

## Advent-AWI Holdings Inc. “the Company”

Management’s discussion and analysis for the year ended December 31, 2025

Effective date of MD&A – April 14, 2026

### Forward-looking statements

Certain statements in the MD&A, other than statements of historical fact, are forward-looking in nature and involve various risks and uncertainties. These risks and uncertainties can include, without limitation, statements concerning possible or assumed future results of operations of the Company preceded by, followed by, or that include words and phrases such as “will,” “believes,” “plans,” “intends,” “expects,” “anticipates,” “estimates” or similar expressions. Forward-looking statements are not a guarantee of future performance. They involve risks, uncertainties and assumptions related to all aspects of the wireless communications industry and the global economy. As a result, the Company’s actual results may differ materially from those anticipated in the forward-looking statements and there can be no assurance that such statements will prove to be accurate.

You should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement (and such risks, uncertainties and other factors) speaks only as of the date on which it was originally made, and the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained in this document to reflect any change in expectations with regard to those statements or any other change in events, conditions or circumstances on which any such statement is based, except as required by law. New factors can emerge from time to time, and it is not possible for the Company to predict which factors will arise or when. In addition, the Company cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

### Overview

Business Description:

The Company operated in two business segments in 2025.

(1) Wireless through Am-Call Wireless Inc. (Am-Call), a wholly owned subsidiary (Wireless business).

(2) Mico finance through Adwell Financial Services Inc. (Adwell), a 70% owned subsidiary (Financing business).

### (1) Wireless business

Products: wireless voice and data, high speed internet, digital cable television, home phone, Smart Home Monitoring and Rogers Bank MasterCard.

Number of stores as at December 31, 2025 – four stores (2 Rogers & 2 FIDO, all in Ontario)

Number of stores as at December 31, 2024 – four stores (2 Rogers & 2 FIDO, all in Ontario)

The Company did not open or close any store during 2025.

### Economic dependence

For the year ended December 31, 2025, approximately 94% (2024 – 97%) of the Company's gross revenue was from Rogers Communications Inc., whereas the remaining approximately 6% (2024 – 3%) was generated through Am-Call's four retail stores in Ontario (2024 – four stores in Ontario) on the wireless side and Adwell on the financing side.

Account receivables from Rogers – 84% as at December 31, 2025 (78% as at December 31, 2024)

### (2) Micro finance business

In late 2015, the Company received approval from the TSXV (Toronto Stock Exchange Venture) to start a financial service subsidiary that would operate a consumer lending business in the Greater Vancouver area of British Columbia. This new subsidiary, "Adwell Financial Services Inc." ("Adwell"), was incorporated on January 8, 2016. Adwell issued a total of 1,000,000 shares at \$0.0001 per share. The Company subscribed to 70% of the shares issued, with the remaining 30% owned by two minority shareholders, Q&Y Holdings Inc. (15%) and Adwealth Capital Holdings Inc. (15%). The two minority shareholders, both with financial and lending experience, assisted in the start-up and continuing operations of the venture and remain so at time of this MD&A.

The Company has committed to invest up to \$4,375,000 in Adwell, of which \$375,000 is for ongoing operations and the remaining \$4,000,000, in the form of a line of credit, is for advances to customers.

At the time of this MD&A, the Company had invested \$1,100,000 in Adwell, of which \$350,000 was funding for the ongoing operations of Adwell, while \$750,000 was Adwell's advances to customers.

### Declaration of dividend

On July 24, 2025, the Company announced that a special dividend of \$0.125 per common share would be paid to all shareholders of record as at the close of business on August 7, 2025. The dividend was paid out on August 21, 2025.

### Current economic uncertainties related to political and trade changes

The recent geopolitical uncertainties and tariffs or non-tariff trade actions present a risk of recession and may cause customers to reduce or delay discretionary spending, impacting new service purchases or volumes of use, and consider substitution by lower-priced alternatives.

### Overall performance

	2025	2024	+/-	%
<b>Wireless revenue</b>	\$4,688,540	\$4,362,209	\$326,331	7%
<b>Financing revenue</b>	\$1,094,872	\$1,132,709	(\$37,837)	-3%
<b>Total revenue (excluding other &amp; investment income)</b>	\$5,783,412	\$5,494,918	\$288,494	5%

The Company's 2025 combined wireless and financing revenue increased by \$288,494 or 5% compared to 2024. This increase was made up of an increase in wireless revenue of \$326,331 (7%), and a decrease in financing revenue of \$37,837 (3%).

Revenue contribution in 2025 is wireless business 81% (2024 - 79%) and financing business 19% (2024 - 21%).

The 2025 Canadian consumer wireless market remains highly concentrated, dominated by Rogers Communications, Bell Canada, and TELUS, which together control the vast majority of national subscribers and revenue. However, the competitive landscape has shifted meaningfully since Quebecor acquired Freedom Mobile, strengthening a fourth national player. Freedom/Videotron has expanded beyond Quebec into Ontario, Alberta, and British Columbia, increasing price competition and promotional intensity in urban markets. While barriers to entry remain high due to spectrum costs and infrastructure scale, the presence of a more assertive fourth carrier has reshaped pricing dynamics.

Pricing trends in 2025 reflect a transition period. After several years of regulatory pressure and aggressive competition that drove down headline plan prices—especially for mid-tier data buckets—rates have largely stabilized. Entry-level and promotional unlimited-data plans remain competitive, but carriers are focusing more on revenue quality than subscriber growth. Device financing has become central to plan economics, with most consumers opting for 24-month financing

rather than traditional subsidies. Bundling wireless with home internet and streaming services is increasingly common as carriers seek to improve customer retention and lifetime value.

