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For Immediate Release:

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MachTen Reports Results for the Full Year 2025 and First Quarter of 2026

Traverse City, Michigan, April 29, 2026 – MachTen, Inc. (OTC: MACT) today announced financial results for the full year ended December 31, 2025 and the first quarter of 2026.

“2025 was another year of significant investment across infrastructure, systems, and the people necessary to transform Michigan Broadband into the leading regional provider of broadband communications,” said Dan Miller, Chief Executive Officer.

“Since the spin-off in August 2023, we have systematically addressed the operational and structural challenges embedded in the legacy business and now have a clear path toward accelerating profitability. Cash flow is expected to materially improve in 2026, attributable to subscriber growth, a \$3.1 million increase in annual Enhanced ACAM support, and a shift in broadband construction toward reimbursable grant projects, including ReConnect and BEAD.”

Full Year 2025 Financial Highlights

(\$ thousands, unaudited)	FY 2025	FY 2024
Total Revenue	\$16,855	\$16,930
Operating Profit	\$3,728	\$5,721
Net Income	\$1,553	\$3,925
EBITDA (Non-GAAP)	\$7,885	\$8,991

- **Revenue:** \$16.9 million for full year 2025, compared to \$17.0 million in 2024. Revenue was approximately flat as fiber subscriber growth partially offset ongoing declines in regulated legacy services. We expect revenue to improve in 2026 from higher fiber penetration and bundled services.
- **Operating Profit:** \$3.7 million for 2025 vs. \$5.8 million in 2024. The decline reflects higher depreciation expense of approximately \$0.6 million related to fiber investment, increased systems implementation, and elevated general and administrative costs. Operating margins are expected to improve in 2026.

- **Net Income:** \$1.6 million for 2025 vs. \$3.9 million in 2024, reflecting higher operating costs and higher interest expense.
- **EBITDA (Non-GAAP):** \$7.9 million for 2025 vs. \$9.0 million in 2024. See “Non-GAAP Financial Measures.”
- **Capital Expenditures:** \$9.4 million invested in 2025, primarily reflecting continued fiber network construction across our incumbent footprint and E-ACAM program obligations.

First Quarter 2026 Financial Highlights

(\$ thousands, unaudited)	Q1 2026	Q1 2025
Total Revenue	\$4,971	\$4,139
Operating Profit	\$1,516	\$1,144
Net Income	\$814	\$477
EBITDA (Non-GAAP)	\$2,666	\$2,093

- **Revenue:** \$5.0 million for the first quarter of 2026, a 20% increase compared to \$4.1 million in Q1 2025. The improvement was driven by higher regulated revenue, primarily attributable to an increase in Enhanced ACAM support, as well as gains in fiber broadband subscribers.
- **Operating Profit:** \$1.5 million for Q1 2026 vs. \$1.1 million in Q1 2025, as revenue growth more than offset higher depreciation associated with continued fiber network investment.
- **Net Income:** \$0.8 million for Q1 2026 vs. \$0.5 million in Q1 2025, a 71% improvement.
- **EBITDA (Non-GAAP):** \$2.7 million for Q1 2026 vs. \$2.1 million in Q1 2025, with EBITDA margin expanding to 53.6% from 50.6%. See “Non-GAAP Financial Measures.”

Strategic & Operational Highlights

- **Fiber Network Expansion:** Our construction team completed more than 250 miles of fiber infrastructure in 2025, adding more than 2,500 passings. As of December 31, 2025, Michigan Broadband had completed more than 12,000 fiber passings and had approximately 2,200 fiber internet subscribers. Take rates should start to improve meaningfully in 2026.
- **Enhanced ACAM:** Consistent with updated guidance published by the Federal Communications Commission in late 2025, the final true-up to the Enhanced-ACAM program resulted in an

increase to Michigan Broadband's annual support. Beginning with the payment received in late February, the annual support now expected to continue through 2038 is \$12.8 million, up from \$9.7 million previously.

