocation of consideration between lease and non-lease components where applicable. Changes in these judgements and estimates could result in a material change to the carrying amounts of right-of-use assets and lease liabilities recognized on the consolidated statements of financial position.

- Useful lives of property and equipment - Management's judgment involves determining the expected useful lives of depreciable assets, to determine depreciation and amortization methods, and the asset's residual value;
- Impairment of non-financial assets - The process to determine whether there are triggering events of impairment of non-financial assets as well as the calculation of value in use requires use of assumptions such as estimates of future cash flows, discount rates and terminal growth rates;
- Provisions - Judgment is required to assess the likelihood of an outflow of the economic benefits to settle contingencies, such as litigations, which may require a liability to be recognized. Significant judgments include assessing estimates of future cash flows and the probability of the occurrence of future events;
- Valuation of deferred income tax assets and liabilities - A deferred tax asset is recognized for unused losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be utilized. Detailed estimates are required in evaluating the probability that deferred tax assets will be utilized. The Company's assessment is based on existing tax laws, estimates of future profitability, and tax planning strategies; and
- Going concern - These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, anticipated revenue and future commitments to assess the Company’s ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and satisfy their obligations as they become due.
- Notes payable – Judgement applicable to the notes payable include the appropriate risk-adjusted discount rate and repayment term included in the determination of amortized cost.

CAPITALIZATION

As at December 31, 2025, and as at the date of this MD&A, the following securities were outstanding:

Security	Number Outstanding
Common shares	23,613,540
Stock options	Nil
Warrants	Nil

The Company is authorized to issue an unlimited number of common shares. No shares were issued or repurchased during the year ended December 31, 2025.

BUSINESS RISKS AND UNCERTAINTIES

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Board is responsible for developing and monitoring the Company’s risk management policies.

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The following areas summarize the principal risks and uncertainties that could affect Adya's future results.

Competition

Telecommunications providers are continually increasing the range of services they offer as well as lowering their long-distance rates to become more competitive. There can be no assurance that our current or future competitors will not provide services superior to those we provide, or at lower prices, adapt more quickly to evolving industry trends or changing market requirements, enter the market in which we operate, or introduce competing services. Any of these factors could decrease our revenue, lower our subscriber base or increase churn. Adya intends on mitigating these risks through offering more innovative solutions that will remove itself from the price sensitive market, and further optimize its cost structure in anticipation of future price declines and drive more aggressive pricing.

Technology

The market for the Company's services is characterized by rapid change and technological improvements. Failure to respond in a timely and cost-effective way to these technological developments could result in serious harm to the Company's business and operating results. A substantial portion of the Company's revenues are derived and expected to continue to be derived from providing telecommunications services that are based upon today's leading technologies and that are capable of adapting to future technologies.

In addition, the day-to-day operations of our business are highly dependent on information technology systems. An inability to enhance information technology systems to accommodate additional customer growth and support new products and services could have an adverse impact on our ability to acquire new subscribers, manage subscriber churn, produce accurate and timely subscriber invoices, generate revenue growth and manage operating expenses, all of which could adversely impact our financial results and position.

Fraud and Unauthorized Use of Platform

The Company's telecommunications platform is subject to risks of unauthorized use, including the fraudulent use of payment cards to place long-distance calls. Such incidents result in carrier costs being incurred without corresponding collectible revenue.

Reliance on Systems and System Failures

We rely on various complex systems that are used in the provision of services to customers and the management of customer relationships and billings. These systems are made up of many integrated parts consisting of cable, equipment, buildings and towers, IT equipment, IT software and related data. The success of our operations depends on how well these components are protected against damage from fire, adverse weather, natural disasters, power loss, hacking, computer viruses, disabling devices, vandalism, acts of war or terrorism, and other events. Any of these things could cause operations to be shut down indefinitely and adversely affect our revenues and costs.

Concentration Risk

The Company is exposed to concentration risk with respect to both revenue and trade receivables. During the year ended December 31, 2025, one customer accounted for a significant portion of the Company's revenue and represented approximately 83% of trade receivables at year end. The loss of this customer could have a material adverse effect on the Company's financial results. The Company also relies substantially on Iristel's service carrier lines to generate revenue and for certain operational support and infrastructure.

Regulatory

Regulatory changes issued by the Canadian Radio-television and Telecommunications Commission (CRTC) could have a material adverse impact on Adya's procedures, costs and revenues. The Company is federally regulated by the CRTC and Industry Canada. The CRTC regulates certain tariff charges in which Adya pays to certain local carrier exchanges and may issue changes that may have a material unfavorable impact on the Company's financial results. To mitigate these risks, the Company monitors industry developments very closely through industry advisors.

