



**LEADING GLOBAL PROVIDER OF  
COMMERCIAL GRADE MOBILE  
AUTO-DEPLOYING SATELLITE  
ANTENNA SYSTEMS**

## ***The Future is Here***



**1K Ka-band LEO  
ESA Antenna**



**2K Ka-band LEO/MEO  
ESA Antenna**



**4K Ka-band LEO/MEO and GEO  
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# **Annual Report 2025**

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**C-COM SATELLITE SYSTEMS INC.**

**Audited Financial Statements**

**Years Ended November 30, 2025 and 2024**

**(In Canadian Dollars)**



Fiscal Year Ended November 30, 2025

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**INDEPENDENT AUDITOR'S REPORT**

To the shareholders of

**C-COM SATELLITE SYSTEMS INC.**

*Opinion*

We have audited the financial statements of C-COM Satellite Systems Inc. (the Company), which comprise the statement of financial position as at November 30, 2025 and 2024 the statements of net earnings and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended November 30, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below to be the key audit matters to be communicated in our auditor's report.

*Inventory*

Description of matter

As detailed in financial statement note 3, the Company records inventory at the lower of cost and net realizable value on a first in first out basis with net realizable value based on the selling price less any costs to completion and disposal costs. Inventory at November 30, 2025 totalled \$6,021,507 net of a provision for obsolete inventory of \$786,736 as disclosed in note 8. Inventory cost includes third party input costs and allocated labour and overhead. The Company completed a count of its inventory at year end, prepared an analysis of the allocation of labour and overhead to the recorded inventory costs and prepared an analysis of the aging of inventory to assist with their estimate of obsolete inventory.

## *Inventory - Cont'd.*

### Why the matter is a key audit matter

The year end inventory is a material balance that includes estimates when determining the cost amount and its net realizable value. Inventory requires accurate reporting of inventory movement on a first in first out basis. The estimation of cost and net realizable value require auditor judgement and the significant inventory balance requires auditor testing of the accuracy of year end inventory quantities and reported input costs.

### How the matter was addressed in the audit

The primary procedures performed to address the key audit matter included the following:

We attended the year-end inventory count to verify the existence of inventory balances and to assess the accuracy of the Company's determination of excess and obsolete inventories. On a sample basis, we completed counts of inventory on hand and compared these test counts to the quantities reported in the Company's final inventory list. In executing our count procedures, the audit engagement team remained alert for indicators of obsolete, old, or outdated inventory items.

On a sample basis we agreed the inventory third party input costs to supporting documentation including vendor invoices to determine that inventory values were consistent with actual costs.

We evaluated the Company's labor and overhead analysis including key assumptions with respect to eligible costs and the method of allocation. We agreed eligible inventory costs to third party supporting documentation.

We evaluated the Company's process for determining its inventory obsolescence provision. We evaluated the accuracy of the Company's inventory ageing report. We performed inquiries of Company Officials regarding the Company's process for determining excess and obsolete inventory and we assessed the appropriateness of the key variables used to determine inventory obsolescence provisions. We compared the annual provisions against actual inventory write-offs and prior year inventory provisions. We also performed inquiries of Company Officials regarding the recoverability of inventory not included in the year-end inventory provision.

### *Other Information*

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Bryan Haralovich.



Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
March 24, 2026.



## Statements of Financial Position

As at November 30, 2025 and 2024  
(Canadian dollars)

	Notes	2025	2024
<b>ASSETS</b>			
Cash	24	\$ 4,957,214	\$ 5,890,440
Marketable securities	24	10,860,959	10,050,000
Accounts receivable	7	1,057,269	582,976
Non-refundable investment tax credits	3 & 15	853,842	396,360
Inventory	8	6,021,507	7,161,061
Prepaid expenses	9	172,342	118,161
Income tax recoverable	15	391,345	378,184
Deferred tax asset - right of use lease	13 & 15	323,407	396,427
<b>Total current assets</b>		<b>24,637,885</b>	<b>24,973,609</b>
Equipment	10	81,338	107,013
Right of use asset	13	1,161,037	1,477,683
<b>Total non-current assets</b>		<b>1,242,375</b>	<b>1,584,696</b>
<b>TOTAL ASSETS</b>		<b>\$ 25,880,260</b>	<b>\$ 26,558,306</b>
<b>LIABILITIES &amp; SHAREHOLDERS EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	12	\$ 679,973	\$ 928,492
Lease obligations	13	298,561	275,547
<b>Total current liabilities</b>		<b>978,534</b>	<b>1,204,039</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred revenue	14	151,095	93,603
Deferred tax liability	15	492,756	483,922
Lease obligations	13	921,843	1,220,404
<b>Total non-current liabilities</b>		<b>1,565,694</b>	<b>1,797,929</b>
<b>TOTAL LIABILITIES</b>		<b>2,544,228</b>	<b>3,001,970</b>
<b>SHAREHOLDERS EQUITY</b>			
Share capital	16	16,578,862	16,578,862
Contributed surplus	16	2,600,851	2,413,606
Retained earnings		4,156,319	4,563,869
<b>TOTAL SHAREHOLDERS EQUITY</b>		<b>23,336,032</b>	<b>23,556,337</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>		<b>\$ 25,880,260</b>	<b>\$ 26,558,305</b>

**Statements of Changes in Equity**

**For the years ended November 30, 2025 and 2024**  
**(Canadian dollars)**

	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
<b>Balance December 1, 2024</b>	\$ 16,578,862	\$ 2,413,606	\$ 4,563,869	\$ 23,556,337
Net income/(loss) and comprehensive income/(loss)	-	-	(407,550)	(407,550)
Dividends declared	-	-	-	-
Exercised options	-	-	-	-
Stock based compensation expense	-	187,245	-	187,245
Reclassification of contributed surplus on exercised options	-	-	-	-
<b>Balance November 30, 2025</b>	<u>\$ 16,578,862</u>	<u>\$ 2,600,851</u>	<u>\$ 4,156,319</u>	<u>\$ 23,336,032</u>
	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
<b>Balance December 1, 2023</b>	\$ 16,486,919	\$ 2,160,352	\$ 6,887,168	\$ 25,534,439
Net income and comprehensive income	-	-	(211,475)	(211,475)
Dividends declared	-	-	(2,111,824)	(2,111,824)
Exercised options	77,880	-	-	77,880
Stock based compensation expense	-	267,317	-	267,317
Reclassification of contributed surplus on exercised options	14,063	(14,063)	-	-
<b>Balance November 30, 2024</b>	<u>\$ 16,578,862</u>	<u>\$ 2,413,606</u>	<u>\$ 4,563,869</u>	<u>\$ 23,556,337</u>



**Statements of Net Earnings and Comprehensive Income**

**For the years ended November 30, 2025 and 2024  
(Canadian dollars)**

	<b>Notes</b>	<b>2025</b>	<b>2024</b>
<b>REVENUE</b>	21	\$ 5,783,028	\$ 7,886,850
<b>COST OF SALES</b>	8	2,935,159	4,115,367
		2,847,869	3,771,483
<b>EXPENSES</b>			
General and administrative	22	1,531,387	1,843,693
Research and development	20	1,446,647	1,830,264
Sales and marketing	22	807,962	1,029,107
		3,785,996	4,703,064
<b>INCOME / (LOSS) BEFORE OTHER INCOME AND INCOME TAX</b>		(938,127)	(931,581)
<b>OTHER INCOME / (EXPENSE)</b>			
Investment income		469,576	754,713
Lease obligation interest expense	13	(98,753)	(37,216)
Foreign exchange gain		70,601	106,644
		441,424	824,141
<b>INCOME / (LOSS) BEFORE INCOME TAX</b>		(496,703)	(107,440)
<b>INCOME TAX EXPENSE / (RECOVERY)</b>	15	(89,153)	104,035
<b>NET (LOSS) / INCOME AND COMPREHENSIVE (LOSS) / INCOME</b>		\$ (407,550)	\$ (211,475)
Basic earnings per share		\$0.00	\$0.00
Basic weighted average number of common shares	18	42,256,500	42,228,073
Diluted earnings per share		\$0.00	\$0.00
Diluted weighted average number of common shares outstanding	18	42,318,873	42,458,315

## Statements of Cash Flows

For the years ended November 30, 2025 and 2024  
(Canadian dollars)

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Net income / (loss)	\$ (407,550)	\$ (211,475)
<i>Items not affecting cash:</i>		
Investment income	(469,576)	(754,713)
Income tax expense	(89,153)	104,035
Scientific research and experimental development tax credit	(678,795)	(526,972)
Gain on disposal of fixed assets	808	-
Amortization	26,618	152,288
Write off of obsolete inventory	110,414	170,906
Unrealized foreign exchange loss	522,121	897,805
Bad debt expense	53,136	-
Stock-based compensation	187,245	267,317
	(744,732)	99,191
<i>Changes in non-cash working capital:</i>		
Accounts receivable	(868,857)	734,918
Inventory	1,139,554	1,682,398
Prepaid expenses	(54,181)	(14,442)
Accounts payable and accrued liabilities	(432,061)	(358,895)
	(215,545)	2,043,979
Investment income received	459,961	734,381
Income tax received / (paid)	378,184	(274,104)
Cash flow provided by / (used in) operating activities	(122,132)	2,603,447
<b>INVESTING ACTIVITY</b>		
Acquisition of marketable securities	(10,860,959)	(14,505,182)
Disposal of marketable securities	10,050,000	14,413,664
Proceeds on disposal of capital assets	1,100	-
Acquisition of capital assets	(1,235)	-
Cash flow from / (used in) investing activities	(811,094)	(91,518)
<b>FINANCING ACTIVITY</b>		
Dividends paid to owners of Company	-	(2,111,824)
Options exercised	-	77,880
Cash flow from / (used in) financing activities	-	(2,033,944)
Foreign exchange gain / (loss) on cash	-	(69,905)
<b>INCREASE / (DECREASE) IN CASH FLOW</b>	(933,226)	408,080
<b>CASH - beginning of period</b>	5,890,440	5,482,360
<b>CASH - end of period</b>	\$ 4,957,214	\$ 5,890,440



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**1. DESCRIPTION OF INCORPORATION AND OPERATIONS**

C-COM Satellite Systems Inc. (the “Company”) was federally incorporated under the Canadian Business Corporations Act on December 9, 1997. On July 24, 2000, the Company’s stock began trading on TSX Venture Exchange. The Company is engaged in the development of high quality, cost effective, satellite-based technology that allows the delivery of high-speed internet access for fixed, transportable and mobile end-users. The Company sells its satellite communications equipment to a worldwide network of authorized dealers who re-sell the systems to end-users. The address of its registered office and principal place of business is 2574 Sheffield Road, Ottawa, Ontario K1B 3V7.

**2. BASIS OF PREPARATION**

***Statement of compliance***

These financial statements are expressed in Canadian dollars, which is the Company’s functional currency, and have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These financial statements were prepared using the accounting policies as described in Note 3 - Summary of significant accounting policies.

These financial statements have been prepared on a going concern basis using historical cost conventions.

These financial statements for the year ended November 30, 2025, were authorized for issuance by the Board of Directors on March 23, 2026.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies below have been applied consistently to all periods presented in these financial statements unless otherwise stated.

***Basis of presentation***

The financial statements are presented at historical cost unless otherwise noted. Historical cost is based on the fair value of the consideration given in exchange for the asset or liability. Certain comparative figures have been reclassified to conform to the current year’s financial statement presentation.

***Revenue recognition***

Revenue is recognized upon transfer of control of products or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for the products or services. This is achieved through applying the following five-step model:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligation in the contract
- Determination of the transaction price



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Allocation of the transaction price to the performance obligation in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company generates substantially all its revenue from contracts with customers, whether formal or implied from equipment sales.

