Introduction [Monica Webb, Senior Director of Market Development and Strategic Partnerships]

Welcome to Tucows’ fourth quarter 2021 management commentary. We have pre-recorded prepared remarks regarding the quarter and outlook for the Company. A Tucows-generated transcript of these remarks, with relevant links, is also available on the Company’s website.

We urge those listening to, or reading this commentary, to first watch the video we posted in the investors section of our website, on the videos, decks and reports page. The video discusses our transition from reporting business segments to reporting separate businesses, which begins in the first quarter of 2022. It also provides high level context on how to best follow our results.

In lieu of a live question and answer period following these remarks, shareholders, analysts and prospective investors are invited to submit their questions to Tucows’ management via email at ir@tucows.com, until February 18. Management will address your questions directly, or in a recorded audio response and transcript that will be posted to the Tucows website on March 3 at approximately 4 p.m. eastern time.

We would also like to advise that the updated Tucows Quarterly KPI Summary, which provides key metrics for all of our businesses for the last eight quarters, as well as for full years 2019, 2020 and 2021, is available in the Investors section of the website, along with the updated Ting Build Scorecard and Investor Presentation.

Now for management’s prepared remarks:

On Thursday, February 10th, Tucows issued a news release reporting its financial results for the fourth quarter and full year ended December 31, 2021. That news release, and the Company’s financial statements, are available on the Company’s website at tucows.com, under the Investors section.

Please note that the following discussion may include forward-looking statements, which, as such, are subject to risks and uncertainties that could cause actual results to differ materially. These risk factors are described in detail in the Company's documents filed with the SEC, specifically the most recent reports on the Forms 10-K and 10-Q. The company urges you to read its security filings for a full description of the risk factors applicable for its business.
Management Remarks [Elliot Noss, President and Chief Executive Officer]

Q4 Results Summary

Thanks Monica. The fourth quarter closed a solid financial performance across Tucows’ businesses in 2021, but the work in each business setting up for the future was even more important. Tucows Domain Services delivered another consistent financial performance, resulting in a record year. Wavelo, our Mobile Services Enabler business, continues to perform as expected, with our first quarter of comparable year-over-year results showing its growing contribution, while completing its pivot to a new business. Importantly, with the naming of this business to Wavelo, I will never have to say, “Mobile Services Enabler,” or “telecom SaaS platform,” again! And in our Ting Internet business, we continued to make fantastic progress in the accelerated build out of our network and our customer base, with another record quarter and year, for capital expenditures and other relevant operating metrics.

I remind you all, that as we go from 2021 into 2022, we are moving from reporting business segments to reporting separate businesses. I urge you to watch the video we posted earlier today for a high level view of how to best follow our results. Please note that the comparisons I speak of below are based on the previous reporting approach, and when I am talking about forward-looking guidance, the comparisons will be based on the new reporting approach.

Turning to our financial results, total revenue for the fourth quarter increased 17% to $82.5 million, from $70.8 million, for Q4 2020. Growth was driven by the expansion of our Ting Fiber customer base, as well as the Mobile Services business. Gross profit was up 41% year over year to $24.6 million, from $17.4 million.

For the 2021 year, total revenue was $304 million, down 2% from $311 million in 2020, and gross profit was $78.3 million, down 8% from $85.5 million. As a reminder, the full year comparison reflects the shift in the last five months of 2020 to the MSE Platform model and the impact of the revenue from the customers that were sold to DISH.

For the fourth quarter, we incurred a net loss of $2.0 million, or $0.18 per share, compared with net income of $2.1 million, or $0.19 per share, for Q4 of 2020. The loss in Q4 2021 was the result of a higher in-quarter effective tax rate, as Dave will discuss in more detail. For the year, net income was $3.4 million, or $0.32 per share, compared with $5.8 million, or $0.55 per share in 2020, driven primarily by our increased investment in Ting Fiber.
Cash flow from operations for Q4 2021 was $10.5 million, compared with $1.6 million for Q4 the prior year, with a reminder that Q4 2020 had an atypically low cash flow from operations due to the impact of the transition of the Ting Mobile retail operations to DISH during that period. For the year, cash flow from operations was $29.6 million, compared with $36.1 million in 2020.

