Turnium Technology Group Reports 72.5% YoY Revenue Growth for Fiscal Q3 2025

Highlights:

- ***FQ3 Revenue of $2.33M and FQ3 Gross Margin of $1.58M (or 67.8%)***
- ***Guidance for Q4 FY2025, ending September 30, 2025: the Company expects Revenue of $2.1M to $2.4M, and Gross Margin of $1.3M to $1.6M***

August 29, 2025 – Vancouver, Canada – **Turnium Technology Group Inc. (TSX.V: TTGI) (FSE: E48)** ("TTGI" or "the Company"), a global leader in Technology-as-a-Service (TaaS), is pleased to announce its financial results for Fiscal Q3 2025. All financial information is provided in Canadian dollars unless otherwise indicated.

The Consolidated Financial Statements and Management Discussion and Analysis ("MD&A") for the third quarter ended June 30, 2025, are available on the Company's SEDAR profile at www.sedar.com.

Doug Childress, Global CEO, stated: "The FQ3 2025 results showed robust year-over-year revenue growth but wider losses due to elevated expenses, some seasonal patterns, and deal delays. Management expects a rebound in FQ4 as deferred deals close and organic expansion continues, with a targeted focus on gross margin stability, increased organic partner growth, and strategic growth through acquisitions."

TTGI's leadership remains confident that the FQ3 results reflect transient costs and timing factors, with a solid pipeline and foundation for revenue growth and margin improvement in FQ4 and beyond.

Positive Outlook for FQ4 and Beyond

Despite some seasonal headwinds, TTGI presents a strong case for FQ4 recovery and accelerated growth in the first half of the next fiscal year:

- **Seasonal Revenue Trends:** The company observed seasonal slowdowns in July and August, consistent with regional industry patterns, especially in the Asia Pacific region, which now represents 45% of the group's total revenues following the Claratti integration. This seasonal softness impacted topline growth but aligns with broader data from the Australian Bureau of Statistics.
- **Deferred Revenue and Pipeline:** Deferred revenue increased significantly QoQ, setting the stage for higher recognized sales in subsequent quarters. Management forecasts FQ4 revenue to be between $2.1M and $2.4M, indicating continued growth YoY.
- **Gross Margin Stability:** Gross margin climbed to a solid 67.8% in FQ3, up from 62.2% YoY. Management expects margins to remain robust and even strengthen through cross-selling and organic platform growth.
- **Operational Expenses:** While R&D and Sales & Marketing expenses will increase slightly due to growth initiatives, these increases should be more than offset by the decline in G&A expenses QoQ as cost efficiencies are realized.

- **Strategic Growth Initiatives:** New partnerships in AI, post quantum cryptography (PQC), hardware deployments, and the launch of fresh products (such as *Insight*) are expected to drive incremental channel momentum and expand global customer reach. Recent wins, including new and renewed contracts, further validate the demand for TTGI's value proposition.
- **Post-Claratti Integration:** With Claratti now a major revenue contributor and global expansion well underway, management is optimistic about mitigating seasonal growth trends in December–January and July–August for future quarters.
- **Strategic M&A Pursuit:** Growth Engine - Acquisitions remain a vital lever for TTGI's long-term goal of reaching $100 million in revenue and $20 million in EBITDA by 2027, with management sharpening its focus on strategic deals that complement the Technology-as-a-Service platform and expand its global customer reach.
- **Active M&A Pipeline:** The company is currently in conversations with three acquisition targets, and leadership expects successful deals will accelerate revenue growth and enhance platform synergies, potentially exceeding set targets before the three-year mark.
- **Strengthening Operations:** By pursuing accretive M&A, TTGI aims to deepen its technical capabilities, diversify its product offerings, and drive operational efficiency, building on the demonstrable success of the Claratti acquisition.
- **Shareholder Value:** Management is committed to evaluating and executing acquisitions that optimize return on capital, supporting both top-line and margin improvement over the coming quarters.
- **Market Momentum:** The integration of acquired businesses and expansion into new verticals and geographies will position TTGI to capture emerging opportunities, leveraging its Technology-as-a-Service platform across a wider partner base and deeper into the SME segment.