Revenue from equipment sales and the related freight recovery are recognized when control of the goods is transferred to the customer which occurs at a point in time typically upon shipment to the customer. Generally, the Company requires partial customer payment in advance of shipment with the amounts reported as deferred revenue until shipment occurs and revenue is recognized.

Warranty obligations associated with the sale of equipment are assurance-type warranties and therefore do not represent a distinct performance obligation. The Company records a provision for assurance-type warranties at the time equipment sales are recognized as revenue.

Revenue from extended warranties represent distinct performance obligations and are recognized rateably over the period the warranty service is provided.

Professional services may be provided for training and support. Professional services are typically billed on a time and material basis and revenue is recognized over time as the services are performed or delivered.

Generally, the Company's performance obligations have an expected duration of under one year and as such the Company has elected to apply the practical expedient available under IFRS 15 to not disclose information relating to remaining performance obligations.

If the contract contains a single performance obligation, the entire transaction price is attributed to that performance obligation. On occasion the Company contracts include multiple distinct performance obligations with a combination of equipment sales and services. The Company allocates the transaction price among the performance obligations in an amount that represents the standalone selling price of each performance obligation. Judgement may be required when allocating the selling price.

The Company recognizes an asset for the incremental costs of obtaining a contract with a customer if it expects the costs to be recoverable. Capitalized contract acquisition costs are amortized consistent with the pattern of transfer to the customer for the goods and services to which the asset relates. The Company applies the practical expedient available under IFRS 15 and does not capitalize incremental costs of obtaining contracts if the amortization period is one year or less. The Company had no material contract assets or liabilities.

The Company has elected to apply the practical expedient to not adjust the total consideration over the contract term for the effect of a financing component if the period between the transfer of services to the customer and the customer's payment for these services is expected to be one year or less.

***Foreign currency translation***

These financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. Income and expense items are translated at the exchange rates at the dates of the transactions. At each reporting period, monetary items denominated in foreign currencies are translated at the spot rates prevailing each reporting period. Exchange differences are recognized in net income in the period in which they arise.

***Research and development costs***

Expenditures on research are recognized as expenses when incurred. Expenditures on development are recognized as an expense when incurred unless the criteria for recognition as an intangible asset under IAS 38 "Intangible Assets" are met. To date, no such costs have been capitalized. Expenditures for research and development equipment are included in equipment and amortized over the useful life of the asset.

***Government grants and investment tax credits***

IAS 20 requires the "Income Approach" when recognizing government grants by including government grants in profit and loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs. Government grants are recognized when the Company has complied with the terms and conditions of the approved grant program. Government grants relating to operating expenses are credited against the expense when the conditions relating to the grant are fulfilled. Government grants relating to research and development expenditures are recorded as a reduction of the cost when the expenditures are incurred; investment tax credits are recorded as a reduction of related operating expenses or capital asset purchases. The benefits are recognized in the period in which these tax credits are considered reasonably assured to be recoverable and the Company has complied with the applicable tax legislation.

***Share-based compensation***

The Company has a stock option plan for executives and other key employees. The Company measures and recognizes compensation expense based on the grant date fair-value of the stock options issued using the Black-Scholes pricing model. The offsetting credit is recorded in contributed surplus. Compensation expense is recorded over the vesting period, based on the Company's estimate of the fair value of the stock options that will ultimately vest. At each reporting period, the Company revises its estimate of the stock options expected to vest. The impact of the change in estimate, if any, is recognized over the remaining vesting period. Consideration paid by employees on the exercise of options and related amounts of contributed surplus is recorded as issued capital when the shares are issued.

***Leases***

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero. Variable costs are not included in the measurement of the lease liability.

During fiscal 2025, the Company had two premises leases:

- i. A non-cancellable lease for its head office and warehouse space. The current term of this premises lease expires July 31, 2029. Starting in Q3, 2024 the company recognized a right of use asset and a lease liability for this long-term premises lease obligation. Refer to Note 13 for additional information.
- ii. The Company also has a 12-month cancellable lease for its R&D lab space in Waterloo Ontario that expires December 31, 2025. This lease has a 60 day no-fee cancellation clause. For this R&D premises lease, the Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities since this is a short-term lease. As a result, it accounts for the lease components and any associated non-lease components and recognizes the lease payments on a straight-line basis over this lease's term.

The gross base rent payments expensed in 2025 for both leases totalled \$424,344 (\$270,956 in 2024).

***Current monetary assets and liabilities***

Accounts receivable and accounts payable and accrued liabilities are measured at amortized cost with interest accretion recorded in net earnings. Due to the short-term nature of these assets and liabilities, the carrying amounts approximate fair value.

***Income taxes***

Income tax expense comprises current and deferred tax. Income tax expense is recognized in net earnings, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

***Current tax***

The tax currently payable is based on taxable income for the period using tax rates enacted or substantively enacted as at each reporting period and any adjustments to tax payable related to previous years. Taxable income differs from income as reported in the statement of net earnings because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Deferred tax***

Deferred tax is recognized using the balance sheet method, providing for differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax basis used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted at each reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from what the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

***Capital assets***

Equipment, comprising leasehold improvements, furniture and equipment, computer equipment, production molds and vehicles are stated at cost less accumulated depreciation and impairment losses, if any. The carrying value is net of related government assistance and investment tax credits.

Depreciation is recognized in net earnings on a declining balance and straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the term of the lease. The estimated useful lives and depreciation methods for the current and comparative periods are as follows:

- Leasehold improvements                      over the term of the lease
- Furniture and equipment                      20% - declining-balance method
- Computer equipment                          30% & 45% - declining-balance method
- Production mold                                3 years - straight line method
- Vehicle    30% - declining-balance method

The estimated useful lives, residual values and depreciation methods are reviewed annually, with the effect of any changes in estimate accounted for on a prospective basis.

***Application software***

Application software is measured at cost less accumulated depreciation and is amortized on a straight-line basis over its estimated useful life, not exceeding ten years. The amortization method and estimate of useful life is reviewed annually.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Impairment of equipment and application software***

At each reporting period, management reviews the carrying amounts of its equipment and application software to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, management estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

***Inventory***

Inventories are valued at the lower of cost and net realizable value using the first in first out cost basis. Net realizable value is estimated based on the selling price less any costs to completion and disposal costs.

***Financial instruments***

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

***Financial assets***

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company's financial assets are classified as follows:

Cash and marketable securities	Fair value through profit or loss (FVTPL)
Accounts receivable	Amortized cost



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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are classified as FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets as FVTPL are measured at fair value with changes in fair value recognized in net income.

**Loans and receivables**

Accounts receivable are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, default or delinquency in interest or principal payments or likelihood that the borrower will enter bankruptcy or financial re-organization.

Accounts receivable are assessed for impairment individually at an amount equal to the lifetime expected credit loss. Objective evidence of impairment could include the Company's experience of collecting payments and an increase in the number of delayed payments past the average credit period.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Impairment losses, if any, are recognized in net earnings. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in net earnings, if any. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through net earnings to the extent that the carrying amount of the trade receivable at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

**Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. The Company's accounts payables and accrued liabilities are classified as other financial liabilities and are initially measured at fair value. As these liabilities are all short-term liabilities with no stated interest rate, they continue to be valued at the original invoice amounts.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.



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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Effective interest method***

The effective interest method is a method of calculating the amortized cost of a financial asset (or financial liability) and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (cash disbursements), including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period.

***Fair value hierarchy***

The Company's fair value hierarchy prioritizes the inputs to valuation techniques used to measure the fair value. The three levels of the fair value hierarchy are:

Level 1: values are based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

When the inputs used to measure fair value fall within more than one level of the hierarchy, the level within which the fair value measurement is categorized is based on the Company's assessment of the lowest level input that is significant to the fair value measurement.

**4. CHANGES IN ACCOUNTING POLICIES**

There were no significant changes in estimates or approaches to determining estimates in the periods presented when compared to the estimates or approaches used in the annual financial statements for the previous year ended November 30, 2024.

**5. FUTURE CHANGES IN ACCOUNTING POLICIES**

There are no applicable required or contemplated future changes in the Company's accounting policies.

**6. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of



**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

revenues and expenses during the reporting periods presented. Actual results could differ from those estimates. These estimates have been applied in a manner consistent with that in the prior periods and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in these financial statements. The estimates are impacted by many factors, some of which are highly uncertain.

The following are specific areas of significant estimation uncertainty and management judgement in the Company's financial statements:

**Provisions against inventories**

The Company's management reviews the condition of inventories at the end of each reporting period and recognizes a provision for slow-moving and obsolete items of inventory when inventory cost exceeds the net realizable value. Management's estimate of the net realizable value of such inventories is based primarily on sales prices in the forward order book and current market conditions.

**Impairment of trade receivables**

The Company's management determines the estimated recoverability of trade receivables based on the evaluation and ageing of trade receivables, including the current creditworthiness and the past collection history of the customers and reviews these estimates at the end of each reporting period.

**Income taxes**

The Company records deferred income tax assets and liabilities related to deductible or taxable temporary differences. The Company assesses the value of these assets and liabilities based on the likelihood of the realization as well as the timing of reversal given management assessments of future taxable income.

**Accounting policy for capital assets**

Management makes judgments in determining the most appropriate methodology for amortizing long-lived assets over their useful lives. The method chosen is intended to mirror, to the best extent possible, the consumption of the asset.

**Determination of functional currency**

The Company's management has determined that the functional currency of the Company is the Canadian dollar.

**Share options fair value**

The valuation of the Company's share options involves the use of the Black-Scholes valuation model, which requires the company to estimate factors such as the risk-free interest rate, expected life in years, expected dividend yield, forfeitures and volatility. The valuations of these share options and the assumptions used are further outlined in note 17.



**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

**Research and development**

The Company's research and development claims are subject to audit and adjustment by the Canada Revenue Agency, the Company's management has not recorded a provision for potential reversal of research and development claims based on its experience and history of claiming research and development costs.

**7. ACCOUNTS RECEIVABLE**

	<b>Nov. 30, 2025</b>	Nov. 30, 2024
	\$	\$
Trade receivables	715,729	154,136
Accounts receivable – other	120,749	66,186
HST recoverable	44,819	141,264
Interest receivable	305,512	297,793
Expected credit losses	(129,540)	(76,403)
	1,057,269	582,976

The ageing of the Company's trade receivables on November 30, 2025:

	<b>Nov. 30, 2025</b>	Nov. 30, 2024
	\$	\$
Not yet overdue	291,610	75,221
Less than one month overdue	294,579	423
Between one and two months overdue	-	-
Greater than two months overdue	129,540	78,492
	715,729	154,136

The Company currently has two amounts receivable that are past due and is considered impaired. These amounts have been deducted from reported trade receivables under the Company's provision for expected credit losses.

**8. INVENTORY AND COST OF SALES**

	<b>Nov. 30, 2025</b>	Nov. 30, 2024
	\$	\$
Component parts	4,956,662	5,341,075
Finished goods	1,064,845	1,819,986
Total Inventory	6,021,507	7,161,061



**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. INVENTORY AND COST OF SALES (CONTINUED)**

	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
Value of inventory expensed in the year	2,752,228	3,847,226
Un-recovered freight and storage charges	61,497	76,424
New obsolete inventory increase/(decrease)	110,414	170,906
Allocation of amortization	11,020	20,811
<b>Total Cost of Sales</b>	<b>2,935,159</b>	<b>4,115,367</b>

The Company supplies its manufacturers with the component parts in conjunction with its purchase orders.