Management Team and Dependence on Key Personnel

Adya operates with a small but effective and experienced management team that strives to oversee all aspects of operations. The success of the Company is heavily dependent on its management team and key personnel and on its ability to motivate, retain and attract highly skilled persons. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. All team members are encouraged to document each of their key tasks and responsibilities as a means of mitigating this risk.

Currency

The Company's functional currency is the Canadian dollar, but it regularly transacts in U.S. dollars for a portion of its business activities. The Company purchases wholesale long distance minutes in U.S. dollars but a majority of the sales are in Canadian dollars, therefore gross margins are negatively impacted by a weaker Canadian dollar. As at December 31, 2025, unhedged U.S. dollar balances included cash of US$35,223, accounts receivable of US$102,666, and accounts payable of US$347,710.

Credit

The Company is subject to credit risk through trade and other receivables. The Company establishes an allowance for doubtful accounts that represents its estimate of uncollectible accounts.

Liquidity

The Company derives most of its liquidity from cash from operating activities and related party loans. As at December 31, 2025, the Company had cash of $67,785 and a working capital deficiency of $1,919,323. The Company may require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to Adya.

Where Adya issues shares in the future, such issuance will result in the then existing shareholders of Adya sustaining dilution to their relative proportion of the equity in the Company. The Company cannot predict the size of future issues of common shares or securities convertible into common shares or the effect, if any, that future issues and sales of the common shares will have on the price of the common shares.

General Economic Conditions

Our businesses are affected by general economic conditions, consumer confidence and spending. Recessions or declines in economic activity or economic uncertainty generally cause an erosion of consumer and business confidence and may materially reduce discretionary consumer spending. Any reduction in discretionary spending by consumers and businesses or weak economic conditions may materially negatively affect us through decreased demand for our products and services including decreased revenue and profitability, higher churn and higher bad debt expense.

Dependence on Service Providers

A number of service providers provide certain essential components of our business operations to our employees and customers, including network, payroll, call center support, certain information technology functions, and invoice printing and facilitation. Our network systems are connected to the systems of other telecommunications carriers, and we rely on them to deliver some of our services. Interruptions in these services can adversely affect our ability to provide services to our customers. To mitigate this risk, we have contracted with a number of service providers to enable redundancies in critical areas.

KEY PERFORMANCE INDICATORS (KPI's) AND NON-IFRS MEASURES

The Company uses a number of key performance indicators as measurement tools, which are outlined below. The following key performance indicators are not measurements in accordance with IFRS and should not be used as an alternative to net income (loss) or any other measure of performance under IFRS.

Gross Margin

Gross margin is determined by deducting all telecommunications-related expenses from revenue. Telecommunications expenses include fixed and variable carrier costs, billing and collections charges to local exchange carriers and support costs for all telecommunications facilities. Gross margin is an indicator of the Company's profit directly tied to its services before general operating expenses.

EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) are commonly used in the telecommunications industry to assist in understanding and comparing operating results. The Company believes that this measure is important in assessing its profitability before the impact of depreciation and amortization and non-operating factors. EBITDA is also a useful measure of the Company's ability to service debt, invest in capital equipment or distribute dividends to its shareholders.

Adjusted EBITDA

The term "Adjusted EBITDA" refers to the net income (loss) before adjusting for depreciation and amortization, impairment charge on non-financial assets, settlement charges, acquisition costs, finance income, finance costs, and income taxes. "Adjusted EBITDA margin" refers to the percentage that Adjusted EBITDA for any period represents as a portion of total revenues for that period.

We believe EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin are useful supplemental information as they provide an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration expenses related to impairment charge on non-financial assets, acquisition costs and other items listed above. EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin are not measures recognized by IFRS and do not have standardized meaning prescribed by IFRS. Therefore, EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin may not be comparable to similar measures presented by other issuers.

SUBSEQUENT EVENTS

The Company's office lease at 151 Front Street West, Toronto was terminated effective March 1, 2026, pursuant to the early termination provisions of the lease Modification Agreement entered into on June 17, 2025.

CONTINGENCIES

From time to time, the Company has been, and expects to continue to be, subject to legal proceedings and claims in the ordinary course of business. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. The Company is not aware of any legal proceedings or claims that it believes will have, individually or in the aggregate, a material adverse effect on the Company's financial condition or results of operations.

PROPOSED TRANSACTIONS

As at the date of this MD&A, there are no proposed transactions that management has decided to proceed with that would materially affect the Company's results of operations, financial condition or cash flows.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in accounting policies during the year ended December 31, 2025. The Company is assessing the impact of IFRS 9/IFRS 7 amendments (effective January 1, 2026) and IFRS 18 (effective January 1, 2027) as disclosed in Note 2 of the Annual Financial Statements.

ADDITIONAL INFORMATION

Additional information about Adya is available:

- At the www.adya.ca website
- At the www.sedarplus.ca website
- Via email to investorrelations@adya.ca, or
- Via phone at 416-499-5463