Network investment remains a strategic priority. 5G coverage is now broadly available across urban Canada, with ongoing densification to improve speed and reliability rather than basic geographic expansion. Carriers are deploying additional mid-band spectrum to enhance capacity as mobile data consumption continues to climb, driven by video streaming, social media, gaming, and remote work applications. Fixed wireless access and early satellite-to-mobile initiatives are also emerging to serve rural and remote regions, though these remain complementary rather than core revenue drivers.

Consumer behavior in 2025 reflects heightened price sensitivity. Churn levels remain elevated compared to pre-pandemic norms, particularly during major promotional periods such as Black Friday and back-to-school. Switching between carriers is easier due to device unlocking rules and number portability, encouraging active comparison shopping. At the same time, immigration-driven population growth continues to support subscriber additions, although net growth has moderated relative to peak years.

Regulatory oversight continues under the Canadian Radio-television and Telecommunications Commission, which maintains focus on affordability, competition, and consumer protection. Policy discussions in 2025 center on MVNO access frameworks, spectrum allocation, and rural connectivity obligations. Overall, the market can be characterized as mature, infrastructure-intensive, and competitively tighter than in prior years—balancing strong network investment and improving consumer value against ongoing concerns about concentration and long-term pricing power.

Amid this challenging economic and competitive environment, the Company was able to maintain its niche in the Asian and South Asian communities in the GTA by providing a highly personalized customer care experience to its customers, and recorded an increase in wireless revenue of 7% over 2024.

The Company's financing business remained steady in 2025 and recorded a slight decrease in revenue of 3% over 2024.

### Selected annual consolidated financial information

	Dec-25	Dec-24	Dec-23
Total Revenue	\$5,783,412	\$5,494,918	\$5,686,629
Income (Loss) before income taxes	(\$33,067)	\$473,269	\$230,298
Recovery of (Provision for) income taxes	\$3,741	(\$135,527)	(\$74,152)
Net Income (Loss) for the year	(\$29,326)	\$337,742	\$156,146
Assets	\$14,553,201	\$16,609,856	\$17,270,649
Liabilities	\$2,646,659	\$3,182,049	\$2,987,033
Basic & diluted earnings per share	\$0.001	\$0.021	\$0.011

With higher interest rates, supply chain disruptions from global events such as trade tensions, the war in Ukraine, and new immigration policies, the Canadian consumer market faced unique challenges in 2023, 2024 and 2025 as it has continued to evolve and adapt to the interplay between economic recovery, digital transformation, sustainability, and demographic shifts. Despite these turbulent times and challenges, the Company has delivered steady overall revenue for the past three years. The Company reported a loss in 2025, following two years of profitability. This loss was primarily due to a loan loss provision on two secured loans, as the first-charge lenders initiated foreclosure proceedings against the collateral properties. However, the Company remains optimistic, believing that its position as the second mortgagee on both properties offers a strong possibility of recovering a certain portion of the outstanding loan.

The Company's financial position remains strong, with steady liquid assets and low liabilities. Its liabilities to assets ratio remains low at 18% (2025), 19% (2024) and 17% (2023) respectively.

### Results of operations – Wireless business

In 2025, the number of Rogers' new voice and new data activations increased by 9% and 15% respectively over 2024, while customer upgrades increased by 14%.

On the other hand, FIDO new voice activations and data activations decreased by 65% and 65% respectively over 2024. Customer upgrades decreased slightly by 1%.

Combining Rogers and FIDO, new voice and data activations decreased by 28% and 26% respectively, while customer upgrades increased by 13% in 2025.

The decline in FIDO transaction numbers in 2025 reflects Rogers strategy to migrate customers to Rogers' higher priced data plans, aggravated by a reduction in the arrival of new immigrants and international students during the year. This strategy proved to be quite successful as mobile prices began to level off and even tick upwards in the later part of 2025. Consumers are increasingly

migrating to higher data plans and are willing to pay more, as the average mobile data usage surpassed 10GB per month in 2025. For the company, even though transaction volume decreased on the FIDO side, it was made up by the increase in transaction volume on the Rogers side, and the higher commission those transactions generate.

These developments are reflected in the following revenue streams:

Total hardware sales revenue during 2025 increased by 15% from that of 2024, the result of a 14% increase in equipment sales.

New activation commissions increased by 6% over last year even though total transaction volume decreased by 28%. The strategy of migrating customers to the Rogers brand paid off as the loss in FIDO transactions was more than offset by the increase in Rogers transaction volume and the increase in Rogers transactional commission.

Customer upgrade commissions in 2025 increased by 16% over 2024 resulting from a 13% increase in customer upgrade volume. Residual commissions decreased by 6% year over year, caused by a 8% decrease in the subscriber base.

The Company also managed to achieve certain Rogers' assigned targets throughout 2025 and increased its bonus revenue by 242% over 2024.

In the past few years, the Company has been increasingly focused on non-wireless products such as Rogers TV/internet and Rogers Bank (Mastercard) in order to mitigate the impact of the decrease in wireless transaction volumes. This product is usually sold in stores as an add-on product when customers perform their wireless transactions, and it plays a crucial role in keeping customers within the Rogers ecosystem.

Rogers Bank (Mastercard) commissions decreased by 17% over 2024 but continue to be a key revenue generator for the Company. By introducing unique benefits like free Roam-like-home days and Rogers redemption bonus in its card offerings Rogers Mastercard has become better known and better accepted in the highly competitive Canadian credit card market space. The Company will continue to promote this product to its customers.