A provision for obsolescence for slow moving inventory items is estimated by management based on historical and expected future sales and is included in cost of sales. During fiscal 2025, \$110,414 worth of inventory was designated as obsolete (2024 – \$170,906 was expensed):

	Nov. 20 2025	Nov. 30, 2024	Change
	\$	\$	\$
Inventory	6,808,243	7,837,383	1,029,140
Less: Obsolete inventory	(786,736)	(676,322)	110,414
<b>Total Inventory</b>	<b>6,021,507</b>	<b>7,161,061</b>	<b>1,139,554</b>

**9. PREPAID EXPENSES**

	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
Prepaid licenses	8,886	19,106
Prepaid trade show deposits	62,206	31,506
Prepaid operating expenses	101,250	67,549
	172,342	118,161



**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. CAPITAL ASSETS**

**Nov. 30, 2025**

	Amortization Expense	Opening Cost	Additions	Disposals	Accumulated Amortization	Closing Net Cost
	\$	\$	\$	\$	\$	\$
Computer equipment	7,228	147,215	1,235	-	138,999	9,452
Leasehold improvements	853	212,614	-	-	211,995	619
Furniture and equipment	17,817	430,578	-	(1,100)	358,210	71,267
Vehicle	720	30,000	-	-	30,000	-
	<b>26,618</b>	<b>820,407</b>	<b>1,235</b>	<b>(1,100)</b>	<b>739,204</b>	<b>81,338</b>

**Nov. 30, 2024**

	Amortization Expense	Opening Cost	Additions	Disposals	Accumulated Amortization	Closing Net Cost
	\$	\$	\$	\$	\$	\$
Computer equipment	12,636	147,215	-	-	131,771	15,444
Leasehold improvements	2,490	212,614	-	-	211,141	1,473
Furniture and equipment	22,344	430,578	-	-	341,202	89,376
Vehicle	309	30,000	-	-	29,280	720
	<b>37,779</b>	<b>820,407</b>	<b>-</b>	<b>-</b>	<b>713,394</b>	<b>107,013</b>

Amortization expense of capital assets and application software has been allocated and grouped with the following expenses categories:

	<b>Nov. 30, 2025</b>	<b>Nov. 30, 2024</b>
	\$	\$
Cost of sales	11,020	20,811
General and administrative	5,750	9,323
Research and development	6,815	11,401
Sales and marketing	3,033	5,204
	<b>26,618</b>	<b>46,739</b>

**11. APPLICATION SOFTWARE**

**Nov. 30, 2025**

	Amortization Expense	Opening Cost	Additions	Disposals	Accumulated Amortization	Closing Net Cost
	\$	\$	\$	\$	\$	\$
Application software	-	223,846	-	-	223,846	-



**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. APPLICATION SOFTWARE (CONTINUED)**

	Amortization Expense	Opening Cost	Additions	Disposals	Accumulated Amortization	Nov. 30, 2024 Closing Net Cost
	\$	\$	\$	\$	\$	\$
Application software	8,960	223,846	-	-	223,846	-

**12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
Trade payables	235,666	472,067
Accrued liabilities	419,024	434,598
Goods received not invoiced	294	(2,060)
Credit cards payable	24,990	23,887
	679,973	928,492

No liabilities noted above were classified as a long-term liability in 2025 (\$Nil in 2024).

**13. RIGHT OF USE ASSET AND LEASE OBLIGATION**

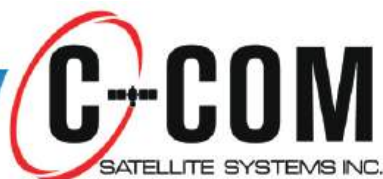
During Q3 2024 the Company entered into a five-year lease for its office and warehouse space at its Head Office in Ottawa. Accordingly, the Company recognizes a right of use asset and a lease liability.

The following table presents the Company's right-of-use asset for this lease:

	As of Nov. 30, 2025	As of Nov. 30, 2024
	\$	\$
Balance, December 1	1,583,232	-
Additions	-	1,583,232
Disposals and other adjustments	-	-
Depreciation	(422,195)	(105,549)
	1,161,037	1,477,683

The Company has not included the renewal option in the measurement of its lease obligation for this space. Accordingly, the right of use lease asset is being amortized on a straight-line basis over a 60-month period.

The following table presents this lease obligation for the Company (note: this obligation does not include the Company's short-term lease costs for its Waterloo R&D facility).



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**13. RIGHT OF USE ASSET AND LEASE OBLIGATION (CONTINUED)**

	As of Nov. 30, 2025	As of Nov. 30, 2024
	\$	\$
Balance, December 1	1,495,951	-
Additions	-	1,583,232
Total payments made	(374,299)	(124,497)
Less: Interest portion of total payments made	98,752	37,216
<b>Total lease obligation</b>	<b>1,220,404</b>	<b>1,495,951</b>
Current portion	298,561	275,547
Non-current	921,843	1,220,404

The interest rate used to discount the lease payments to the present value over the 60-month lease period is 7.2% per annum. Imputed interest expense for 2025 is presented in the Other Income and Expenses portion of the Company's Statements of Net Earnings.

The following table presents the Company's total contractual lease obligations as of November 30, 2025 on an undiscounted cash-flow basis:

Less than one year	\$ 385,085
One to five years	1,016,186
More than five years	Nil
<b>Total undiscounted lease costs</b>	<b>1,401,271</b>

**14. DEFERRED REVENUE**

Deferred revenue balances are created two ways. First, customers can purchase extended warranty plans which range anywhere from one to five years beyond the original 2-year manufacturer's warranty. Second, customers prepay airtime contracts which extend beyond the Company's year-end.

	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
Deferred warranty revenue	55,003	-
Prepaid airtime contract revenue	-	-
Deferred revenue – customer antenna order	96,092	93,603
	<b>151,095</b>	<b>93,603</b>
Current	-	-
Long-term	151,095	93,603
	<b>151,095</b>	<b>93,603</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. INCOME TAX**

The following table reconciles the difference between the income taxes that would result solely by applying statutory tax rates to pre-tax income and the reported tax expense:

	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
Statutory tax rate	26.5%	26.5%
Income / (Loss) before income tax	(496,703)	(107,440)
Tax provision at the combined Canadian federal and provincial tax rates	(131,626)	(28,472)
Increase (decrease) resulting from:		
Stock-based compensation and other permanent differences	64,828	86,129
Deferred tax – net increases and reductions in temporary differences	81,853	(11,815)
Other	(104,208)	58,193
<b>Income tax expense / (recovery)</b>	<b>(89,153)</b>	<b>104,035</b>

The income tax expense for the year is comprised of:

	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
Current income tax expense / (recovery)	(171,006)	119,751
Deferred income tax expense / (recovery)	81,853	(15,716)
<b>Income tax expense / (recovery)</b>	<b>(89,153)</b>	<b>104,035</b>

The 2025 recovery is generated from an application to CRA to carrying forward prior year tax losses

The movements of future income tax assets and liabilities are shown below for current and previous years:

<b>Deferred tax asset – lease obligation</b>	<b>Nov. 30, 2025</b>	<b>Nov. 30, 2024</b>
	\$	\$
Opening balance	396,427	-
(Credited) / debited to income statement	(73,020)	396,427
<b>Future income tax asset value on November 30, 2025</b>	<b>323,407</b>	<b>396,427</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. INCOME TAX (CONTINUED):**

	<b>Nov. 30, 2025</b>			
<b>Deferred tax liability -</b>	Tax Reserve	Capital Assets and Software Application	Right of Use Asset	Total
	\$	\$		\$
Deferred tax liability on December 1, 2025	84,874	7,462	391,586	483,922
(Credited) / debited to income statement	94,821	(2,076)	(83,911)	8,834
Deferred tax liability on November 30, 2025	179,695	5,386	307,675	492,756

	<b>Nov. 30, 2024</b>			
<b>Deferred tax liability -</b>	Tax Reserve	Capital Assets and Software Application	Right of Use Asset	Total
	\$	\$		\$
Deferred tax liability on December 1, 2023	90,141	13,070	-	103,211
(Credited) / debited to income statement	(5,267)	(5,608)	391,586	380,711
Deferred tax liability on November 30, 2024	84,874	7,462	391,586	483,922

The Company has recognized management's best estimate of the value of available investment tax credits to be realized in future years totalling \$853,842 (2024 - \$396,360), comprised of:

	<b>As of Nov. 30, 2025</b>	<b>As of Nov. 30, 2024</b>
	\$	\$
Opening balance	396,360	-
Federal investment tax credit – current year	368,403	305,265
Province of Ontario investment tax credit – current year	89,079	91,095
Total investment tax credit available for future periods	853,842	396,360

Any unutilized investment tax credits are eligible for a twenty-year carry-forward for credits earned in tax years that end after 1997. If they remain unused, C-COM's will start to expire in 2084.

**16. ISSUED CAPITAL**

***Issued capital***

Authorized: Unlimited number of common shares, no par value.



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**16. ISSUED CAPITAL (CONTINUED)**

Issued:

	Nov. 30, 2025		Nov. 30, 2024	
	Common Shares	Amount	Common Shares	Amount
		\$		\$
Balance, beginning of year	42,256,500	16,578,862	42,186,400	16,486,919
Shares issued under stock option plan	-	-	70,100	77,880
Reclassification of stock-based compensation on exercised options	-	-		14,063
<b>Issued Capital</b>	<b>42,256,500</b>	<b>16,578,862</b>	<b>42,256,500</b>	<b>16,578,862</b>

***Dividends***

No dividends were declared or paid during 2025.

Dividends declared in 2024 were as follows:

Date of Declaration	Date of Record	Date of Payment	Dividend per Share	Dividend
Jan. 19, 2024	Feb. 2, 2024	Feb. 16, 2024	\$0.0125	\$ 527,330
Apr. 17, 2024	May 1, 2024	May 15, 2024	\$0.0125	\$ 528,082
July 15, 2024	July 29, 2024	Aug. 13, 2024	\$0.0125	\$ 528,206
Oct. 16, 2024	Oct. 29, 2024	Nov. 13, 2024	\$0.0125	\$ 528,206
				<u>\$2,111,824</u>

On January 13, 2025, the Company announced that it was suspending dividends in order to dedicate cash reserves for C-COM's commercialization of its revolutionary Ka-band Electronically Steered Antenna (ESA) and other R&D priorities.

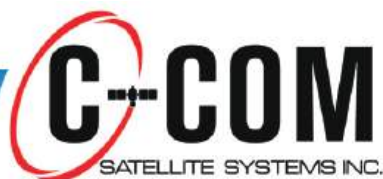
***Contributed surplus***

Contributed surplus comprises the value of share-based compensation expense related to options granted that have not been exercised or have expired unexercised. There was no reclassification of contributed surplus on exercised options in 2025 (2024 – decrease of \$14,063). During 2025 there were 270,000 options forfeited and 450,000 options that expired (2024 – 13,000 and 15,000 respectively). During the year there were no options exercised (2024 – 70,100).

**17. SHARE-BASED COMPENSATION**

***Stock Options***

The Company has an established stock option plan, which provides that the Board of Directors may grant stock options to eligible directors, officers and employees. Under the plan, eligible directors, officers and employees are granted the right to purchase shares of common stock at a price established by the Board of Directors on the date the options are granted but in



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**17. SHARE-BASED COMPENSATION (CONTINUED)**

no circumstances below fair market value of the shares at the date of grant. Under the plan, options granted to employees vest 1 year after the grant date. Options granted to the Company's board members vest at time of the grant date.