Finally, Q4 adjusted EBITDA was $12.7 million, down 1% from $12.8 million in Q4 2020. And for the year, adjusted EBITDA was $48.8 million, down 4% from $51 million for all of 2020.

**Tucows Domain Services**

Turning to our individual businesses, Tucows Domain Services delivered another solid quarter, capping off a full year that saw records for revenue, gross profit, and adjusted EBITDA. Q4 once again underscored the consistency of this business, with revenue unchanged, gross margin up 2%, and adjusted EBITDA down 4%, year over year. The lower adjusted EBITDA reflects the addition of the registry business, and the impact of foreign exchange rates for operating expenses in Canadian dollars. Given the positive impact of the pandemic in 2020, I will once again note that gross margin for Q4 is up 10% from pre-pandemic levels of Q4 2019, excluding the contribution of the Portfolio business, which we for the most part exited at the end of 2019. The increase from 2019 is the result of operating at a higher steady-state level post pandemic that I have discussed on prior calls, as well as the quality of our customer base.

In our Wholesale Channel, the revenue was essentially unchanged from Q4 of last year, with gross margin up 5%. And again, relative to pre-pandemic levels, revenue is essentially unchanged from Q4 2019; however, gross margin is up 16%. In the Domain Services component of the Wholesale Channel, revenue was unchanged year over year, with gross margin up 2%.

Total Wholesale registrations for Q4 of this year were 3.7 million, down 6% from Q4 2020 during what was still outsized transactional levels due to the pandemic. Renewals were up 2%, as we continued to benefit from the high registration activity in 2020, although to a lesser degree as that returned to normal toward the end of the year. The renewal rate for Q4 ticked up again to return to our historical level at 80%, from 78% in Q3, as the outsized number of first-time renewals dissipated in Q4. Our Wholesale renewal rate remains above the industry average. Finally, new registrations were down 27% from 2020’s outsized volumes, again, due to the return to normalized post-pandemic activity levels.

The Value-Added Services component of the Wholesale Channel delivered another very good quarter, with revenue up 8% and gross margin up 14% year over year. The increases were once again driven by the performance from our expiry stream business, as has been the case for the past four or so quarters.
In our Retail Channel, total registrations were just over 310,000, down 16% from last year’s outsized pandemic-driven levels, and down 10% from Q4 2019. When we adjust for the transition of retail customers into our Wholesale business that I have noted on our last several calls, total registrations are essentially unchanged from Q4 2019. New registrations were down 21% year over year – again, due to the outsized new registration activity in last year’s quarter. The Retail renewal rate held steady at 85%, where it has been for the last three quarters – solidly above the industry average.

Gross margin for the Retail Channel for Q4 decreased 9% from Q4 2020, which I will note included a few sizable sales from our portfolio, which was subsumed into our Retail Channel at the end of 2019. Excluding these sales, Retail gross margin was down 2% from Q4 of last year.

Last quarter, I discussed the acquisition of UNR’s complementary registry platform technology and the addition of its highly talented engineering team, bringing with them specific Domains industry experience. I am pleased to report that the integration of UNR is complete. Looking ahead, the separation of Tucows into three focused businesses, with dedicated resources within each – and here I am referring most specifically to engineering and operations – will be a real benefit in increasing what the team is able to accomplish. For Tucows Domains, this will enable us to complete some outstanding projects that are necessary to set the stage for longer-term future growth opportunities in our Domain Services business.