Internet commissions decreased by 22% over 2024. Rogers has been quite aggressive in the aftermath of the Rogers/Shaw merger in terms of its internet offerings, and has also rolled out the new 5G Home Internet products which allow customers in non-cable coverage areas to sign up with Rogers.

Going forward, Rogers Bank (Mastercard), internet and TV will remain the focus of the Company's business as they continue to be important revenue generators.

Rogers continues to upgrade these products as well and with the phasing out of legacy TV and the introduction of Rogers' Xfinity line of products, sales revenues from this sector are expected to remain strong for the foreseeable future.

In summary, the increase in phone hardware sales revenue and commission revenue is large enough to offset the decrease in residual, Rogers Bank and Internat commission, and resulted in the total wireless revenue to increase by 7%.

On the new technology front, Rogers launched its new and exclusive service, Rogers Satellite, on July 15, 2025. Rogers Satellite is a service that provides text messaging and emergency connectivity in areas without traditional cell service by using satellites to connect directly to a smartphone. Rogers is launching this, free of charge during the beta trial period, not only to Rogers customers, but to all Canadians regardless of their mobile carrier. This game-changing service will enhance the competitive advantage of Rogers in Canada by serving as a differentiator for the company.

Subscriber base:

December 31, 2025 – 22,282

December 31, 2024 – 24,113

Decrease of 1,831 or - 8%

As at December 31, 2025, the Company had 22,282 subscribers, reflecting the subscriber base attached to the four locations (two Rogers and two Fido) of the Company's wireless business.

The net decrease in the subscriber base of 1,831 is the result of a year to year increase in the Rogers subscriber base of 361 but a corresponding decrease of the Fido subscriber base of 2,192. Rogers has been enticing FIDO customers to switch to the Rogers brand and the increase in the Rogers subscriber base demonstrates the success of this strategy. However, the larger decrease in the FIDO subscriber base indicates that while some customers might have moved over to Rogers, others have either chosen to switch to CHATR (Rogers' prepaid brand), or move to other Canadian carriers. The continued slowdown of new immigrants and foreign students coming into Canada in 2025 has also affected the FIDO numbers. Management does not foresee any changes in these policies to control student and immigration entry for the immediate future.

In order to maintain its subscriber base, the Company's strategy is to keep adding new customers, while at the same time try to prevent existing customers from leaving. The Company understands that the key to maintaining its customer base is to give customers good reasons to sign up and stay with Rogers, instead of migrating to the competition.

Retention of its customer base is therefore a key management objective because the Company receives residual income on the subscriber base every month which, in turn, gives the Company a steady and predictable income stream

### Results of operations – Financing business

In 2025, Adwell's financing revenue decreased by \$37,837 or 3% over 2024.

	2025	2024	+/-	%
<b>Financing income</b>	\$1,094,872	\$1,132,709	(\$37,837)	-3%

Adwell's main business is comprised of three types of loans:

Unsecured personal instalment loans - these are micro loans advanced to individuals in amounts ranging from \$1,500 to \$7,000, with 9 to 36-month flexible repayment terms and no early repayment penalties. These loans are usually advanced to customers with steady income who are able to make regular repayments throughout the term of the loan. These loans also require personal guarantor(s) as backup security.

Payday loans - these are loans advanced to individuals based on their pay checks and are more expensive than personal instalment loans. They are usually smaller in amount and have a shorter repayment period.

Mortgage loans - these are secured loans based on properties as collateral. The majority of these loans are for bridging purposes and are usually repaid within a year.

Adwell advanced only one mortgage loan in 2025, compared to three in 2024.

Adwell's main revenue is interest and fees generated from these loans. In 2025, Adwell advanced 5% less personal instalment loans to customers, but payday loans increased by 15%.

The table below shows the income and expenses breakdown of the Company's financing business in 2025 and 2024:

	2025	2024	+/-	%
<b>Interest income</b>	\$860,755	\$1,047,715	(\$186,960)	-18%
<b>Fee income/Other income</b>	\$234,117	\$84,994	\$149,123	175%
<b>Interest cost</b>	\$155,083	\$258,440	(\$103,357)	-40%
<b>General &amp; administration</b>	\$523,648	\$581,052	(\$57,404)	-10%
<b>Advertising &amp; promotion</b>	\$2,912	\$4,303	(\$1,391)	-32%
<b>Amortization of property, plant &amp; equipment</b>	\$1,964	\$2,186	-\$222	-10%
<b>Provision for (Recovery of) loan loss</b>	\$530,575	(\$26,226)	\$556,801	-2123%
<b>Income (Loss) from operations before income taxes</b>	(\$119,310)	\$312,954	(\$432,264)	-138%

In 2025, Adwell recorded a loss from operations of \$119,310, a 138% decrease over 2024.

In 2025, the Company was notified by two first lenders on two of the Company's mortgage loans that they had initiated foreclosure proceedings against the underlying collateral properties. The Company has responded to the petitions to protect its position as second mortgagee. Based on information currently available, management believes that proceeds from the anticipated foreclosure sales, which are expected to occur in the second half of 2026, may allow for the recovery of a portion of the outstanding loan balances. However, given the uncertainty associated with the timing and outcome of the foreclosure process, the Company recorded a loan loss provision representing the full outstanding balance of the loans in 2025.

Besides the above provision, the overall decrease in income was also caused by a decrease in interest income (18%) from a smaller loan portfolio and the implementation of Bill C-47 in 2025 which set new interest rate limits on high interest rate loans and payday loans, offset by an increase in fee income (175%) and a decrease in interest cost (40%).

#### Gross profit margin

2025 - 53%

2024 - 57%

Gross profit margin for the year was 53%, as compared to 57% in 2024. Even though there was a drop in non-margin based revenue in 2025, the Company was able to maintain its gross profit margin thanks to the increase in hardware phone sales and commission revenue.