On May 10, 2022, the Company reset the option pool to 20% of the issued and outstanding common shares on that date. Formal approval for the reset was received from the TSXV on June 17, 2022. A total of 8,176,280 common shares then became authorized for issuance under the plan. There were 2,230,130 options available to be granted as of November 30, 2025 (2,073,130 at 2024 year-end). On November 30, 2025, there are 4,571,050 options outstanding of which 4,028,050 are exercisable (vested). No consideration is payable on the grant of an option with options generally vesting after one year from the date of grant.

The following share-based payment arrangements were in existence at the end of the current fiscal year:

Option Series / Grant Date	Number	Expiry Date	Price
<u>Options issued under revised plan dated May 1, 2019</u>			
Issued April 23, 2020	11,150	April 23, 2026	\$1.96
<u>Options issued under revised plan dated May 6, 2020</u>			
Issued May 22, 2020	625,000	May 22, 2026	\$1.95
Issued July 25, 2020	255,000	July 25, 2026	\$2.80
Issued November 25, 2020	135,000	November 25, 2026	\$2.72
Issued April 22, 2021	533,000	April 22, 2027	\$3.65
Issued July 22, 2021	160,000	July 22, 2027	\$2.90
Issued October 20, 2021	72,000	October 20, 2027	\$2.59
Issued November 7, 2021	300,000	November 7, 2027	\$2.51
Issued November 25, 2021	110,000	November 25, 2027	\$2.59
Issued April 21, 2022	25,000	April 21, 2028	\$2.00
<u>Options issued under revised plan dated May 10, 2022</u>			
Issued May 31, 2022	150,000	May 31, 2028	\$1.45
Issued October 21, 2022	83,000	October 21, 2028	\$1.50
Issued November 3, 2022	340,000	November 3, 2028	\$1.55
Issued November 22, 2022	180,000	November 22, 2028	\$1.32
Issued April 21, 2023	60,900	April 21, 2029	\$1.00
Issued May 29, 2023	150,000	May 29, 2029	\$0.85
Issued July 20, 2023	30,000	July 20, 2029	\$1.00
Issued October 20, 2023	115,000	October 20, 2029	\$1.01



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**17. SHARE-BASED COMPENSATION (CONTINUED)**

Option Series / Grant Date	Number	Expiry Date	Price
Issued November 14, 2023	300,000	November 14, 2029	\$0.95
Issued November 16, 2023	115,000	November 16, 2029	\$1.05
Issued April 19, 2024	61,000	April 19, 2030	\$1.25
Issued May 9, 2024	40,000	May 9, 2030	\$1.21
Issued May 24, 2024	160,000	May 24, 2030	\$1.17
Issued July 17, 2024	17,000	July 17, 2030	\$1.17
Issued April 17, 2025	278,000	April 17, 2031	\$1.00
Issued July 18, 2025	265,000	April 17, 2031	\$0.93

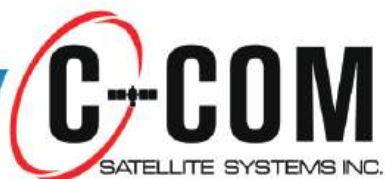
The weighted average fair value of options granted during the year ended November 30, 2025 was \$0.50 (2024 - \$0.40) based on the Black-Scholes option pricing model. Where relevant, the expected life of the options was based on historical data and the estimated effects of non-transferability. The expected price volatility was based on historical share price volatility over the past 5 years. The following specific assumptions were used to determine the fair value of the options granted during the year:

	Nov. 30, 2025	Nov. 30, 2024
Grant date share prices	\$ 1.00 to \$ 1.21	\$ 1.17 to \$ 1.25
Exercise prices	\$ 1.00 to \$ 1.21	\$ 1.17 to \$ 1.25
Expected price volatility	48.26%	48.63% to 48.74%
Expected option life	5 years	5 years
Expected dividend yield	0%	3.90% to 4.20%
Risk free interest rate	2.80% to 2.88%	3.03% to 3.67%
Forfeiture rate	0%	0%

**Stock Options:**

	Nov. 30, 2025		Nov. 30, 2024	
	Number of Options	Weighted Avg. Exercise Price	Number of Options	Weighted Avg. Exercise Price
Outstanding, beginning of year	4,728,050	\$ 1.95	4,524,150	\$ 1.98
Exercised	-	-	(70,100)	\$ 1.11
Expired	(450,000)	\$ 1.29	(15,000)	\$ 1.09
Forfeited	(270,000)	\$ 1.69	(13,000)	\$ 2.00
Granted	563,000	\$ 0.97	302,000	\$ 1.20
Outstanding, end of year	4,571,050	\$ 1.80	4,728,050	\$ 1.95

On November 30, 2025 there were 4,571,050 options outstanding with a weighted average remaining contractual life of 2.58 years or 30.95 months, of which 4,028,050 were exercisable at a weighted average price of \$1.91 (2024 - \$2.00).



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**18. EARNINGS PER SHARE**

The diluted weighted average number of shares has been calculated as follows:

	Nov. 30, 2025	Nov. 30, 2024
Weighted average number of common shares – basic	42,256,500	42,228,073
Additions to reflect the dilutive effect of employee stock options	62,373	230,242
<b>Weighted average number of common shares – diluted</b>	<b>42,318,873</b>	<b>42,458,315</b>

Options that are anti-dilutive because the exercise price was greater than the average market price of the common shares are not included in the computation of diluted earnings per share. For 2025, 4,054,150 options (2024 – 3,265,150) were excluded from the above computation of diluted weighted average number of common shares because they were anti-dilutive.

**19. COMMITMENTS AND CONTINGENCIES**

The Company has a sixty-month non-cancellable lease for its head office space and warehouse with a term that expires July 31, 2029. The Company has an additional twelve-month cancellable lease for R&D premises in Waterloo Ontario for a term that expires December 31, 2025. The aggregate minimum future cash rental payments under these two arrangements are as follows:

Contractual Obligations:	Payments Due by Period				
	Total	Less Than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Premises Leases	\$1,401,271	385,085	\$ 1,016,186	\$ Nil	Nil

The Company accounts for these leases as follows:

- i. Head Office premises lease: Starting in Q3, 2024 the company recognized a right of use asset and a lease liability for this long-term premises lease obligation. Refer to Note 13 for additional information.
- ii. R&D lab lease in Waterloo: For this short-term lease, the Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities. As short-term lease obligation, this lease does not contain any variable lease payments, concessions or unusual termination or extension options.

The Company does not have any other significant off-balance sheet arrangements outside of indemnification clauses in customer contracts in the normal course of business. The Company has never recorded any liability associated with such indemnification and does not believe that any payment thereunder will be required.

From time to time, the Company is involved in legal claims in the normal course of business. Management assesses such claims, and where considered probable to result in a material exposure, and where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of the probable outcome. The Company does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of the losses cannot be reasonably estimated. Any settlements or awards under such claims are provided for.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**20. RESEARCH AND DEVELOPMENT AND RELATED GOVERNMENT ASSISTANCE**

In late 2023, the Company commenced a contribution agreement with the NRC’s IRAP program to reduce the cost of a specific research and development project. The contribution agreement started Nov. 1, 2023 and is to be completed by Oct. 31, 2025. The NRC agreed to contribute up to a maximum of \$815,845 over the period of the agreement with specific maximum amounts allocated to each fiscal year. The Company invoiced and accrued \$387,034 (2024 – \$402,875) for this project’s IRAP funding during fiscal 2025 which was credited to research and development expense. NRC reserves the right to claim back all or part of its payments from the Company under certain circumstances. No repayment has been requested and no contingent liability has been accrued at year end.

In Q2 2025, the Company commenced a contribution agreement with Industry, Science, and Economic Development Canada (“ISED”) to develop high efficiency beamforming IC and intelligent beam-forming antenna modules for satellite and ESA terminals. This ISED “FABRIC” grant totals \$412,550. The agreement started April 1, 2025 and is to be completed by Mar. 31, 2027. During 2025, the Company accrued \$65,872 (2024 – \$Nil) for this project’s ISED funding. ISED reserves the right to claim back all or part of its payments from the Company under certain circumstances.

	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
Research and development expenses	2,567,799	2,751,060
Less: Investment tax credits claimed for current year	(678,795)	(526,972)
Less: Government R&D grant payments	(449,172)	(405,225)
Allocation of amortization	6,815	11,401
	<b>1,446,647</b>	<b>1,830,264</b>

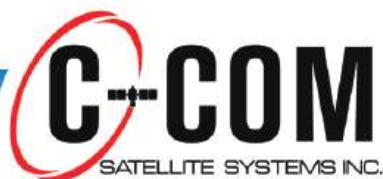
The Company claims research and development deductions and related investment tax credits for income tax purposes based on management’s interpretation of the applicable legislation in the Income Tax Act of Canada.

**21. OPERATING SEGMENT INFORMATION**

The Company’s activities are attributable to a single operating segment, engaged in the design and manufacture of auto-deploying mobile satellite antennas. Consequently, the group does not present any operating segment information.

**Revenue by Geographic area**

The location of the customer determines the geographic areas for revenue.	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
Canada	202,862	-
United States	1,281,292	1,069,048
Kazakhstan	1,118,556	1,899,861
Asia	1,101,426	690,058
Europe	877,421	608,306
Middle East (including UAE)	1,087,484	711,614
Rest of the World	113,987	2,907,963
	<b>5,783,028</b>	<b>7,886,850</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**21. OPERATING SEGMENT INFORMATION (CONTINUED)**

***Property and equipment***

The location of property and equipment determines the geographic areas. All property and equipment are in Canada.

***Major Customers***

For the year ended November 30, 2025, the Company had three customers that each generated more than 10% of the Company's total revenues (during fiscal 2024 three customers accounted for more than 10% of revenue). In 2025, the largest customer sales represented 17% of total revenues.

**22. TOTAL OPERATING EXPENSES**

Below is additional detail of the Company's expenses - showing a breakdown of expenses by type/nature of expense:

	Year Ended November 30, 2025	Year Ended November 30, 2024	\$ Change
Employee salaries and benefits	1,264,478	1,559,377	(294,899)
Commissions	79,829	104,920	(25,090)
Research and development	1,446,647	1,830,264	(133,848)
Legal and accounting fees	172,836	177,771	(4,935)
Other professional fees	248,693	193,030	136,162
Share-based compensation	187,244	267,317	(80,073)
Insurance, licenses and permits	46,010	40,105	5,905
Building lease and other premises costs	(271,170)	(10,051)	(261,119)
Lease obligation interest expense	98,753	37,216	61,537
Amortization of plant and equipment assets	26,618	46,739	(20,122)
Amortization of lease asset	316,646	105,549	211,098
Travel	84,666	100,368	(15,702)
Marketing	70,004	130,098	(60,094)
Bank fees and interest	7,905	17,050	(9,145)
Office and computer supplies	27,460	35,985	(8,525)
Other	(20,625)	67,324	(88,056)
<b>Total Expenses</b>	<b>\$ 3,785,996</b>	<b>\$ 4,703,064</b>	<b>\$ (300,130)</b>

**23. RELATED PARTY TRANSACTIONS AND BALANCES**

The Company regards the members of the Board of Directors, the partners of LaBarge Weinstein LLP, and the senior managers and their immediate families of the following entities as related parties: C-COM Satellite Systems Inc, 718133 Ontario Inc., Rampart International Corp. and Art Slaughter CPA Professional Corporation.