**Wavelo**

A few weeks ago we launched Wavelo, the new brand for our telecom software business. This is the software that enabled Ting Mobile to have the happiest mobile customers in the world and is now helping DISH launch its mobile business. It is the software that allows Ting Internet to rapidly grow its ISP business with, again, incredibly high levels of customer satisfaction.

Telecom customer experience still generally sucks – and the great thing is that our investors all over the world get to experience that first hand. How difficult it is to buy services; to deal with technical or billing problems. To make changes. To terminate services. The only way to have happy customers is to design processes from the customer out – like Amazon; like Google; like Apple. That requires fundamentally rethinking the software that powers services on the network. Wavelo allows EVERY telecom to create that satisfaction. It doesn’t guarantee it, but it does make it possible.

With respect to DISH, we expect migrations to complete in 2022. Of course, as client needs arise, migrations could be delayed. We continue to be impressed by the ingenuity of the DISH team as they look forward towards the 5G launch in Las Vegas later this year. We are enjoying
the co-creation relationship we have with the Boost Mobile and DISH teams. We are excited to help DISH grab their fair share of the retail market. As a reminder, investors can follow the many DISH analyst reports to get a consensus view of DISH’s plans – both for 2022 – and in the longer term.

As we launch the Wavelo business, I note that it fits the most important indicator I have had for a successful business. Customers hate their suppliers. There is not a single telecom I know that likes their vendor. You’ve heard me talk for years about how we focus on simplifying the complexity of the internet. Telecom now IS the Internet. Our competitors just don’t realize it.

As I noted earlier, this is the first quarter in which we can compare the platform business on an apples-to-apples basis, with the entirety of Q4 in both 2021 and 2020 being under the new model. On our last call, I discussed the expected short-term choppiness of revenue and gross margin in this business as we completed project work and prepared for migrations, with both those metrics expected to normalize, post-migrations. Q4 was another example of this.

Total Mobile Services revenue in 2021 was $12.5 million, more than triple the $4 million in Q4 2020. Professional services more than doubled from $2 million to $4.5 million, but more importantly, platform revenue grew from only $200 thousand to $5.5 million. Mobile retail increased from $1.8 million to $2.5 million.

**Ting Fiber Internet Services**

Moving on to Ting Fiber, we had some important strategic developments this quarter, and strong gains across most metrics.

We had another great quarter of customer acquisition gains, with 2,600 net additions, taking us to 25,500 subscribers. Our serviceable address additions jumped up to 7,900, more than doubling last quarter – a benefit of reducing the time gap between starting construction in areas, and lighting those areas with service. This takes us to 82,400 Ting-owned serviceable addresses and 85,500 passed addresses.

Our fiber capex reached another new high in Q4, at $17.5 million, including forward-looking investment in network design in anticipation of 2022 network builds, and in inventory to mitigate potential future supply chain issues. You will recall I said last quarter that we intend to scale our expansion and investment significantly in 2022 and 2023, and investors should expect fiber capex to continue to climb.
In terms of developments, our acquisition of Tucson-based Simply Bits closed in Q4, and as planned, we are utilizing their wireless expertise, and leveraging their resources and footprint to pursue expansion into new markets in southern Arizona.

In early January, Ting announced that we would be the initial anchor tenant on a city-wide fiber network being built and owned by Colorado Springs Utilities in Colorado Springs. This would be our biggest market yet at 200,000 serviceable addresses. This provides us with the opportunity to scale our Colorado presence with limited investment, and focus our efforts on delivering a best-in-class service. We have indicated less interest in tenancy relative to ownership but we note that the economics here are more appropriate and we are excited about this opportunity. We expect to be providing fiber internet access to our first customers in Colorado Springs in 2023.