<u>Fiscal Third Quarter 2025 Highlights:</u>

- **Revenue** increased to $2.33M, up 6.0% compared to $2.19M QoQ and up 72.5% compared to $1.35M YoY;
- **Deferred Revenue** increased by $214K QoQ to $292K;
- **Gross Margin** increased to $1.58M (or 67.8%), compared to $1.28M (or 58.4%) QoQ and $0.84M (or 62.2%) YoY;
- **Total Expenses** increased to $2.75M, compared to $1.37M (including a $1.1M one-time credit) QoQ and $1.36M (pre-Claratti acquisition) YoY;
- **Net Loss** increased to ($1.48M), compared to ($0.49M) QoQ and ($0.37M) YoY;
- **Adjusted EBITDA**[(1)] increased to ($1.53M), compared to $0.01M QoQ and ($0.20M) YoY;
- **Number of Common Shares Outstanding (basic)** at the end of the third quarter 2025 were 165,122,873. Current shares outstanding, as of August 29, 2025 are 184,757,145.

<u>FQ3 Adjusted EBITDA Explanation</u>

Several factors contributed to TTGI's FQ3 Adjusted EBITDA reversal:

- **Increased Expenses**: Expenses for FQ3 rose to $2.75M driven by integration costs post-Claratti acquisition (including one-time severances), higher global expansion costs to set up the global cross-selling platform, and planned market share investments. There was also no repeat of the one-time credit seen in FQ2 (~$1.1M), which magnified the sequential expense increase.

- **Deal Delays:** Some large deals were postponed due to external factors, including the macro uncertainty around tariffs. These deferred transactions contributed to a temporary dip in momentum; however, management expects them to be closed in subsequent quarters.

Fiscal Quarter Financial Highlights:

The Company's key financial results for the three months ended June 30, 2025, are as follows:

Canadian Dollars	**Q3 F2025 - For the three months ended June 30, 2025**	**Q2 F2025 - For the three months ended March 31, 2025**	**Q1 F2025 - For the three months ended December 31, 2024**	**Q4 F2024 - For the three months ended September 30, 2024**
Total revenue	2,337,977	2,189,664	1,973,697	1,545,810
Gross margin	1,577,142	1,279,799	1,344,216	925,672
Total Expenses	2,749,493	1,365,536	2,824,061	2,000,367
Net comprehensive income (loss)	(1,478,288)	(493,884)	(1,711,712)	(1,662,421)

Weighted average number of common shares outstanding	165,122,873	164,962,446	164,962,446	136,923,348
Basic and diluted loss per common share	(0.01)	(0.00)	(0.01)	(0.01)

Special Notes:

It is anticipated that revenues and expenses may vary, perhaps materially, from quarter to quarter due to several factors, including changes in product mix, costs related to planned increase in market share, global expansion costs and ongoing corporate development initiatives. Although revenues may fluctuate from quarter to quarter, and such fluctuations may be material, management expects that revenues will increase year over year.

Revenue for the current quarter increased by 72% over the same quarter last year, while cost of goods sold increased by 50%. The Company reported a combined profit margin of 67% for the quarter, compared to 63% for the same quarter last year. The Company expects its combined profit margin will remain relatively constant in the near-term, and improve with organic growth through cross-selling into our respective customer bases.

Post the acquisition of Claratti in August of 2024, which now contributes 45.2% of the Company's revenues out of the Asia Pacific region, and now into Quarter 4, we are starting to see clear signs of seasonal revenue growth trends, in particular in December and January and July and August. The softer sales trends in both periods mentioned above are in line with data from the Australian Bureau of Statistics (ABS) 1, which also supports slower trends.

Promissory Notes Update:

On August 1, 2025, the Company extended promissory notes totaling $1,073,000 through the issuance of new Loan Agreements (the "Loans") with a Maturity Date of December 31, 2027. The Loans shall bear interest at a rate of 1.33% per month from the date of issue, to be paid quarterly in arrears commencing after the December 31, 2025 quarter. As the Borrower, TTGI shall repay the loan in full to the Lenders on the Maturity Date, together with any accrued but unpaid interest. The Borrower may prepay the Loan in full at any time prior to the Maturity Date, together with any accrued and unpaid interest, plus an additional three (3) months of interest. As further consideration for providing the Loan, the Borrower agrees, subject to receiving Regulatory Approval, to pay to the Lender a bonus which shall be payable by the issuance to the Lender of nontransferable common share purchase warrants of the Borrower (the “Bonus Warrants”) exercisable to purchase common shares of the Borrower equal to 100% of the principal amount of the Loan divided by $0.10 per share (the “Warrant Shares”) at an exercise price of $0.10 per Warrant Share, rounded up to the nearest whole share, for a period of up to 36 months from the issue Date (the “Expiry Date”), subject to certain accelerated exercise provisions.