Hardware revenue has continued to adversely impact profit margin in the past few years as the price of hardware keeps increasing. Another factor which affects margins is the Company's BYOD (Bring Your Own Device) mix, because BYOD activations only generate commissions but no hardware revenue. The Company has also been focused on increasing its non-margin-based products such as cable and Mastercard, which generate commissions without hardware costs. All these components of the Company's revenue mix mean the following factors will have a greater impact on future profit margin:

- New activation commissions and upgrade commissions that can be changed at short notice depending on carrier priorities and focus.
- Dealer bonus commission depend on achieving performance metrics dictated by Rogers which can be changed upon short notice depending on Rogers priorities.

- Residual commissions are a steady source of income, but it is becoming more and more challenging to maintain customers amid heavy competition and the government's objective of increasing competition in the future.
- Internet commissions and Rogers Mastercard commissions are now increasingly important revenue sources with which to make up for the loss in wireless commissions due to a reduction of sales volume.

In short, in order to maximize opportunities to generate revenue, the Company will have to adapt and adjust quickly to the ever-changing environment in which it operates.

2025 General and administration expenses (excluding loan loss provision) - \$2,843,007  
 2024 General and administration expenses (excluding loan loss provision) - \$3,014,494

Decrease of \$171,487 or 6%

In 2025, the Company's had a decrease of 6% in general and administration expenses over 2024, caused mainly by decreases in payroll, bank and general office expenses.

2025 Loan Loss provision - \$530,575  
 2024 Loan Loss recovery – (\$26,226)

Increase of \$556,801

As previously discussed in this MD&A, the Company has made a full provision for two secured loans, the collaterals of which are subject to foreclosure proceedings initiated by the respective first-charge lenders.

2025 Advertisement and promotion expenses - \$18,422  
 2024 Advertisement and promotion expenses - \$16,363

Increase of \$2,059, or 13%

The Company has done less brand advertising on its own as Carriers are now more inclined to centralize branding within their own marketing departments. The Company is very active in the ethnic market and considers it important to maintain its own identity and presence in the communities it serves. We will continue to advertise and promote selectively in ethnic media channels. The Company's advertising and promotion activities continue to be more tactical in nature and will hopefully yield faster results.

Another tactic the Company has increasingly deployed is the use of carrier promotion bill credits, which dealers can obtain at a discount, to reduce phone prices. This tactic can be very effective in short term “hit & run” type promotions because competitors have difficulty matching it. The increase in Advertising and promotion expenses this year is due to the purchase of these bill credit coupons.

The Financing business is not a heavy user of advertisements and promotions as its new customers are mostly acquired through referrals.

2025 Amortization of Right-of-use assets - \$204,959

2024 Amortization of Right-of-use assets - \$175,535

Increase of \$29,424 or 17%

The increase in Amortization of right-of-use assets this year is due to the conversion of one Ontario store’s lease to term from a month-to-month lease in 2024.

Commencing January 1, 2019, as a result of the Company adoption of *International Financial Reporting Standard 16, Leases*, certain leases that were previously operating leases are now capitalized as right-of-use-assets, which are depreciated over their respective terms. The Company converted one lease from month-to-month to term in 2025. At the end of 2025, the Company has six leases, all expiring in 2028.

2025 Amortization of investment properties - \$35,892

2024 Amortization of investment properties - \$35,892

The Company has two investment properties as at December 31, 2025, the same number as 2024.

2025 Amortization of property and equipment - \$23,507

2024 Amortization of property and equipment - \$23,241

Increase of \$266, or 1%

2025 Other income - \$164,825

2024 Other income - \$0

In 2025, the Company recognized other income of \$164,825 in respect of customer deposits originally collected in 2009 and 2010. These deposits were collected to secure the Company’s commission and were refundable six months after they were collected. Overtime, these deposits were never reclaimed and management has determined that these balances should be recognized as income, as the claims are now statute barred and no obligation existed as of December 31, 2025.

2025 Rental income - \$149,395  
 2024 Rental income - \$136,772  
 Increase of \$12,623 or 9%

Besides receiving rental income from its two investment properties, the Company also leases out part of its warehouse space at its Head Office in Ontario to reduce overall occupancy cost.

2025 Loss before income taxes – (\$33,067)  
 2024 Income before income taxes - \$473,269  
 Decrease of \$506,336 or 107%

2025 Total net loss and comprehensive loss after taxes – (\$29,326)  
 2024 Total net income and comprehensive income after taxes - \$337,742

2025 Net loss attributable to non-controlling interest – (\$35,793)  
 2024 Net income attributable to non-controlling interest - \$92,837

2025 EPS - \$0.001  
 2024 EPS - \$0.021

#### Summary of consolidated quarterly results

	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Wireless revenue	\$1,070,942	\$898,563	\$977,634	\$1,415,070	\$866,285	\$945,231	\$1,231,611	\$1,645,413
Financing revenue	\$271,823	\$323,214	\$272,586	\$265,086	\$285,012	\$374,778	\$249,224	\$185,858
Gross margin	57%	66%	60%	49%	58%	64%	54%	46%
Net income (loss)	\$173,426	\$84,805	\$87,255	(\$7,744)	\$84,101	\$127,346	\$84,340	(\$325,113)
Basic and diluted earnings (loss) per share	\$0.012	\$0.0032	\$0.005	(\$0.0002)	\$0.005	\$0.0053	\$0.006	(\$0.027)

Historically for the Company's Wireless business, the general trend in annual retail sales in Canada is that Q1 is normally the lowest; sales then gradually increase in Q2 and Q3, and finally peak in Q4.