The Company had the following transactions and balances with related parties during the year:



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

		Nov. 30, 2025	Nov. 30, 2024
		\$	\$
<i>Board of Directors:</i>			
Board of Director fees	(i)	144,000	144,000
<i>Transactions with Rampart International Corp.:</i>			
Miscellaneous payments related to shared office space.	(ii)	5,207	11,140
<i>Transactions with 718133 Ontario Inc.:</i>			
Rental of office and warehouse space	(iii)	386,097	359,164
<i>Transactions with Art Slaughter CPA Pro. Corp.:</i>			
Purchase of consulting services	(iv)	32,438	36,437
<i>Transactions with LaBarge Weinstein LLP:</i>			
Legal fees and expenses	(v)	34,856	29,631
 <i><u>Balances with related parties</u></i>			
		<b>As At Nov. 30, 2025</b>	<b>As At Nov. 30, 2024</b>
		\$	\$
Amounts due from Rampart International Corp.		Nil	Nil
Amounts due to 718133 Ontario Inc.		Nil	Nil
Amounts due to Art Slaughter CPA Pro. Corp.		141	1,624
Amounts due to LaBarge Weinstein LLP		3,209	1,808

Balances with related parties are due upon demand and included with accounts payable and accrued liabilities.

- i. The Board of Directors instituted a Board of Directors fee of \$36,000 per annum per board member commencing November 3, 2022, and is paid quarterly.
- ii. The sole shareholder of Rampart International Corp. is related to the Chief Executive Officer of C-COM Satellite Systems Inc.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

- iii. The Company has a 5-year lease commitment with 718133 Ontario Ltd. which ends July 31<sup>st</sup>, 2029, for office and warehouse space. The Company and 718133 Ontario Ltd. have common ownership.
- iv. The Company purchases financial consulting services from Art Slaughter CPA Professional Corporation. The Company's Chief Financial Officer is the director of this company.
- v. The Company retains a business law firm in Ottawa, Canada to provide legal services and advice. The Company's secretary is a partner of this firm.

**Compensation of key management personnel**

The compensation of the directors and Chief Executive Officer is determined by the Compensation Committee of the Board of Directors having regards to the performance of the Company. The compensation of other key executives is determined by the Chief Executive Officer. The key management personnel currently are the Chief Executive Officer, the Chief Financial Officer, and the Chief Technology Officer. The compensation for directors and these key members of management during the year was as follows:

	<b>Nov. 30, 2025</b>	Nov. 30, 2024
	\$	\$
Short-term employee benefits	800,794	811,939
Share-based payments	110,000	80,400
	910,794	892,339

**24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

***Capital risk management***

The Company's objective is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business and provide the ability to continue as a going concern. The Company does not have any debt and, therefore, net earnings generated from operations are available for reinvestment in the Company or distribution to the Company's shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year over year sustainable profitable growth. The Board of Directors also reviews on a quarterly basis the level of dividends paid to the Company's shareholders. The Company does not have a defined share repurchase plan, buy and sell decisions are made on a specific transaction basis and depend on market prices and regulatory restrictions. There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

***Market risk***

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

***Foreign currency risk related to contracts***

The Company is exposed to foreign currency fluctuations on its cash balance, accounts receivable, accounts payable and future cash flows related to contracts denominated in a foreign currency. Future cash flows will be realized over the life of the contracts. The Company does not use foreign currency forward contracts to minimize the short-term impact of currency fluctuations on foreign currency receivables and payables.

A 10% strengthening (weakening) of the Canadian dollar against the US dollar on November 30, 2025 would have decreased (increased) net earnings by approximately \$196,746 (2024 - \$382,162).

***Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arises principally from the Company's accounts receivable.

The Company's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. The Company's customers, which receive credit terms, are made up of both public companies and large private companies which we have established long-term relationships with. A significant portion of the Company's accounts receivable is from long-time customers. Over the last five years the Company has not suffered any significant credit related losses.

The Company's maximum exposure to credit risk in relation to trade receivables is equal to the carrying value of trade receivables. The Company does not hold any collateral or other credit enhancements as security over these balances. Almost all of the Company's trade receivables are due from resellers with whom the Company has had a business relationship for many years. Over the last five years the Company has suffered \$129,540 in bad debt losses.

The Company limits its exposure to credit risks for cash and marketable securities by dealing only with major Canadian financial institutions. Management does not expect any of the institutions to fail to meet their obligations.

The Carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>Nov. 30, 2025</b>	Nov. 30, 2024
	\$	\$
Cash	4,957,214	5,890,440
Marketable securities	10,860,959	10,050,000
Accounts receivable	1,057,269	582,976
	16,875,442	16,523,416



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

***Breakdown of marketable securities***

	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
Guaranteed investment certificate - redeemable	Nil	Nil
Guaranteed investment certificate – non-redeemable	10,860,959	10,050,000
	10,860,959	10,050,000

Based on historic default rates and assessment of current balances, the Company believes that there is no requirement for an allowance for doubtful accounts.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company believes that interest rate risk is low as the majority of investments are made in fixed rate instruments. As of November 30, 2025, the Company has not drawn on the revolving demand credit facility as disclosed below.

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity risk is to ensure, as far as possible in advance, that it will always have sufficient liquidity to meet liabilities when due. On November 30, 2025, the Company had a cash balance of \$4,957,214 and has a secured credit facility, subject to annual review. The credit facility permits the Company to borrow funds up to an aggregate of \$750,000 at prime plus 0.5% in either Canadian or US currency. The credit facility is secured by a general security agreement providing a first charge over all Company assets including accounts receivable, inventory and equipment. As of November 30, 2025, the Company had not borrowed on the credit facility. All of the Company's financial liabilities have contractual maturities of less than 30 days in 2025.

***Fair value***

The fair value of accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short-term to maturity.

The following table provides an analysis of financial instruments that are measured after initial recognition at fair value:

	<b>Nov. 30, 2025</b>			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and marketable securities	4,957,214	10,860,959	-	15,818,173



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended November 30, 2025, and 2024**  
**(Expressed in Canadian Dollars)**

**24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

*Fair value*

	Nov. 30, 2024			
	Level 1	Level 2	Level 3	Total
Cash and marketable securities	\$ 5,890,440	\$ 10,050,000	\$ -	\$ 15,940,440

**25. IMPACT OF THE RUSSIA/UKRAINE CONFLICT**

Russia’s attack on Ukraine on February 24, 2022 has created much uncertainty and its economic impact has been wide-ranging. The Company has experienced the effects of supply chain disruptions, shipping delays, inflationary price pressures and the inability to sell to its Russian based re-sellers as a result of this conflict. These and other risks may have an impact on the Company in the future. The extent that the conflict will continue to affect the Company’s cannot be predicted at this time.

**26. IMPACT OF THE GLOBAL TRADE AND TARIFF DISPUTE**

The United States initiative in April 2025 to tariff most countries around the world, including Canada, has created much uncertainty and its economic impact has already been significant. Though the Company’s global customer base is diverse and its volume of goods sold to the US in recent years has not been significant, it is likely that these US trade actions will eventually have a negative impact on the Company’s revenue and profit margins. The extent that these trade disputes will continue to affect the Company cannot be predicted at this time.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

**For the year ended November 30, 2025**

Date of Report – March 24, 2026

The following Management Discussion and Analysis of C-COM Satellite Systems Inc. (“C-COM” or the “Company”) for the year ended November 30, 2025 should be read in conjunction with the financial statements and notes included in this annual report. All figures are presented in Canadian dollars in accordance with IFRS.

The following discussion of the financial condition, changes in financial condition and results of operations of C-COM is for the years ended November 30, 2025 and 2024. Historical results of operations, percentage relationships and any trends that may be inferred there from are not necessarily indicative of the operating results of future periods. Unless otherwise stated all amounts are in Canadian dollars following the requirements of the International Financial Reporting Standards (“IFRS”). The information contained herein is dated as of March 24, 2026, and is current to that date, unless otherwise stated. Management is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made in the annual filings. Our Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by the Company and have reviewed this MD&A and the accompanying financial statements.

The Chief Executive Officer and Chief Financial Officer, in accordance with National Instrument 52-109 (“NI52-109”), have both certified that they have reviewed the annual financial statements and this MD&A (“the annual Filings”) and that, based on their knowledge having exercised reasonable diligence, (a) the annual Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the annual Filings; and (b) the annual financial statements together with the other financial information included in the annual Filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the dates and for the periods presented in the annual Filings.

Investors should be aware that the inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost-effective basis, Disclosure Controls and Procedures and Internal Controls over Financial Reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### Forward Looking Statements

The Company cautions that the forward-looking statements in the following Management Discussion and Analysis are based on certain assumptions made by the Company that may prove inaccurate. Forward-looking statements include those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, and similar expressions to the extent that they relate to the Company or its management. Statements made in this Management Discussion and Analysis relating to: the Company’s intention to continue quarterly dividends; management’s beliefs about the sufficiency of cash resources; short and long term sources of funding for operations and innovation and development; the Company’s intention to continue developing and innovating for various markets and technologies; anticipated new products and technology including the types of products and technology, the expected features and performance of such products and technology and the timing of their release; the ability of new projects to provide the Company with patentable technology; methods of selling of new products; expected sales of new products including the new ESA antenna system and BFIC chips; the ability for the Company to generate incremental revenue from the new vertical market for tracking LEO’s, Smallsats and CubeSats; the Company’s ability to maintain its perceived market advantages and future positioning of the Company in the markets in which it operates. These forward-looking statements are not historical facts but reflect the Company’s current expectations and assumptions regarding future results or events. Assumptions made include results of research and development efforts, customer demand for the Company’s products or services, the Company’s ability to maintain and enhance customer relationships, as well as the Company’s ability to bring to market its products or services. Furthermore, the Company cautions that

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

the forward-looking statements in the following Management Discussion and Analysis are based on current expectations as of March 23, 2026 and are subject to change and to risks and uncertainties. Actual results may differ due to facts such as customer demand, customer relationships, new service offerings, delivery schedules, revenue mix, competition, pricing pressure, foreign currency fluctuations, and uncertainty in the markets in which the company conducts business. Additional information identifying risks and uncertainties is contained in the Company's filings with the various provincial securities regulators. Readers should not place undue reliance on the Company's forward-looking statements.

### Overview

C-COM Satellite Systems Inc. is a leader in the development and deployment of commercial grade mobile auto-deploying satellite-based technology for the delivery of two-way high-speed Internet, VoIP and Video services into vehicles. C-COM has developed a unique proprietary Mobile auto-deploying (iNetVu®) antenna that allows the delivery of high-speed satellite-based Internet services into vehicles while stationary virtually anywhere where one can drive. The iNetVu Mobile antenna has also been adapted to be deployable from transportable platforms. The Company's satellite-based products and services deliver high-quality, cost-effective solutions for both fixed and mobile applications throughout the world. More information is available at: [www.c-comsat.com](http://www.c-comsat.com).

### Selected Annual Information

	Year Ended November 30, 2025	Year Ended November 30, 2024	Year Ended November 30, 2023
Revenue	\$ 5,783,028	\$ 7,886,850	\$ 8,294,957
Net Income/(Loss)	\$ (407,550)	\$ (211,475)	\$ 1,672,907
Basic Earnings per Share	\$0.00	\$0.00	\$0.04
Diluted Earnings per Share	\$0.00	\$0.00	\$0.04
Total assets	\$25,880,260	\$26,558,305	\$26,625,004
Total Non-Current Liabilities	\$1,565,694	\$1,797,929	\$196,814

### Results of Operations

The loss before other income and income tax was \$938,127, compared to a loss of \$931,581 in 2024. The Company completed the year with \$15,818,173 of cash and marketable securities compared to \$15,940,440 at the end of 2024.