Jim Lovie, a director of the Company, is a Lender under the Loans, advancing $218,000 of the total principal. In connection with the Loans, and subject to exchange acceptance, the Company will issue to Mr. Lovie 2,180,000 non-transferable bonus warrants exercisable at $0.10 for 36 months. Mr. Lovie’s participation constitutes a “related party transaction” under MI 61-101. The Company is relying on the exemptions from the valuation and minority approval requirements pursuant to MI 61-101, sections 5.5(a) and 5.7(1)(a), respectively, on the basis that the fair market value of the consideration does not exceed 25% of the Company’s market capitalization. The Loans, including the related party participation, were approved by the directors, with Mr. Lovie abstaining from voting.

Issuance of RSU’s to Key Management:

On August 20, 2025, the Company granted an aggregate of 7,000,000 restricted share units (“RSUs”) to certain key management personnel pursuant to its RSU Plan. The RSUs vest over one- and three-year periods in accordance with the terms of the RSU Plan, which has been approved by shareholders.

Subsequent Highlights to the Fiscal Third Quarter:

August 14, 2025 - TTGI Deploys 750+ Instances of Turnium Insight Worldwide. Turnium announces the immediate, full availability of Turnium Insight for all Turnium partners worldwide. Turnium Insight is a powerful network visibility and management platform, fully integrated into the Turnium suite of solutions, delivering unmatched control, intelligence, and operational efficiency to service providers and their customers. **(LINK)**

July 21, 2025 - Turnium's Claratti Secures Its Fourth Order from Seafarer Connect. Turnium announces that its Claratti subsidiary has secured a fourth order from Seafarer Connect valued at C$185,487 Total Contract Value (TCV) over 24 months for 19 additional CrewMate Lite devices. **(LINK)**

July 2, 2025 - Comms365 Renews C$1.16M 3-Year Partnership with Turnium Technology Group for Advanced SD-WAN Solutions. In addition to the partnership renewal, Comms365 to launch Turnium's Insight software, an innovative cloud-based analytics and intelligence solution, into the UK market. **(LINK)**

Highlights During the Fiscal Third Quarter:

June 26, 2025 - Turnium Technology Group Inc. Announces Second Tranche Closing of Concurrent Non-Brokered Unit and Convertible Debenture Private Placements. **(LINK)**

June 24, 2025 - SDWAN & SASE Solutions UK Expands Partnership Commitment and Launches Turnium's Groundbreaking Insight Software. SDWS UK launches Turnium's Insight software, an innovative cloud-based analytics and intelligence solution designed to augment traditional SD-WAN capabilities, offering customers advanced network visibility, control and security. **(LINK)**

June 23, 2025 - Turnium Technology Group and Syntheia AI Forge Global Strategic Alliance to Accelerate AI Innovation and Market Reach. This partnership will see Syntheia AI join TTGI's global supplier resource pool, bringing advanced AI expertise to strengthen TTGI's internal technical, marketing, and partner delivery capabilities across its worldwide network of over 70 channel partners. **(LINK)**

June 13, 2025 - Turnium Technology Group Announces Upsized Convertible Debenture Offering. **(LINK)**

May 28, 2025 - Turnium Technology Group Inc. Announces First Tranche Closing of Concurrent Non-Brokered Unit and Convertible Debenture Private Placements. **(LINK)**

May 21, 2025 - Turnium Technology Group Reports 60.1% YoY Revenue Growth for Fiscal Q2 2025. **(LINK)**

May 15, 2025 - Turnium Technology Group Secures Two Additional Renewable Network Projects Exceeding C$504K with Global Power Generation Australia. GPG Australia becomes one of Claratti's Top 10 Global Customers. **(LINK)**