The Wireless business had a slow start in Q1 2025 and consumer confidence remained low during Q2. Thankfully, the Company had a good Q3 Back-to-School selling season and revenue rebounded, exceeding even the levels set in Q3 2024. The momentum continued into the Q4 Christmas holiday selling period, traditionally a strong contributor to the Company's financial performance, consequently, revenue peaked and surpassed that of Q4 2024.

Revenue from the Company's financing business has trended upwards in 2024 and continued increasing in the first half of 2025, but retreated in the second half of the year. This was due to a decrease in interest income from a smaller loan portfolio, and a reduced maximum rate of interest from 48% APR to 35% APR as of January 1, 2025 in keeping with Bill C-47. Fee income also retreated in the second half of 2025 due to a smaller number of loans advanced.

In response to the potential increase in credit risk posed by the potentially dangerous economic environment, Adwell continues to monitor the quality of its loan portfolio closely to make sure enough provision is made to weather any potential fluctuations in the business due to decrease in the credit quality of Adwell's loan portfolio.

In addition to the general historic retail trend, there are other factors unique to the Company's industry that can affect overall sales and revenue, including:

The mergers of Rogers-Shaw and Quebecor-Freedom in 2023 established a fourth national competitor, which led to fierce price wars among telecom carriers in 2025.

An intensely competitive business environment has led to a consistent decline in wireless ARPU as providers use aggressive promotions to retain price-sensitive customers.

New CRTC (Canadian Radio-television and Telecommunications Commission) regulations effective in early 2025 mandated that major companies (Rogers, Bell, Telus) provide independent ISPs (internet service providers) with wholesale access to their fibre networks, enabling smaller competitors to offer high-speed internet plans in new markets.

The Company's micro financing business represents a profitable revenue source and has shown steady contribution to sales since its inception. Its revenue represented 19% of the total revenue of the Company in 2025 (21% in 2024). The Company has committed up to \$4,375,000 to finance this venture.

#### Fourth Quarter discussion

Q4 2025 continued a trend of heightened pricing competition that began earlier in the year, especially among the discount brands driving lower-price plans and aggressive promotions.

Faced with lower immigration and international student inflows, historically key drivers of new customers, Rogers has increasingly relied on customer retention and ARPU expansion rather than volume growth. The main focus of this strategy has been to switch FIDO customers with a lower ARPU to its higher ARPU Rogers brand. This strategy has proved to be successful for both Rogers and the Company.

As things turned out, the Company's Q4 results did reflect the positive outcome of this strategy. Even though total new voice and data activations decreased by 24% and 14%, activation commission actually increased by 26%.

Total customer upgrades increased by 41% over the same quarter last year, resulting in an increase in upgrade commission of 47%. The increase in upgrades, coupled with the increase in Rogers activations which has a higher hardware attach rate drove total phone sales revenue up by 26%.

Combining the results of Rogers and Fido, total new voice and data activations were down by 26% and 34% respectively in this quarter, while customer upgrades decreased by 23%. These were reflected in the Company's revenue streams as follows:

Phone sales revenue, new activation commissions and customer upgrade commissions all recorded decreases of 20%, 27% and 22% respectively in Q4 2024 over that of Q4 2023. This was mitigated by increases of 1,348% in bonus commissions and internet commissions, resulting in an overall decrease in total wireless revenue by 18% for the quarter.

Over at the financing business, Adwell generated \$185,858 in financing revenue, which is a 30% decrease over Q4 2024. The decrease is a result of a 47% decrease in interest income, and a 781% increase in fee income.

Adwell recorded a loss from operations of \$477,083 in the quarter, compared to a loss of \$30,213 a year earlier, a 478% decrease. The loss is mainly the result of a year-end loan loss provision adjustment.

	Q4 2025	Q4 2024	+/-	%
<b>Interest income</b>	\$144,918	\$271,099	(\$126,181)	-47%
<b>Fee income/Other income</b>	\$40,940	(\$6,013)	\$46,953	781%
<b>Total income</b>	\$185,858	\$265,086	(\$79,228)	-30%
<b>General &amp; administration (including interest cost &amp; provision for loan loss)</b>	\$661,827	\$293,798	\$368,029	125%
<b>Advertising and promotion</b>	\$300	\$973	(\$673)	n/a
<b>Amortization of property, plant &amp; equipment</b>	\$814	\$528	\$286	54%
<b>Income (loss) from operations before income taxes</b>	(\$477,083)	(\$30,213)	(\$446,870)	1479%

### Liquidity

Cash and cash equivalents & short-term investments as at December 31, 2025 - \$9,397,397

Cash and cash equivalents & short-term investments as at December 31, 2024 - \$8,770,037

Increase of \$627,360 or 7%

Working capital as at December 31, 2025 - \$10,438,927

Working capital as at December 31, 2024 - \$12,024,874

Decrease of \$1,585,947 or 13%

During the past year, the Company used internally generated funds for the dividend payment and for the ongoing funding of Adwell. These payments did not have any significant impact on the operating cash flow of the Company.

The company's liquidity has always been generated from the Company's operations. The Company has no line of credit arrangement with any bank. Maintaining this conservative financial management continues to be one of the Company's core objectives.

### Summary of contractual obligations

#### Wireless business

Number of leases at December 31, 2025 - 5 leases (December 31, 2024 - 4 leases)

Am-Call converted a month-to-month lease to a term lease during 2025.