- **ReConnect (RC3) Grant Projects:** Construction began in late 2025 on ReConnect grant projects that will ultimately improve connectivity to 2,500 locations funded primarily by the Rural Utilities Service. Sections of the Grace Harbor and Watson exchanges are scheduled to be complete in May, 2026, with 75% of project costs reimbursable under the grant. The next target is a 100-mile fiber ring between Saint Ignace and Trout Lake that will be 100% reimbursable.
- **Operating Agreement with UP Fiber:** As previously disclosed, Michigan Broadband entered into an agreement with UP Fiber related to its acquisition of AT&T's wireline assets. Michigan Broadband will provide customer service, billing, sales, marketing, and administrative support to UP Fiber across its footprint comprised of more than 200,000 passings. Michigan Broadband will also benefit from access to UP Fiber's network infrastructure, reduced reliance on third parties, and lower operating costs. UP Fiber's deal with AT&T closed on March 31, 2026.
- **Network Modernization:** As we continue our network transformation, we remain focused on pairing disciplined operational execution with intelligent customer engagement. Our priority is to strengthen grant compliance, construction governance, integration readiness, and customer success by building on authoritative systems for network records, provisioning, billing, and financial management, while selectively deploying AI-enabled tools to improve service, deepen subscriber relationships, and support growth from our significant fiber and fixed wireless investments.
- **Broadband Equity Access & Deployment Program (BEAD):** Upper Peninsula Telephone Company was awarded \$35.5 million in BEAD funding subject to execution of a grant agreement expected to be finalized in late spring 2026. This project, in partnership with UP Fiber, will facilitate the construction of a hybrid fiber / 5G fixed wireless network that will directly serve 4,500 BEAD eligible locations. UP Fiber is expected to contribute additional capital to the broader service territory, bringing 100 / 20 service to more than 300,000 rural locations throughout northern Michigan.

Balance Sheet & Liquidity

- **Cash & Cash Equivalents:** \$1.8 million as of December 31, 2025 and \$2.2 million as of March 31, 2026.
- **Debt:** MachTen had \$18.4 million of gross debt outstanding as of December 31, 2025, including a term loan with the National Cooperative Services Corporation (NCSC) and vehicle financing.
- **Capital Allocation:** We remain disciplined in capital allocation, prioritizing fiber builds with the highest expected returns and opportunities backed by multi-year contractual support.

Non-GAAP Financial Measures

EBITDA is a non-GAAP financial measure commonly used in the telecommunications industry as it eliminates differences in financial, capitalization, and tax structures. We believe **EBITDA trends** are a valuable indicator of whether our operations produce sufficient operating cash flow to fund working capital needs, service debt, and fund capital expenditures.

We define EBITDA as Operating Profit from Continuing Operations plus depreciation and amortization expense and corporate expenses. A reconciliation of EBITDA to the most directly comparable GAAP measure is presented below.

EBITDA Reconciliation (\$ thousands)	FY 2025	Q1 2026
Operating Profit	\$3,728	\$1,516
Add: Property Tax & Corp Exp.	590	147
Add: Depreciation & Amortization	3,568	1,003
EBITDA (Non-GAAP)	\$7,885	\$2,666

About MachTen, Inc.

MachTen is a holding company for **Michigan Broadband Services, Upper Peninsula Telephone Company (UPTC), Michigan Central Broadband Company (MCBC), and Alpha Enterprises Ltd.** MachTen's subsidiaries provide broadband internet access and communications services, including voice, video, home automation, and managed hosting services. Investors should refer to filings posted at www.machteninc.com for additional information.

Forward-Looking Statements

This press release contains "forward-looking statements," including statements regarding expected build activity, program milestones, projected passings, subscriber growth, capital investments, regulatory developments, and anticipated financial performance. Forward-looking statements are based on current expectations and assumptions and involve risks and uncertainties that could cause actual results to differ materially. Factors that could cause such differences include, among others, changes in economic conditions, regulatory or legal developments, the availability and cost of labor and materials, program timing and eligibility, competitive dynamics, and other risks described in our public disclosures. MachTen undertakes no obligation to update forward-looking statements, except as required by law.