### Revenues

	Year Ended November 30, 2025	Year Ended November 30, 2024	Change	
			\$	%
Revenue – Hardware and Airtime	\$ 5,783,028	\$ 7,886,850	\$ 2,103,822	26.7%

The root causes behind the decline in sales include – competition from low-orbit satellite antenna networks and slow world economies due to conflicts and lingering inflationary pressures.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Cost of Sales and Gross Profit

	Year Ended	Year Ended	Change	
	November 30, 2025	November 30, 2024	\$	%
Gross Profit	\$ 2,858,889	\$ 3,792,294	\$ 933,405	24.6%
As a percentage of revenue	49.4%	48.1%		
Allocation of amortization expense	\$ (11,020)	\$ (20,811)	\$10,289	49.4%
Combined Gross Profit	\$ 2,847,869	\$ 3,771,483	\$ 923,162	24.5%
As a percentage of revenue	49.2%	47.8%		

The drop in gross profit was a result of product sales mix and charges for obsolete goods and other inventory value adjustments.

### Expenses:

	Year Ended	Year Ended	Change	
	November 30, 2025	November 30, 2024	\$	%
General and Administrative	\$ 1,531,387	\$ 1,843,693	312,306	16.9%
As a percentage of revenues	26.5%	23.4%		
Research and Development	\$ 1,446,647	\$ 1,830,264	383,617	21.0%
As a percentage of revenues	25.0%	23.2%		
Sales and Marketing	\$ 807,962	\$ 1,029,107	221,145	21.5%
As a percentage of revenues	14.0%	13.0%		

### General and Administrative

General and administrative expenses decreased \$312,306 or 16.9% for the year ended November 30, 2025 compared to the same period last year. This was primarily due to decreases in employee compensation and stock option expenses.

### Research and Development

Research and development expenses decreased \$383,617 or 21% compared to the same period last year. This was due to substantial completion of one project, increased investment tax credits and decreases in R&D parts and materials costs.

### Sales and Marketing

Sales and marketing expenses decreased \$221,145 or 21.5% over the same period last year. This was due to lower compensation costs and lower spending on trade shows and related travel.

### Investment Income

Investment income for the year of \$469,576 (\$754,713 in 2024) is comprised of interest earned on the Company's cash balances and guaranteed investment certificates. The large drop in investment income is due mainly to lower interest rates.

### Income Tax Expense

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company reports its results on a fully taxed basis. The provision for income tax for fiscal 2025 was a recovery credit of \$89,153 compared to \$104,035 in tax expense for 2024. The total effective tax rate for 2025, prior to considering the impact of non-taxable transactions, was 26.5% (2024 – 26.5%). The decrease in tax expense was due to a reduction in calculated taxable income in 2025.

### Summary of Quarterly Financial Data

Quarter Ended	Q4/25	Q3/25	Q2/25	Q1/25	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23
Revenue	\$1,654,215	\$1,933,813	\$1,586,631	\$698,369	\$1,354,751	\$1,323,548	\$2,580,514	\$2,628,037	\$3,809,611
Operating Income (Loss)	\$52,860	\$104,310	\$(224,053)	\$(871,244)	\$(1,068,367)	\$(343,472)	\$43,129	\$437,129	\$1,954,351
Net Income (Loss)	\$28,935	\$155,226	\$(90,860)	\$(500,851)	\$(543,074)	\$(120,700)	\$61,072	\$391,227	\$1,655,440
Dividend Paid	-	-	-	-	\$528,206	\$528,206	\$528,081	\$527,330	\$527,330
Dividend Rate /Share	-	-	-	-	\$0.0125	\$0.0125	\$0.0125	\$0.0125	\$0.0125
Basic EPS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.04
Diluted EPS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.04

The Company's operations are subject to some quarterly seasonality due to the timing of vacation periods and statutory holidays. Typically, the Company's first and third quarters will be negatively impacted as a result of the Christmas season and summer vacation period.

### Liquidity and Capital Resources

	Year Ended	Year Ended	Change	
	November 30, 2025	November 30, 2024	\$	%
Cash	\$ 4,957,214	\$ 5,890,440	\$ 933,226	15.8%
Marketable securities	\$ 10,860,959	\$ 10,050,000	\$ 810,959	8.1%
Working capital surplus	\$ 23,659,351	\$ 23,769,570	\$ 110,219	0.5%
Net cash provided by (used in):				
Operating activities	\$ (122,132)	\$ 2,603,447	\$ 2,725,579	104.7%
Investing activities	\$ (811,094)	\$ (91,518)	\$ 719,576	786.3%
Financing activities	\$ -	\$ (2,033,944)	\$ 2,033,944	100%
Increase/(decrease) in cash	\$ (933,226)	\$ 408,080	\$1,341,306	328.7%

### Working Capital Surplus

The decrease in working capital surplus is due to a \$1.1 million drop in inventory as of November 30, 2025. Current assets on November 30, 2025 were \$24,637,885 (2024: \$24,973,609) and current liabilities for the same periods were \$978,534 (2024 - \$1,204,039).

### Contractual Obligations

The Company has two lease agreements for office space. Its head office lease term extends into fiscal 2029, whereas the Company's R&D space at the University of Waterloo has a 60 day no-fee cancellation clause. The aggregate minimum rental payments left under these arrangements are as follows (undiscounted cash-costs):

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Head Office Lease

#### Contractual Obligations:

Total	Payments Due by Period			
	Less Than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
\$1,392,911	\$376,725	1,016,186	Nil	Nil

HO Premises Lease

### Waterloo, Ontario Lab Lease:

#### Contractual Obligations:

Total	Payments Due by Period			
	Less Than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
\$8,360	\$8,360	Nil	Nil	Nil

R&D Premises Lease

### Operating Activities

Cash flows from/(used) operating activities for the year ended November 30, 2025 were \$(122,132) compared to \$2,538,635 in 2024. This year's increase is due to higher net loss, a smaller relative drop in inventory, lower payables and higher accounts receivable at year-end.

### Investing Activities

The marketable securities consist of the following investments, which are all held at major Canadian financial and insurance institutions:

	Year Ended November 30, 2025	Year Ended November 30, 2024
Guaranteed investment certificates	\$ 10,860,959	\$ 10,050,000

### Financing Activities

#### Dividend

On January 13, 2025 the Company announced that it was suspending dividends in order to dedicate cash reserves for C-COM's commercialization of its revolutionary Ka-band Electronically Steered Antenna (ESA) and other R&D priorities.

#### Capital Resources

As of November 30, 2025 the Company had an overdraft protection facility of \$750,000 with a Canadian chartered bank that bears interest at prime plus 0.5%. It is secured by a general security agreement providing a first charge over all company assets including accounts receivable, inventory and equipment. During fiscal 2025 the Company had no borrowings under the credit facility. Management believes that C-COM has sufficient cash resources to continue to finance its working capital requirements.

The Company operates internationally with approximately 97% of its business derived from non-Canadian sources in 2025 as compared to 100% for the same period last year. All of the Company's international business is denominated in United States dollars and therefore the Company's results from operations are affected by exchange rate fluctuations of the United States dollar relative to the Canadian dollar. The Company did not use foreign currency forward contracts or derivatives in its management of foreign currency exposure.

In the short term, the Company will continue to fund operations through cash generated from the continued profitability of the sales of its core products and services. In the longer term, additional financing may be required to fund further innovation and development of the next generation of products and services. At this time, the Company does not have plans to pursue additional sources of financing and there can be no assurance that any additional financing that may be required will be available to the Company when needed, on commercially reasonable terms, or at all. In addition, any equity financing may involve substantial dilution to the Company's existing shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements on November 30, 2025.

### Critical Accounting Estimates

The preparation of financial statements of the Company requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Among other things, estimates are used in the accounting for allowances for bad debts, stock-based compensation, inventory obsolescence, product warranty, useful lives of assets and impairment of property and equipment. The reported amounts and note disclosures are determined using management's best estimates based on the assumptions that reflect the most probable set of economic conditions and planned course of action. Actual results could differ from the estimates used in these financial statements and such differences could be material.

### Related Party Transactions

The Company regards the members of the Board of Directors, the partners of LaBarge Weinstein LLP, and the senior managers and their immediate families of the following entities as related parties: C-COM Satellite Systems Inc, 718133 Ontario Inc., Rampart International Corp. and Art Slaughter CPA Professional Corporation.

The Company had the following transactions and balances with related parties during the year:

		Nov. 30, 2025	Nov. 30, 2024
		\$	\$
<i>Board of Directors:</i>			
Board of Director fees	(i)	144,000	144,000
<i>Transactions with Rampart International Corp.:</i>			
Miscellaneous payments related to shared office space.	(ii)	5,207	11,140
<i>Transactions with 718133 Ontario Inc.:</i>			
Rental of office and warehouse space	(iii)	386,097	359,164
<i>Transactions with Art Slaughter CPA Pro. Corp.:</i>			
Purchase of consulting services	(iv)	32,438	36,437
<i>Transactions with LaBarge Weinstein LLP:</i>			
Legal fees and expenses	(v)	34,856	29,631

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Balances with related parties

	As At Nov. 30, 2025	As At Nov. 30, 2024
	\$	\$
Amounts due from Rampart International Corp.	Nil	Nil
Amounts due to 718133 Ontario Inc.	Nil	Nil
Amounts due to Art Slaughter CPA Pro. Corp.	141	1,624
Amounts due to LaBarge Weinstein LLP	3,209	1,808

### Balances with related parties

Balances with related parties are due upon demand and included with accounts payable and accrued liabilities.

- i. The Board of Directors instituted a Board of Directors fee of \$36,000 per annum per board member commencing November 3, 2022 and is paid quarterly.
- ii. The sole shareholder of Rampart International Corp. is related to the Chief Executive Officer of C-COM Satellite Systems Inc.
- iii. The Company has a 5-year lease commitment with 718133 Ontario Ltd. which ends July 31<sup>st</sup>, 2029, for office and warehouse space. The Company and 718133 Ontario Ltd. have common ownership.
- iv. The Company purchases financial consulting services from Art Slaughter CPA Professional Corporation. The Company's Chief Financial Officer is the director of this company.
- v. The Company retains a business law firm in Ottawa, Canada to provide legal services and advice. The Company's secretary is a partner of this firm.

### Risk Factors

The company is subject to a number of risks and uncertainties that could significantly affect the Company's financial condition and future results of operations. Risk management is an integral part of how the Company plans and monitors the business strategies and results and we have embedded risk management activities in the operational responsibilities of management, and made them an integral part of overall governance, organizational and accountability structure. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks actually occur, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly.

The Company is exposed to risks and uncertainties in its business, including the risk factors set forth below:

- Delays in the global supply chain and scarcity of materials may impact on the Company's ability to secure the materials and components required to meet customers' needs and contractual obligations.
- Inflationary prices may also cause a decrease in end-user spending which would negatively impact future sales.
- Global economic uncertainty caused by political turmoil, war and other factors outside of the control of the Company.
- The Company's success depends on the engagement and contributions of senior management personnel, including the Company's CEO. Any changes to the management team, including the hiring or departing of executives, could be disruptive to the business.
- Competitive conditions in the Company's industry, including new products, product announcements and incentive pricing offered by its competitors.
- The Company's business is often dependent on performance by third parties and subcontractors in connection with manufacturing of the Company's products.
- The Company's ability to hire, train and retain sufficient technical, sales, and professional services staff.
- The Company's ability to maintain existing relationships with its dealers and to create new relationships with potential dealers and manufacturing partners.
- Varying size, timing and contractual terms of orders for the Company's products.
- The nature of the end-user purchase and budget cycles and changes in their budgets for, and timing of, equipment and related purchases.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- The length and variability of the sales cycles for the Company's products.
- Order cancellations.
- Market acceptance of new and enhanced versions of the Company's products.
- Strategic decisions by the Company or its competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy.
- General weakening of the economy resulting in a decrease in the overall demand for the Company's products.
- The geographical mix of the Company's sales, together with fluctuations in foreign currency exchange rates.
- Changes in the Company's pricing policies and the pricing policies of its competitors.
- The timing of product development and new product initiatives.