Future minimum operating lease commitment of the wireless business is as follows:

Wireless	
2026	\$214,027
2027	\$218,693
2028	\$147,682
Total	\$580,401

#### Financing business

Number of lease at December 31, 2025 - 1 lease (December 31, 2024 - 1 lease)

Future minimum operating lease commitment of the financing business is as follows:

Financing	
2026	26,761.31
2027	27,847.56
2028	25,526.93
Total	\$80,136

In sum, total future minimum operating lease commitment of the Company's six leases as at December 31, 2025 is as follows:

Advent-AWI	
2026	\$240,788
2027	\$246,540
2028	\$173,209
Total	\$660,537

### Capital resources

The Company has no credit facility arrangement with any bank.

### Off-Balance Sheet arrangements

As at December 31, 2025, the Company has two properties in its portfolio, one each in Ontario and British Columbia. These two properties were classified on the audited consolidated statement of financial position as investment properties.

The Ontario property (Horizon Centre) has been leased since 2009. This commercial condominium unit was originally intended for use as a store for the Company's wireless business, but later determined that the location was not suitable for selling wireless products. The Company has no intention to open a store at that location and will keep the unit as an investment property. The latest lease expired on May 31, 2025 and after a few months of negotiation the tenant decided to move out and vacated the premises on August 31, 2025. The Company is currently deciding whether to sell or to find a new tenant for the property.

The B.C. property (Aberdeen Square) was also originally intended for the Company's B.C. wireless business but since that business was sold it was converted into an investment property. This property has two units, both leased with the same expiry date of December 31, 2026.

As at December 31, 2025, these two properties were classified on the consolidated statement of financial position as investment properties. Total rent received was \$149,395 in 2025 (2024 - \$136,772). The combined market value of these properties is estimated to be \$1,477,000 as at December 31, 2025 (December 31, 2024 - \$1,414,740). The rental income on these investment properties has been presented as rental income on the consolidated statement of income and comprehensive income.

It is the Company's intention to sell these remaining two investment properties for a reasonable return as and when decided by management.

The Company also sub-leased out part of its Head Office warehouse space to a third party. This generates additional rental income for the Company.

### Transactions with related parties

Salaries and fees paid and accrued to the Company's directors and executive officers in 2025 were \$825,905 (2024 - \$891,190).

### Proposed transactions

The Company's ongoing investment in Adwell continued in 2025.

### Outstanding share data

There were 11,935,513 common shares issued and outstanding as at December 31, 2025 (December 31, 2024 – 11,935,513 shares). The number of common shares remains unchanged as at the date of this MD&A.

The stock option plan which the Company had in place since 2011 was discontinued in the last Annual General Meeting in June 2025. There were no stock options outstanding as at December 31, 2025.

### Critical accounting estimates

The preparation of the consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Critical accounting estimates include, but are not limited to, net realizable value of inventories, expected useful lives of property, plant and equipment, expected credit loss provision for loans receivable, and the discount rate used in measuring ROU assets and lease liabilities. Management's estimates and underlying assumptions are based on historical experience and are reviewed on an ongoing basis.

### Impairment of financial assets

The determination of the recoverable amount on charged-off loans represents a component of the allowance for expected credit losses and involves a significant accounting estimate. Impaired loans are loans for which the Company has determined there is no reasonable expectation of full recovery. The Company recognizes the portion of the receivable expected to be collected based on estimated future cashflows and may continue collection activities to recover a portion of the contractual cashflows. The estimation of recoverable amounts is subject to inherent uncertainty because it requires management to assess the timing and amount of future cash flows that may be collected after charge-off, which are not directly observable and may vary from actual outcomes.

In determining the recoverable amount on charged-off loans, the estimate reflects management's expectations regarding future recoveries, including the probability of collection, expected cash recovery rates, and the estimated timing of recoveries. These assumptions are reviewed regularly and updated based on recent collection performance and other relevant information.

## Leases

Judgments made in relation to accounting policies applied: The Company exercises judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease. Judgment is required in determining the appropriate lease term on a lease by lease basis. The Company considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leaseholds, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if the Company is reasonably certain to exercise that option. Changes in the economic environment or changes in the retail industry may impact the assessment of the lease term and any changes in the estimate of lease terms may have a material impact on the Company's consolidated statements of financial position.

Key sources of estimation: The critical assumptions and estimates used in determining the present value of future lease payments require the Company to estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets. Management determines the incremental borrowing rate of each leased asset or portfolio of leased assets by incorporating the Company's creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to changes in the macroeconomic environment.

## Income taxes

Deferred income tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities, as well as undeducted tax losses. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded in the consolidated financial statements and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of undeducted tax losses are based on the applicable income tax legislation, regulations and interpretations.

The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based on estimations of the Company's future financial results.

Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation, will result in adjustments to the expectations of future timing difference reversals, and may require material deferred tax adjustments.

### Significant judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is set out below.

On May 31, 2024, the Government of Canada amended section 347 of the Criminal Code effective January 1, 2025. Under the amended section 347 certain unsecured loan agreements executed prior to January 1, 2025 bearing an APR of approximately 47% qualify under the transitional provisions and continue to accrue interest at the contractual rate.

During 2025, the United States government announced tariffs on imported goods, increasing uncertainty regarding their potential impact on the economies in which the Company operates. This uncertainty has been considered in the evaluation of expected credit losses as at December 31, 2025. The scenarios used reflect the uncertainty inherent in the potential imposition of tariffs and other macroeconomic variables. The Company considers a range of macroeconomic scenarios, including the possibility of a more severe recession resulting from the imposition of tariffs, and reflects the uncertainty known as at December 31, 2025. Changes to these forecasts and related estimates will be reflected in future periods as new information becomes available.