MachTen, Inc. and Subsidiaries
Condensed Consolidated Statements of Financial Condition
(in thousands, except per share data)

	March 31, 2026	December 31, 2025	December 31, 2024
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Cash and cash equivalents	\$ 2,204	\$ 1,827	\$ 1,683
Accounts receivable	1,276	1,038	1,353
Materials and supplies	5,301	4,648	3,013
Other current assets	805	585	467
Current assets	<u>\$ 9,586</u>	<u>\$ 8,098</u>	<u>\$ 6,516</u>
Property, plant and equipment, net	36,483	38,387	32,402
Right-of-use assets, net	544	544	544
Goodwill	100	100	100
Other noncurrent assets	90	90	129
Total assets	<u>\$ 46,803</u>	<u>\$ 47,219</u>	<u>\$ 39,691</u>
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade accounts payable	\$ 1,829	\$ 4,459	\$ 2,238
Accrued liabilities	3,252	2,304	952
Current operating lease liability	60	60	105
Total current liabilities	<u>5,142</u>	<u>6,823</u>	<u>3,295</u>
Deferred income taxes	3,860	3,861	3,867
Long Term Debt (NCSC + Ford)	18,842	18,356	16,000
Preferred Stock	514	514	514
Long term operating lease liability	572	572	526
Other noncurrent liabilities	176	172	159
Total Long-Term Liabilities	<u>23,964</u>	<u>23,475</u>	<u>21,066</u>
Shareholders' equity			
Common Stock	3	3	3
Additional paid-in capital	10,530	10,530	10,530
Unearned Compensation	(317)	(317)	(317)
Retained earnings	7,481	6,705	5,114
Total shareholders' equity	<u>17,697</u>	<u>16,921</u>	<u>15,330</u>
Total liabilities and shareholders' equity	<u>\$ 46,803</u>	<u>\$ 47,219</u>	<u>\$ 39,691</u>

Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	12 Months Ended	
	December 31, 2025 (unaudited)	December 31, 2024 (audited)
Operating Revenue:		
Regulated Revenue	\$ 12,677	\$ 13,852
Broadband	3,475	2,259
Video & Other	703	819
Total operating revenue	<u>16,855</u>	<u>16,930</u>
Operating Costs:		
Cost of revenue	6,879	5,548
General and administrative	2,666	2,694
Depreciation and accretion	3,581	2,968
Total costs	<u>13,126</u>	<u>11,210</u>
Operating income	<u>3,729</u>	<u>5,720</u>
Other Income (Expense):		
Interest expense	(937)	(422)
Investment income	26	15
Total non-operating income / (loss)	<u>(911)</u>	<u>(407)</u>
Income before provision for income taxes	2,818	5,313
Provision for income taxes	1,264	1,388
Net income	<u>\$ 1,554</u>	<u>\$ 3,925</u>
Earnings per share attributable to common stockholders:		
Basic	\$ 0.49	\$ 1.24
Diluted	\$ 0.48	\$ 1.20
Weighted average shares outstanding:		
Basic	3,199	3,178
Diluted	3,271	3,271

MachTen, Inc. and Subsidiaries**Condensed Consolidated Statements of Operations (Unaudited)**

(in thousands, except per share data)

	3 Months Ended	
	March 31, 2026	March 31, 2025
Operating Revenue:		
Regulated Revenue	\$ 3,935	\$ 3,162
Broadband	863	812
Video & Other	174	164
Total operating revenue	<u>4,972</u>	<u>4,138</u>
Operating Costs:		
Cost of revenue	1,766	1,479
General and administrative	683	625
Depreciation and accretion	1,007	891
Total costs	<u>3,456</u>	<u>2,995</u>
Operating income	1,516	1,143
Other Income (Expense):		
Interest expense	(256)	(222)
Investment income	5	5
Total non-operating income / (loss)	<u>(251)</u>	<u>(217)</u>
Income before provision for income taxes	1,265	926
Provision for income taxes	450	333
Net income	<u>\$ 815</u>	<u>\$ 593</u>
Earnings per share attributable to common stockholders:		
Basic	\$ 0.25	\$ 0.19
Diluted	\$ 0.25	\$ 0.18
Weighted average shares outstanding:		
Basic	3,204	3,186
Diluted	3,272	3,272