May 7, 2025 - Turnium Technology Group Secures Contract with Seafarer Connect for New CrewMate Lite Services. This agreement expands on the established partnership between Turnium's subsidiary, Claratti, and Seafarer Connect, further enhancing connectivity solutions for international seafarers. **(LINK)**

[1] Non-IFRS Financial Measures – Adjusted EBITDA

This MD&A references adjusted EBITDA, which is a non-IFRS financial measure. Adjusted EBITDA is not a recognized measure under IFRS, has no standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to adjusted EBITDA presented by other companies. Rather, it is provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, adjusted EBITDA should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

We use non-IFRS financial measures to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We believe that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. There are certain limitations related to the use of non-IFRS financial measures versus their nearest IFRS equivalents. Investors are encouraged to review our financial statements and disclosures in their entirety and are cautioned not to put undue reliance on any non-IFRS financial measure and view it in conjunction with the most comparable IFRS financial measures. In evaluating non-IFRS financial measures, you should be aware that in the future we will continue to incur expenses similar to those adjusted in non-IFRS financial measures.

Adjusted EBITDA is a non-IFRS financial measure that we calculate as net income (loss) before tax excluding depreciation and amortization expense, share based expense, gain/loss on change on fair value of derivatives, loss on debt settlement, government grants, foreign exchange gain/loss, interest and accretion and SRED refund. Adjusted EBITDA is used by management to understand and evaluate the performance and trends of the Company's operations. The following table shows a reconciliation of adjusted EBITDA to net income (loss) before tax, the most comparable IFRS financial measure, for the three and nine months ended June 30, 2025 and 2024:

	Nine months ended June 30, 2025	Nine months ended June 30, 2024	Three months ended June 30, 2025	Three months ended June 30, 2024
	$	$	**$**	$
Loss before tax	**(3,794,444)**	(1,407,076)	**(1,470,043)**	(378,989)
Amortization	**392,690**	42,865	**125,752**	14,288
Amortization of right-of-use assets	**118,240**	119,957	**39,397**	38,133
Share-based compensation	**36,520**	622,744	**3,681**	145,881
Gain/Loss on change in FV of derivative	**(71,661)**	(5,676)	**(110,914)**	(8)
Loss on debt settlement	**-**	(128,371)	**-**	(155,376)
Government Grant	**-**	(32,056)	**-**	**-**
Foreign exchange gain (loss)	**(69,283)**	(57,028)	**(16,431)**	(23,162)
Interest and accretion expense	**1,197,455**	135,217	**425,037**	43,810
M&A and financing related one-time transaction costs	**658,462**	223,410	**319,497**	**114,454**
Adjusted EBITDA	**(1,532,021)**	(486,014)	**(684,024)**	(200,969)

<u>About Turnium Technology Group Inc.: “Connectivity Matters”</u>

Turnium Technology Group Inc. (TTGI) acquires companies that complement its Technology-as-a-Service (TaaS) strategy, integrates them to generate efficiencies, and delivers their solutions through a global channel partner program to customers worldwide. TTGI’s mission is to provide IT providers with a complete, white-labelled portfolio of business technology solutions, enabling them to quickly add new services in response to customer demand.

In essence, Turnium is building a TaaS platform that incorporates all the services, platforms, and capabilities that ISPs, MSPs, IT Providers, VoIP/UCaaS, CCaaS, or Cloud Providers might need. Additionally, Turnium provides deployment resources, hardware, delivery, support, and marketing and sales enablement to help channel partners go to market quickly and deliver exceptional quality.

Turnium delivers secure, cost-effective, uninterrupted, and scalable global IT solutions to its channel partners and their end-customers—because “Connectivity Matters.”

For more information, contact sales@ttgi.io, visit www.ttgi.io or follow us on Twitter @turnium.

Turnium Contact:

Investor Relations: Bill Mitoulas, Email: investor.relations@ttgi.io, Telephone: +1 416-479-9547

Media inquiries: please email media@ttgi.io

Sales inquiries: please email sales@ttgi.io

www.ttgi.io, www.turnium.com, www.claratti.com

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FORWARD-LOOKING INFORMATION

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain acts, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company, as the case may be, to be materially different from those expressed or implied by such forward-looking information. Some of these risks are described under the “Caution on Forward-Looking Information” section and “Risk Factors” section of the MD&A. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.