On a more general note, we are continuing to see increased expressions of intent to build fiber in the U.S. No matter how many times I say it – now, even more so than last quarter – this acceleration continues. It is clear now, that if all of the spreadsheets used to generate all of the funding required for the companies looking to participate in the US coax-to-fiber transition were added together, that the total would equal some significant multiple of actual homes in the United States. In that race to build and stand up fiber operations, we continue to believe that long-term operating margins and take rates will be the key determinants of success, and will most clearly sort the winners from the losers. From our early ISP days in the mid-1990s, through our current operations, if we have been one thing, it has been an efficient operator. When we combine that with our unparalleled experience as an ISP – not a telecom or cable operator – we continue to like our chances. To illustrate how nascent this battle is, we have only been laying our own fiber for a little over five years, and when we engage with cities, Ting is one of the most experienced fiber builders they are seeing. Having recognized this opportunity early, and having pushed forward with it, is now really working in our favor.

I’d now like to turn the call over to our CFO, Dave Singh, to review our financial results for the quarter in greater detail. Dave?

Financial Results [Dave Singh, Chief Financial Officer]

Thanks Elliot.

As Elliot noted earlier, the fourth quarter of 2021 was the first with directly comparable results for our Mobile Business following the sale of the majority of our Ting Mobile customers to DISH and the change in our Mobile model from our previous MVNO model to the Mobile Services Enabler, or MSE, model in August of 2020. However, when comparing the full year results, 2020 reflects approximately 7 months of revenue and gross margin generated by the
customer base sold to DISH, and five months of fees generated under the new MSE model. As a result, adjusted EBITDA may provide a better view on the operating performance of the overall Tucows business for the full year 2021 versus 2020.

Turning now to the results –

Total revenue for the fourth quarter of 2021 increased 17% to $82.5 million, from $70.8 million for the fourth quarter of 2020. The year-over-year change was driven by both growth in Ting Fiber Internet Services revenue and higher revenue from Mobile Services. Fiber Internet Services revenue was up 70% year-over-year as that subscriber base continued to expand. Total Mobile Services revenue was up 217%, with the majority of that increase being driven by Platform Services, as well as, to a lesser degree, by Other Professional Services, which includes transition services and professional services arrangements related to our Platform. As noted on prior calls and mentioned by Elliot earlier, Mobile Services revenue and gross margin will be lumpy for a period of time due to the variability of Other Professional Services revenue as the base Platform Services revenue is ramping. This was especially apparent in Q4, due mainly to a single project related to DISH’s Boost retail initiative. Revenue from our legacy Retail Mobile Services was also up year-over-year. And finally, revenue from Tucows Domain Services was essentially unchanged from Q4 last year.

Cost of revenues before network costs for Q4 increased 2% to $48.2 million, from $47.1 million for the same period of 2020, with the lower increase due mainly to a revenue change related to higher margin mobile services revenues. As a percentage of revenue, cost of revenues before network costs decreased to 58% from 67%.

Gross profit before network costs for the fourth quarter increased 45% year over year to $34.3 million, from $23.7 million, with the increase mainly due to higher margin mobile services revenues and an expansion in Ting Fiber gross margin. As a percentage of revenue, gross margin before network costs increased to 42% from 33% in Q4 of 2020.

I’ll now review gross margin for each of our three businesses individually.

Tucows Domain Services’ gross margin for the fourth quarter of 2021 increased 2% from the same period of the prior year to $19.7 million, from $19.4 million. As a percentage of revenue, gross margin for Domain Services ticked up to 32% from 31% for the same period of 2020.

Within Tucows Domain Services, gross margin for the Wholesale Channel increased 5% year over year to $15.4 million. As a percentage of revenue, gross margin for the Wholesale Channel increased to 29% from 28%.
Gross margin for the Retail Channel of Domain Services decreased 9% to $4.3 million, from $4.8 million for Q4 2020. As a percentage of revenue, gross margin was 50% compared with 52%.

For Mobile Services, gross margin increased 631% to $8.8 million, from $1.2 million for Q4 2020. $5.3 million of the $7.6 million increase was generated by growth in Platform Services fees and $2.4 million of the increase was generated by Other Professional Services, which I discussed earlier.