### Extinguishment of customer deposit liabilities

The Company uses significant judgment in derecognizing certain long-outstanding customer security deposits originating in 2009 and 2010. Based on the extended period during which the deposits remained unclaimed, the absence of written contractual obligations and applicable statutory limitation periods, that the Company has no obligation to repay these amounts as at December 31, 2025, management determined that the liabilities no longer represent a present obligation and recognized the amounts in other income.

### Estimated useful lives of non-financial assets

Judgment is used to estimate each component of an asset's useful life and is based on an analysis of factors including, but not limited to, the expected use of

the asset. If the estimated useful lives change, this could result in an increase or decrease in the annual amortization expense and future impairment charges.

#### Gross versus net revenue recognition

The Company follows the guidance set out in IFRS 15, Revenue from Contracts with Customers, in determining the presentation of revenue and cost of sales. The guidance requires the Company to assess whether it acts as a principal in a transaction or as an agent acting on behalf of others. To the extent that revenue is earned through the sale of hardware and accessories to customers, the Company has determined that these amounts should be reported on a gross basis in the consolidated statement of income and comprehensive income as the Company controls the hardware and accessories before that is transferred to the customer.

#### New Accounting Standards Issued but not yet Effective

In April 2024, the IASB issued amendments to IFRS 18, Presentation and Disclosure in Financial Statements. These amendments, effective for annual periods beginning on or after January 1, 2027, replace IAS 1 and introduce new requirements for the presentation and disclosure of information in financial statements. They aim to improve the consistency and comparability of financial reporting, particularly in the income statement, and introduce new requirements for management-defined performance measures to be explained and included in a separate note within the consolidated financial statement. The Company is currently evaluating the impact of these amendments on its financial statements.

The new accounting standard introduces the following key new requirements.

Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities net profit will not change.

Require Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotals as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

### Disclosure controls and procedures and internal controls over financial reporting

On November 23, 2007, the British Columbia Securities Commission and the securities commissions in other jurisdictions in which the Company is registered, exempted venture issuers from certifying disclosure controls and procedures as well as internal controls over financial reporting as at December 31, 2007, and thereafter. Since the Company is a venture issuer it is now required to file basic certificates, which it has done for the year ended December 31, 2025. The Company makes no assessment relating to the establishment and maintenance of disclosure controls and procedures as defined under Multilateral Instrument 52-109 as at December 31, 2025.

### Financial instruments

The Company did not use derivative financial instruments such as swaps, futures or hedging contracts in 2025. The Company has no plans to use any of these in the foreseeable future.

### Risk factors

Wireless business -

Even as the business risks from the impact of COVID-19 recede, Management believes there are three imminent risks that will impact the Company's business in the coming year.

First, the significant and as yet unquantifiable risks due to President Trump's recently announced "Reciprocal Tariffs" on exports into the U.S. from virtually every country in the world. The impact of this levy of across the board U.S. tariff on Canadian exports to the U.S. and the Canadian retaliatory tariffs on U.S. made products is difficult to predict, as well as what that will mean for Canadians who are at risk of losing their jobs,

Chatham House, one of the world's best known geopolitical think-tank has pointed out that three-quarters of Canada's goods exports, accounting for more than one-quarter of the country's gross domestic products, go to the United States. So, what might the potential elimination of preferential treatment for Canadian business agreed under the USMCA mean for the telecom business in Canada, and for the Company's customers.

Second, in an environment of severe restriction placed on China's technically advanced and competitively priced 5G telecom equipment maker Huawei, will the promised wireless price reductions in Canada that the Rogers/Shaw merger promised survive? What will the elimination of Huawei from Canada's 5G marketplace mean for the speed with which 5G can be deployed in Canada and the costs for Canadian customers that want to move to this technology?

Third, the operations and profitability of the Company's business are tied to the Bank of Canada's interest rate movements and the continuing purchase of the Company's telecom products. The U.S. "Reciprocal Tariffs" have created an environment of global business and employment uncertainty. Canada and Canadians are not immune from this new global protectionist era.

In the face of these multiple potential business threats that may emerge under the new Trump presidency, the Company and its advisors intend to monitor these risks closely, and will act quickly to optimize its resilience, rebalancing for risk and liquidity, finding ways to preserve its business while at the same time prepare the Company to leverage opportunities for future growth.

Management also intends to keep in close touch with its service provider, Rogers Communications Inc., to help it quantify these and other risk factors and to become knowledgeable in the best-practices that will surely emerge to help companies survive and grow in the new business environment.

The Company's operating results are subject to seasonal fluctuations that may materially impact year-to-year operating results, and thus one year's operating results are not necessarily indicative of the Company's future performance.

Economic dependence on Rogers is an additional risk factor. The Company operates in an industry in which Carriers pay the dealer commissions to bring in new customers and service existing customers. It is also part of an industry in which hardware (mainly wireless handsets) is heavily financed by the Carrier. Phones are sold to consumers with zero upfront payment and dealers are reimbursed through a back-end hardware subsidy from the Carrier. A good example is the Apple iPhone and other Android Smartphones, where the phone may cost dealers as high as \$2,000+ each.

For the year ended December 31, 2025, approximately 94% (2024 - 97%) of the Company's gross wireless revenue was from Rogers Communications Inc., whereas the remaining approximately 6% (2024 - 3%) was generated through the Company's four retail stores in Ontario.

Account receivable from Rogers was 84% as at December 31, 2025 (78% as at December 31, 2024)

Management has decided that no provision for bad debt is required on Rogers' receivables due to past collection experience and Rogers' continuing good credit quality. This economic dependence on Rogers will continue in the future, albeit in diminished form, as a result of the reduction in the number of stores, as well as the growing contribution from the financing businesses.