Many of these risk factors can affect the Company's financial performance and are also outside of the Company's control. The nature of many of these risks is expanded upon in the commentary below.

### Impact of the Russia / Ukraine Conflict

Russia's attack on Ukraine on February 24, 2022 has created much uncertainty and its economic impact has been wide-ranging. The Company has experienced the effects of supply chain disruptions, shipping delays, inflationary price pressures and the inability to sell to its Russian based re-sellers as a result of this conflict. These and other risks may have an impact on the Company in the future. The extent that the conflict will continue to affect the Company's cannot be predicted at this time.

### Reliance on resellers

The Company currently relies on resellers for a significant portion of its revenues. An adverse change in the Company's relationship with any resellers could reduce the Company's sales and harm its business and prospects. If the Company is unable to retain and expand its business with key resellers on favourable terms, or develop new relationships with resellers, then the business, financial condition and results of operations of the Company could be adversely affected.

Furthermore, because the Company's quarterly revenue could be dependent upon a relatively small number of large customer deployments, even minor variations in the rate and timing of conversion of its sales prospects into revenue could cause the Company to plan or budget inaccurately, and those variations could adversely affect its financial results.

### The Company's business may be harmed if it does not continue to penetrate markets and continue to grow.

If the Company fails to further penetrate its core markets and existing geographic markets, or to successfully expand its business into new markets or through the right sales channels, the growth in sales of the Company's products, along with its operating results, could be negatively impacted. Some of the Company's competitors are larger and better capitalized and as a result, they may be better able to expand more quickly and through more sales channels. Some of the Company's competitors provide end-to-end solutions. If the various core markets in which the Company's products are offered fail to grow, or grow more slowly than the Company currently anticipates, or if the Company is unable to establish new markets for its products, the Company's business, operating results and financial condition could be materially adversely affected.

### The Company's success depends on its ability to develop new products and enhance its existing products.

The markets for the Company's products are competitive and are characterized by rapidly changing technology, evolving industry standards and frequent new product introductions. To keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance, the Company must enhance and improve existing products and it must continue to introduce new products. Currently, the Company's products embody complex technology and are designed to be compatible with current and evolving industry standards. If the Company is unable to successfully develop new products or enhance and improve its existing products or if it fails to position and/or price its products to meet market demand, the Company's business and operating results will be adversely affected. Accelerated product introductions and short product life cycles require high levels of expenditure for research and development that could adversely affect its operating results. Further, any new products the Company develops could require an investment of significant resources, long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue. The Company may determine that certain new products do not have sufficient potential to warrant the continued allocation of resources and may elect

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

to terminate one or more new product candidates. If a new product is terminated in which the Company has invested significant resources, the Company's prospects may suffer since resources were expended on a project that did not yield a return on the Company's investment and it missed the chance to allocate such resources to potentially more productive uses and this may negatively impact the Company's business, financial condition and operating results. In addition, as the Company develops new products, they may render some of its older products redundant or obsolete. As the Company discontinues the sale of these older products, it must manage the reseller commitments and customer expectations. If the Company is unable to properly manage the possible discontinuation of these older products, it could have a material adverse effect on its business, financial condition and results of operations.

### Failure to manage the Company's growth successfully may adversely impact its operating results.

The growth of the Company's operations places a strain on managerial, financial and human resources. The Company's ability to manage future growth depends upon a number of factors, including its ability to rapidly:

- Build and train sales and marketing staff and resellers to create an expanding presence in the evolving marketplace for the Company's products, and to keep staff and resellers informed regarding the technical features, issues and key selling points of its products.
- Attract and retain qualified technical personnel in order to continue to develop reliable and saleable products and services that respond to evolving customer needs.
- Expand its distribution channels to ensure that resellers across multiple industry and geographic segments will perceive the Company as a credible market participant and reliable supplier that will enable the profitable growth of their business.
- Develop customer support capacity as sales increase, so that the Company can deliver cost-effective scalable support services to support its sales efforts in a manner that does not divert resources from product development efforts.
- Expand the Company's internal management, financial and IT controls significantly, so that it can maintain control over its operations and provide support to other functional areas within the Company's business as the number of personnel and size of its business increases.

Any failure to manage the Company's growth or achieve profitability could have a material adverse effect on its business, financial condition or results of operations.

### The Company may lose sales, or sales may be delayed, due to the long sales and implementation cycle for its products.

The Company's customers typically invest substantial time, money and other resources researching their needs and available competitive alternatives before deciding to purchase the Company's products. Generally, the larger the potential sale, the more time, money and other resources will be invested. As a result, it may take many months after the Company's first contact with a customer before a sale can actually be completed. The Company may invest significant sales and other resources in a potential customer that may not generate revenue for a substantial period of time, if at all. The time required for implementation of the Company's products varies among its customers and may last several months, depending on its customers' needs, the resources they apply to a project and the products deployed. During these long sales and implementation cycles, events may occur that affect the size or timing of the order or even cause it to be cancelled. For example:

- Purchasing decisions may be postponed, or large purchases reduced, during periods of economic uncertainty.
- The Company or its competitors may announce or introduce new products.
- The customer's own budget and purchasing priorities may change.

If these events were to occur, sales of the Company's products may be cancelled or delayed, which would reduce its revenue.

### If the Company is required to change its pricing models to compete successfully, its margins and operating results may be adversely affected.

The highly competitive market in which the Company conducts its business may require the Company to reduce its prices. If the Company's competitors offer discounts on certain products in an effort to recapture or gain market share of other products, the Company may be required to lower prices or offer other favourable terms to compete successfully. Any such change would likely

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

reduce its margins and could adversely affect its operating results. Some of the Company's competitors may bundle other products that compete with the Company for promotional purposes or as a long-term pricing strategy or provide guarantees of prices and product implementations. These practices could, over time, limit the prices that the Company can charge for its products. If the Company cannot offset price reductions with a corresponding increase in the number of sales or with lower spending, then the reduced revenue resulting from lower prices would adversely affect its margins and operating costs.

### The financial condition of third parties may adversely affect the Company.

The Company relies on third party suppliers to provide it with components and services necessary for the completion and delivery of its products. The Company also relies on third party resellers for a significant portion of its sales and revenues. In addition, the Company periodically outsources limited aspects of the development and testing of its products to third parties and a significant increase in the price of the services provided by these third parties, or delays in their deliveries, could have a material adverse effect on the Company's business, financial condition and results of operations. In the event that any of the third parties with whom the Company has significant relationships, including its channel partners and third party suppliers, files a petition in or is assigned into bankruptcy or becomes insolvent, or makes an assignment for the benefit of creditors or makes any arrangements or otherwise becomes subject to any proceedings under bankruptcy or insolvency laws with a trustee, or a receiver is appointed in respect of a substantial portion of its property, or such third party liquidates or winds up its daily operations for any reason whatsoever, then the Company's business, financial position and results of operations may be materially and adversely affected.

The Corporation and its suppliers, partners and customers are exposed to potential interruption and damage, and partial or full loss, resulting from environmental disasters and other catastrophic events. There can be no assurance that in the event of an earthquake, hurricane, tornado, fire, flood, ice storm, tsunami, typhoon, terrorist attack, cyber-attack, act of war or other natural, manmade or technical catastrophe, all or some parts of the operations of the Corporation or its suppliers, partners or customers will not be disrupted. The occurrence of a significant event which disrupts the ability of the Corporation or its suppliers or partners to sell the Corporation's products for an extended period, including events which reduce customer demand for the Corporation's products, could have a material negative impact on the Corporation's business.

An outbreak of infectious disease, a pandemic or a similar public health threat, or a fear of any of the foregoing, could adversely impact the Corporation by causing operating, supply chain and project development delays and disruptions, labour shortages, reduced product demand, travel disruption and shutdowns (including as a result of government regulation and prevention measures), and increased costs to the Corporation.

### The Company's success depends in part on its ability to protect its rights in its intellectual property.

The Company relies on various intellectual property protections, including contractual provisions, patents, copyright, trade secrets, trademarks and know-how to preserve its intellectual property rights. Although it currently has patents and patent applications, some of the Company's core technology is primarily protected by trade secrets and copyright. The Company typically enters into agreements with its employees, consultants, customers, channel partners and vendors in an effort to control ownership of its intellectual property and access to and distribution of its software, documentation and other proprietary information. Although the Company believes that the steps it has taken are reasonable, the steps the Company takes may not prevent misappropriation of its intellectual property, and the agreements it enters into may not be enforceable. It may also be possible for third parties to obtain and use the Company's intellectual property without its authorization. Policing unauthorized use of intellectual property is difficult, time-consuming and costly. Further, some foreign laws do not protect proprietary rights to the same extent as the laws of Canada or the United States. Additionally, the absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of the Company's proprietary rights. To protect its intellectual property, the Company may become involved in litigation, which could result in substantial expenses, divert the attention of management, cause significant delays, materially disrupt the conduct of its business or adversely affect its revenue, financial condition and results of operations.

### Intellectual property claims brought against the Company could be time consuming, costly to defend and disruptive to its business.

The Company cannot determine with certainty whether any existing third-party patents or the issuance of any third-party patent would require the Company to alter its technology, obtain licenses or cease certain activities. The Company may become subject to claims by third parties that its technology infringes their property rights due to the growth of software products in the Company's target markets, the overlap in functionality of these products and the prevalence of software products. The Company may become

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

subject to these claims either directly or through indemnities against these claims that it routinely provides to its customers. Litigation may be necessary to determine the scope, enforceability and validity of such third-party proprietary rights or to establish the Company's proprietary rights. Some of the Company's competitors have substantially greater resources than it does, and those competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than the Company. Regardless of their merit, any such disputes could:

- Be time consuming.
- Be expensive to defend.
- Divert management's attention and focus away from the Company's business.
- Subject the Company to significant liabilities.
- Require the Company to enter into costly royalty or licensing agreements or to modify or stop using the infringing technology.

Further, if the Company is found to have infringed any patents, trademarks or other intellectual property rights, a court could award significant damages and halt the Company from distributing its products that infringe the patents, trademarks or other intellectual property in jurisdictions in which such rights are affected. This could result in a material adverse effect on the Company's business, results of operations and financial condition.

*The Company may be liable to its customers or third parties and may lose customers if it is unable to collect data or it otherwise loses data.*

Because of the large amount of data that the Company collects and manages, it is possible that errors in the Company's systems or in third party systems used by the Company to deliver its service could cause the information that it collects to be incomplete or contain inaccuracies that the Company's customers or third parties regard as significant. Furthermore, the Company's ability to collect and report data may be interrupted by a number of factors, including its inability to access the Internet, the failure of its network or software systems or third-party network or software systems relied upon by the Company, security breaches or computer viruses. The Company may be liable to its customers or third parties for damages they may incur resulting from such events. In addition, if the Company supplies inaccurate or incomplete information or experiences interruptions in its ability to capture, store and supply information in real time or at all, the Company's reputation could be harmed, and it could lose customers.