As per the accounting treatment of the DISH transaction, we generated a Gain on the Sale of Ting Customer Assets of $4.3 million compared with $6.5 million for Q4 2020, which represents the earn out on that customer base, and is recognized as “Other Income,” on our income statement. We have now recognized a cumulative $31.2 million of earn-out since the sale of the customer base in August of 2020.

For Ting Fiber Internet Services, gross margin increased 84% to just under $5.8 million from $3.1 million, for the same period of the prior year. As a reminder, gross margin is impacted by a number of factors and cost drivers that are incurred prior to subscriber revenue being generated that will cause some variability from quarter to quarter. I have described these factors on our last two calls (Q2 2021 Transcript here).

As a percentage of revenue, gross margin for Ting Fiber Internet Services expanded to 67% from 62%. The increase is primarily due to the timing of revenue relative to the incursion of costs including higher capitalization of our field and engineering labor as a result of increased build activity and a rate true up.

Network expenses increased to $9.7 million from $6.3 million for the same period of last year, with the increase driven by both the higher depreciation of our Fiber network assets, as well as an increase in the workforce to support the growing fiber network and data center infrastructure.

Total operating expenses for the fourth quarter of 2021 increased 40% to $26.0 million from $18.5 million, for the same period of 2020. The increase is primarily the result of the following:

- People costs were up $2.8 million this quarter, with increased workforce costs to support business expansion, related to Ting Internet growth, including the acquisition of Simply Bits in November; MSE platform build; and to a lesser extent the acquisition of the UNR assets and its development team. The increase this quarter is higher than past quarters as we fully lapped the sale of the Ting Mobile customer base and the inclusion
of certain mobile costs related to that legacy subscriber base being included in Other Income;

- Marketing costs increased by $1.6 million mainly driven by increased investments in the Ting Internet business;
- Professional fees increased $1.2 million primarily related to M&A and regulatory and market support for Ting Fiber;
- Travel and entertainment increased $0.1 million reflecting a slight return to travel and in-person meetings and Stock-based compensation increased $0.2 million while credit card fees and bad debt expenses were up $0.6 million related to the higher revenue;
- Amortization of intangible assets increased $0.2 million related primarily to the acquired UNR assets;
- And lastly, foreign exchange impacts were neutral this quarter. Specifically, we were neutral this quarter related to mark-to-market remeasurements for our forward currency contracts that do not qualify for hedge accounting, compared to a gain of $0.3 million in Q4 of last year, resulting in a year-over-year loss of $0.3 million. In addition, we experienced a loss of $0.5 million on the revaluation of foreign denominated monetary assets and liabilities this quarter compared to a loss of $0.8 million in the fourth quarter of 2020, which had the impact of decreasing our expenses $0.3 million on a year over year basis.

As a percentage of revenue, operating expenses increased to 31% from 26%.

For the fourth quarter of 2021, we reported a loss of $2.0 million, or $0.18 per share, compared with net income of $2.1 million, or $0.19 per share, for Q4 of 2020. The net loss was mainly the result of the higher in-quarter effective tax rate in Q4 2021 reflecting a true up to the annual effective tax rate. Our effective tax rate for 2021 is approximately 49%; higher than the 21% US Federal tax rate and the 26% Canadian tax rate. Setting aside regular reconciling items such as the impact of US state taxes and the timing of exercise of stock-option deductions, there are two main drivers for the variance.

First, our legacy domains business – meaning our domains business outside of enom – is domiciled in Canada, but considered a US taxpayer. The earnings from this legacy business are first taxed in Canada at 26% which generates a foreign tax credit against our US taxes on that same income. The impact of the Canadian taxes, which are 5% higher than US corporate taxes, is that a portion of the credit cannot be utilized on the legacy Domains earnings stream.