Canadian wireless companies could face increased competitive pressure because of recent legal changes in foreign ownership of telecommunications

companies and control of the wireless licenses. In other words, giants such as Verizon in the U.S. and others could enter the Canadian market either by acquiring wireless licenses or smaller companies that hold such licenses. Foreign carriers could also acquire smaller Canadian companies with less than 10% of the spectrum and thereby gain possession of this spectrum, then compete aggressively against Canadian companies such as Rogers.

Spectrum fees (to cover the government's costs of processing applications and regulating use of the spectrum) may increase with the renewal of cellular and personal communication services (PCS) spectrum licenses, although the timing of fee increases (if any) is unknown.

A continuing risk factor is the increasing competitiveness of Rogers' two main rivals, Bell Canada and TELUS, who have their own networks and continue to mount aggressive marketing campaigns. Concurrently, new and smaller entrants continue to increase their share of the market in both the voice and data markets. Risk factors also include technological change driven by product obsolescence, intense competition in the wireless telecommunications industry and changes in the regulatory environment.

Management is aware of new risks beyond those mentioned above. These include the Cloud, which offers new opportunities but also a heightened level of risk. Cyber intrusions from malevolent actors have begun to enter the wireless domain, presenting another spectrum of threats. On the opportunity side, the IoT by which the Internet will be used to get information and to control, for example, household items such as refrigerators, burglar alarms and home climate controls through wireless handsets, will open up additional risks. Management reviews these risk factors regularly and discusses strategies to deal with them as they arise. The Company depends heavily on its service provider, Rogers, to provide innovative and competitive products and services to the marketplace. Indications are that Rogers is not only aware of this but is continuously innovating to stay ahead of its competition.

### Financing business

Credit risk, the risk of loss that arises when a customer fails to pay an amount due, is the primary risk faced by Adwell.

Credit quality of Adwell's customer is assessed based on a number of proprietary credit models, and individual credit limits for each potential customer are derived in accordance with this assessment, and by other factors such as the ability of the customer to comfortably make the periodic loan payments. This standardized approval process ensures a standardized high-quality loan application flow.

After evaluating the potential client's credit profile, Adwell makes a decision on the loan terms for each applicant, these include the maximum loan principal that the applicant may borrow.

Adwell will continue to develop and refine underwriting models based on the historical performance of groups of customer loans and industry best practices, which guide its lending decisions. As Adwell has grown, management began recording a provision for loan loss on its books beginning in Q1 2017, which is based on historical loss experience and loan aging in line with general industry best practices. Adwell reviews and adjusts this provision quarterly.

Adwell takes reasonable measures to ensure compliance with governing statutes, regulations and regulatory policies. A failure to comply with such statutes, regulations or regulatory policies could result in sanctions, fines or other settlements that could adversely affect both its earnings and reputation. Changes to laws, statutes, regulations or regulatory policies could also change the economics of Adwell's merchandise leasing and consumer lending businesses.

Numerous consumer protection laws and related regulations impose substantial requirements upon lenders involved in consumer finance, including leasing and lending. Also, federal and provincial laws impose restrictions on consumer transactions and require contract disclosures relating to the cost of borrowing and other matters such as truth-in-lending disclosures. These requirements impose specific statutory liabilities upon creditors who fail to comply with these provisions. The Criminal Code of Canada, however, imposes a restriction on the cost of borrowing in any lending transaction to 60% per year. The application of capital requirements or a reduction in the maximum cost of borrowing could have a material adverse effect on Adwell's financial condition, liquidity and results of operations.

The Government of Canada's **Bill C-47**, the *Budget Implementation Act, 2023, No. 1* (Bill C-47) proposed amendments to **section 347** of the *Criminal Code* to combat the predatory lending practice of extending high interest rate loans and to enhance consumer financial protection. Bill C-47 received royal assent on June 22, 2023,<sup>2</sup> and on May 31, 2024, the Governor General in Council announced that the proposed amendments will become effective on January 1, 2025.

Under the new regulations, effective as of January 1, 2025, the criminal rate of interest specified in section 347 of the *Criminal Code* will be reduced from 48% APR (annual percentage rate) to 35% APR.

The *Regulations* set forth three exemptions to which the new criminal interest rate of 35% APR will not apply, which are (1) commercial loans; (2) pawnbroking loans; and (3) payday loans.

For payday loans, the *Regulations* cap the total cost of borrowing for payday loans at CA\$14 per CA\$100 borrowed. Fees for dishonoured cheques of CA\$20 or less are excluded from this CA\$14 limit.

In response to these regulatory changes, Adwell's has made adjustment to its unsecured personal instalment loans to comply with the new regulations. Effective January 1, 2025, the maximum personal instalment loan amount is \$7,000, and interest rates now range from 31% to 34.5% APR.

The long-term impact of these changes on the industry and overall economy remains to be seen. Additionally, concerns persist around inflation, a potential recession, and the aforementioned policies of the new US administration, all of which could affect future loan repayments.

Given these uncertainties, the team has decided to maintain the current bad debt provision ratio. This reflects the commitment to prudent risk management as we navigate the evolving economic landscape.

Adwell is also subject to various privacy, information security, and data protection laws and takes reasonable measures to ensure compliance with all such requirements. Legislators and regulators have increasingly adopted new privacy information security and data protection laws, which may increase Adwell's cost of compliance. Even though Adwell has taken reasonable steps to protect its data and that of its customers, a breach in Adwell's information security may still occur due to unforeseen circumstances. Such an incident might adversely affect Adwell's reputation and also result in fines or penalties from government authorities. Management is committed to protecting the privacy and confidentiality of its customers' personal information by using industry best practices.