Second, due to the ongoing operational and capital investments in our Ting Fiber business, our taxable income sourced in the US is negative, thus we cannot take the full benefit of the Canadian credits. Although available to be carried forward as tax credits, we don’t believe that we will be able to utilize those credits based on the current tax rate differences and as such
have taken a valuation allowance against those credits. The impact of the valuation allowance increases the effective tax expense. This has been the case for the past few years. A full effective tax rate reconciliation will be provided as part of our upcoming 10-K filing in March.

As the balance between Domains, Platform and Fiber net income changes and as we evolve our tax minimization strategies within the context of these changes, our effective rate will improve. We are providing no additional guidance in this regard as we are also growing our capex, and thus our deductions, as fast as possible.

Adjusted EBITDA for Q4 decreased 1% year-over-year to $12.7 million from $12.8 million for Q4 of the prior year. The Q4 2021 amount includes $3.9 million of expense related to Corporate Shared services, which compares with $3.2 million in Q4 2020.

The remaining positive $16.7 million breaks out amongst our business segments as follows:

- Adjusted EBITDA for Tucows Domain Services was $11.6 million, down 4% year-over-year from $12.1 million;
- Adjusted EBITDA for Mobile Services was $8.6 million, up 82% from $4.7 million, with the increase driven primarily by the increase in Platform Services fees and an outsized quarter for Other Professional Services that I described earlier;
- And adjusted EBITDA for Ting Fiber Internet Services was negative $3.6 million compared with negative $0.8 million, with the larger loss reflecting higher costs required to support the accelerated expansion of that business.

Turning to our balance sheet, cash and cash equivalents at the end of Q4 were $9.1 million, up from both $5.5 million at the end of the third quarter of 2021, and $8.3 million at the end of the fourth quarter of 2020.

During the quarter, we generated $10.5 million in cash from operations compared with $1.6 million in Q4 2020, with the increase being primarily due to the atypically low cash flow from operations in the same quarter the prior year due to the impact of the transition of the Ting Mobile Retail operations to DISH during that period.

In terms of other cash sources, we also drew down $41 million on our loan, and generated a net $2.2 million from the exercise of stock options. These were partially offset by our investment of $23.1 million in property and equipment, primarily for the accelerated Ting Fiber network build out, but also for the on-going MSE platform build. We also invested a net $23.9 million for the acquisition of Simply Bits, which Elliot discussed on our third quarter call here.
Finally, deferred revenue at the end of Q4 was $148 million, down 3% from $152 million at the end of both the third quarter of 2021, and fourth quarter of 2020.

That concludes my remarks and I’ll now turn it back to Elliot.

Closing Remarks [Elliot Noss, President and CEO]

Thanks Dave.

As noted earlier, we ended the year with $48.8 million in adjusted EBITDA, $6.2 million, or 15%, above our guidance of nearly $43 million.

Tucows Domains was $2.2 million above expectations. Inside of that, we had a significant outperformance in our expiry stream and we added on the expense side with our UNR acquisition.

Mobile was roughly $3.4 million ahead of expectations, but a lot of this was more in the nature of one-time professional service fees and, as you know, we are more focused on the subscription revenue that will come post-migration. Most importantly, we have to be thrilled with the pivot of this business. We were stuck at a contribution in the $20 million range – or sometimes high teens, and we have turned that into a unit that contributed 30% more than that this year and has loads of upside into the future with a business that will be selling provisions to those participating in the telecom transformation of the coming years.

Both Ting Internet and head office were right around their numbers combining to lose $0.6 million less than planned.

All in, a VERY successful year.

Turning to 2022, I will provide guidance for the three business units and for the parent, TCX. I note that when we provide Q1 results, we will start to provide year-over-year comparisons using the new structure. Please – watch the video we referred to at the introduction to these remarks explaining the changes. I will not be referencing them here.

Domains next year should generate adjusted EBITDA of around $45 million. This will be a couple million below 2021, with a little bit of underlying growth being slightly more than offset by the impacts from a strengthening Canadian dollar in 2022, and some non-cash deferrals flowing out of the pandemic spike in 2021.
Wavelo is likely to contribute in the range of $3 to 6 million in adjusted EBITDA. The actual number will greatly depend on DISH’s migration and network build progress. We are keeping our eyes on helping them with the long term and are simply happy that we are able to grow a new opportunity while contributing cash.

We expect Ting Internet to be in the negative $20 to 25 million adjusted EBITDA range. The faster we build, the more we will lose, so, assuming we maintain our efficiencies, we would love to see that number higher as the coax-to-fiber transition in the U.S. starts to enter its next phase.

And finally TCX will contribute roughly $5 million. This is our first year with allocations and we will not be surprised if we refine the allocations a little in 2023 as we learn what is most accurate.

It is important to note, as we have been flagging for close to a year now, the Ting capex build and operating loss can no longer be funded by the rest of our businesses. Accordingly, we expect to arrange financing that will be specific to the Ting business. This can take many shapes and we have been working on this for quite a while. We expect to share more here soon.

Next, I want to note we have reinstated our buyback for 2022. It is at the same level as the past several years of up to $40 million. With the expectation that the Ting Internet business will take care of its own financing needs, we note that the other businesses all contribute cash, which will no longer be necessary to fund the fiber build.

Ten years ago this month we launched Ting Mobile. At the time we were simply a domain name business. We were the leader in wholesale, and had a nice little retail business. We had tried a number of things to increase the growth of that business, with some moderate successes. It was not enough. We viewed Ting Mobile as a path to a much larger market, with much less competition.

We were right. Ten years later we have a thriving ISP in Ting Internet, we have an exciting global opportunity with Wavelo, and we have proven to ourselves – and others – that all the things we believed about telecom were true. Customers were poorly served. The market is massive. And the market is ripe for innovation.

But ten years later the world is also very different in ways we all are experiencing regularly in our everyday lives – some amazing; some terrifying.
When we look back ten years from now, I believe we will see that Web3 – and at its simplest I use that term to mean publicly verifiable distributed databases – will have had a similar impact to that of the Internet in the 1995 to 2005 time period. It impacted virtually every business – and of course some more than others. Where the OG Internet created a global set of connections, Web3 will mostly impact identity, finance, and governance. And every leader in my position needs to be thinking about what these changes will mean for their business.

But I break these changes into two big buckets: technical and cultural. We cannot predict technological advances with any degree of certainty. Leaders must do their best to sail or surf them as they arise. Understanding the pieces helps, but guarantees nothing.

The cultural changes however are more clear. We will have more control over our data. And that “we” is me speaking as a person, not a company. We will have more power relative to companies. We will be able to organize differently and create value differently. Gatekeepers will be challenged as people dig under, go over, or simply walk through the previous gates. This change is easier to predict.

Cultural, rather than technological change will be the greater challenge. For most companies this will require a re-orientation; a change in culture that will be extremely difficult. Most companies will not be able to make this leap in changing the way they think.

I take great comfort in the fact that while this will be challenging for ALL companies, Tucows has been living this culture since its inception. We were always Web1 utopians. We have patiently survived and thrived for the last 25 years. We welcome these cultural changes and we are excited to have the technology catch up to our hopes and dreams. A world where demand has the power, not supply. A world that treats people like people, not ARPU, not CAC and not consumers. People.

For Tucows, our market opportunities are big enough, and the technological changes in the world will be great enough that we are happy to focus on them and not have to worry about fundamentally changing our culture. It seems we have already been living in the future.

And with that, I look forward to your written questions and exploring areas that interest you in greater detail. Again, please send your questions to ir@tucows.com by February 18, and look for our recorded Q&A audio response and transcript to this call to be posted to the Tucows website on Thursday, March 3, at approximately 4 p.m. eastern time. Thank you.