### Cyber Risks

The Company faces cyber risks that include, but are not limited to data breaches, unauthorized access and denial of service attacks as well as associated financial, reputational and business interruption risks. In its business, the Company collects and stores personal information and despite necessary precautions taken by the Company there is a risk of unauthorized access or security breaches resulting from third-party action, employee error, malfeasance or otherwise, which can lead to the loss of information, litigation, indemnity obligations and other significant liabilities. The Company could also be exposed to regulatory penalties for the unauthorized release of confidential information. Furthermore, the Company could face reputational harm relating to a negative perception of the Company's products which could result in the loss of customers. The Company monitors for these such risks and is committed to cyber security with a goal of maintaining and protecting its overall data security. However, despite such efforts by the Company, it may not be able to fully mitigate such cyber security risks given the evolving methods used to compromise data security, which are generally not identified until they are launched against a target.

### Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income.

### Supply Chain Risk

Significant supplier capacity constraints, supplier or customer production disruptions, supplier quality and sourcing issues or price increases can increase the Company's operating costs and adversely impact the competitive positions of the Company's products. The Company's reliance on third-party suppliers, contract manufacturers and service providers to secure parts, components and sub-systems used in the Company's products exposes it to volatility in the prices and availability of these materials, parts, components, systems and services. As the Company's supply chains extend into many different countries and regions around the world, it is also

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

subject to global economic and geopolitical dynamics and risks associated with exporting components manufactured in particular countries. From time to time, C-COM is subject to a supply-constrained environment. As a result it and may face, supply-chain shortages, inflationary pressures, logistics challenges and manufacturing disruptions that impact the Company's revenues, profitability and timeliness in fulfilling customer orders. In addition, some of the Company's suppliers or their sub-suppliers are limited (or sole source suppliers). Disruptions in deliveries, capacity constraints, production disruptions up-stream, price increases, or decreased availability of parts and supplies, including as a result of war, natural disasters, actual or threatened public health emergencies or other business continuity events, adversely affect the Company's operations and, depending on the length and severity of the disruption, can limit the Company's ability to meet its commitments to customers or significantly impact the Company's operating profit or cash flows.

### Inflationary Risk

C-COM's products are sold and used all around the world. The Company's operations and the execution of its business plans and strategies are subject to the effects of global economic trends, geopolitical risks and demand or supply shocks from events that could include war, a major terrorist attack, natural disasters or actual or threatened public health emergencies. They are also affected by international, local and regional economic environments and policies, including interest rates, monetary policy, inflation, economic growth, recession, commodity prices, currency volatility, currency controls or other limitations on the ability to expatriate cash, sovereign debt levels and actual or anticipated defaults on sovereign debt. For example, changes in local economic conditions or outlooks, such as lower rates of investment or economic growth in key markets, affect the demand for or profitability of its products.

### Foreign Currency Risk Related to Contracts

The Company is exposed to foreign currency fluctuations on its cash balance, accounts receivable, accounts payable and future cash flows related to contracts denominated in a foreign currency. Future cash flows will be realized over the life of the contracts. The Company does not use foreign currency forward contracts to minimize the short-term impact of currency fluctuations on foreign currency receivables and payables.

A 10% strengthening (weakening) of the Canadian dollar against the US dollar on November 30, 2024 would have decreased (increased) net earnings by approximately \$196,746 (2024 – \$382,162).

### Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arise principally from the Company's accounts receivable. The Company's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. The Company's customers, which receive credit terms, are made up of both public Companies, and large private companies which we have established long-term relationships with. A significant portion of the Company's accounts receivable are from long-time customers. In Q1, 2025 the Company provided for the potential write-off of a single accounts receivable of \$54,654.

The Company limits its exposure to credit risks for cash and marketable securities by dealing only with major Canadian financial institutions. Management does not expect any of the institutions to fail to meet their obligations.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible in advance, that it will always have sufficient liquidity to meet liabilities when due. On November 30, 2025, the Company had a cash balance of \$4,957,214 and has a secured credit facility, subject to annual review. The credit facility permits the Company to borrow funds up to an aggregate of \$750,000 in either Canadian or US currency. The credit facility is secured by a general security agreement providing a first charge over all Company assets including accounts receivable, inventory and equipment. As of November 30, 2025, the Company had not borrowed on the credit facility during fiscal 2025. All of the Company's financial liabilities have contractual maturities of less than 30 days.

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### Risks associated with disclosure controls and procedures on internal controls over financial reporting:

The Company may be adversely affected if there are deficiencies in internal controls over financial transactions and procedures or internal control over financial reporting.

The design and effectiveness of internal controls and procedures may not prevent all errors, misstatements or misrepresentations. Deficiencies, including material weaknesses, in internal control over financial reporting which may occur could result in misstatements of the Company's results and financial position. This may then cause a decline in the Company's share price and may also materially adversely affect the Company's business, reputation, future financial performance, financial condition or liquidity.

### Other Legal Proceedings

In the normal course of operations, the Company may become subject to a variety of legal and other claims. Management and legal counsel evaluate all claims on their apparent merits and accrue their best estimate of the costs to satisfy such claims.

### The Company's share price will fluctuate:

The trading price of the Company's common shares is subject to change and could in the future fluctuate significantly. The fluctuations could be in response to numerous factors beyond the Company's control, including: quarterly variations in results of operations; announcements of technological innovations or new products by the Company, its customers or competitors; changes in securities analysts' recommendations; announcements of acquisitions; changes in earnings estimates made by independent analysts; general fluctuations in the stock market; or revenue and results of operations below the expectations of public market securities analysts or investors. Any of these could result in a sharp decline in the market price of the common shares. In addition, stock markets have occasionally experienced extreme price and volume fluctuations. The market prices for high-technology companies have been particularly affected by these market fluctuations and such effects have often been unrelated to the opening performance of such companies. These broad market fluctuations may cause a decline in the market price of the common shares.

### The Company's significant shareholders will have the ability to control certain corporate actions.

The Company's significant shareholders may be in a position to exercise significant influence over all matters requiring shareholder approval, including the election of directors, determination of significant corporate actions, amendments to the Company's articles and by-laws and the approval of any business combinations.

### Dividends

The Company had traditionally paid a quarterly dividend on its common shares. On January 13, 2025 the Company announced that it was suspending dividends in order to dedicate cash reserves for C-COM's commercialization of its revolutionary Ka-band Electronically Steered Antenna (ESA) and other R&D priorities. The Company's dividend policy will be reviewed from time to time by the board of directors of the Company in the context of its earnings, financial condition and other relevant factors. Depending on the results of that review, the Company may decide to reinstate paying dividends in the future.

### Key Management Personnel

If the Company fails to attract and retain key employees, the development and commercialization of its products may be adversely affected. The Company is highly dependent on the key members of its management staff. If the Company loses any of these people, its business and ability to develop products could suffer. The Company's future success will also depend in large part on its ability to attract and retain other highly qualified scientific, sales and management personnel. Failure to retain and attract personnel with the appropriate skills could have a negative impact on the Company's ability to conduct business and on its financial results.

### Climate Change

Climate change is predicted to lead to increased frequency and intensity of weather events and related impacts such as storms, wildfires, flooding and storm surge. Extreme weather events create a risk of physical damage to the operations of the Corporation or its suppliers, partners and customers which may not be recoverable through insurance, legal, regulatory cost recovery or other

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

processes and could materially affect the Corporation's business, results of operations and cash flows, including its reputation with customers, regulators, governments and financial markets.

The Company does not currently perceive any risks; Physical, Regulatory, Reputational or Litigation, as a result of global climate changes. On the contrary, following the Katrina disaster and the devastating earthquake and tsunami in Japan, the Company experienced a surge in sales to accommodate the demand for communications in the stricken areas. The Company made the decision to increase inventory levels to enable it to be ready for the increased demand caused by climate change. In addition to this, the Company is developing new products that will utilize solar energy to power the iNetVu Flyaway and Transportable antenna systems.

### Facilities

The Company leases a 25,380 square foot office and warehouse facility located at 2574 Sheffield Rd. in Ottawa, Ontario. The Company has a lease for these premises with a related party, 718133 Ontario Inc. The lease term is for five years, maturing July 31, 2029. Lease payments are made monthly. The Company also leases space for its R&D team at the University of Waterloo. This lease expires Dec. 31, 2026 and contains a 60-day cancellation clause.

### Summary of Outstanding Share Data

As of November 30, 2025, the Company had 42,256,500 Common shares issued and outstanding (2024 – 42,256,500).

During fiscal 2025 the Company granted 563,000 options to purchase common shares (2024 – 302,000) to employees and directors and recorded an expense and contributed surplus of \$187,244 (2024 - \$267,317).

During fiscal 2025, no options were exercised and no shares were issued (2024 – 70,100 options were exercised, and 70,100 shares were issued).

### Directors and Officers Compensation

During the year ended November 30, 2025, C-COM's officers and directors received the following compensation:

		<b>Salary &amp; Bonus</b>	<b>Board of Director Fees</b>	<b>Contractor Fees</b>	<b>Stock Options Granted (#)</b>
Leslie Klein	President, C.E.O. and Director	\$ 468,857	\$ 36,000	Nil	Nil
Art Slaughter	Chief Financial Officer	Nil	Nil	\$ 32,438	40,000
Bilal Awada	Chief Technology Officer	\$ 263,500	Nil	Nil	160,000
Shane McLean	Corporate Secretary	Nil	Nil	Nil	Nil
Eli Fathi	Director	Nil	\$ 36,000	Nil	Nil
Ronald Leslie	Director	Nil	\$ 36,000	Nil	Nil
Arunas Sleky	Director	Nil	\$ 36,000	Nil	Nil

For further information about our management compensation practices and policies please refer to the management information circular for our most recent annual meeting of shareholders which is available at [www.sedar.com](http://www.sedar.com).

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Outlook

Revenue for 2025 was \$5.8 million, reflecting the continued transition taking place across the global satellite communications industry. While sales of the Company's legacy products have been affected by rapid changes in the satellite marketplace, including the expansion of low Earth orbit (LEO) networks and broader economic uncertainty related to global trade conditions, these developments are also creating significant long-term opportunities for next-generation satellite technologies.

C-COM remains well positioned to navigate this evolving market environment. The Company maintains a strong balance sheet that provides the liquidity required to manage short-term market fluctuations while continuing to invest in strategic research and development initiatives. Encouragingly, sales-related inquiries—particularly from the military sector—have increased, and the Company's inventory levels enable rapid fulfillment of committed orders.

Gross margin improved to 49% in 2025, compared with 47% in 2024, reflecting continued focus on operational efficiency and cost management. Profitability was further supported by a \$0.9 million reduction in total expenses during the year.

The commercialization of C-COM's new flat panel multi-orbit antenna remains the Company's highest strategic priority. C-COM has been developing this advanced Ka-band flat panel antenna based on phased array technology for use in next-generation electronically steered antenna (ESA) systems.

This breakthrough Ka-band antenna is designed to enable high-throughput communications-on-the-move applications across both existing and next-generation multi-orbit satellite constellations. C-COM will be offering three different ESA antenna sizes to serve the LEO, MEO and GEO markets. This multi-orbit capability will allow customers to operate seamlessly across both existing Ka-band GEO satellites and the rapidly expanding LEO and MEO constellations.

These next-generation antenna systems are expected to open significant new market opportunities for C-COM across a broad range of applications, including aeronautical, maritime, land mobility, and military communications.

In August 2025, C-COM announced that it had been granted its twelfth U.S. patent related to this innovative antenna technology, further strengthening the Company's intellectual property portfolio.

During 2025, the Company successfully completed key antenna testing activities and initiated manufacturing of the initial batch of ESA units. These antennas will be made available to selected customers for evaluation and field testing beginning in the second quarter of 2026.

### **ESA Development Roadmap – 2026**

The Company expects to achieve several important milestones during 2026:

- Ka-band testing on live satellites across LEO, MEO, and GEO orbits
- Approval of ESA models by selected satellite operators
- Initiation of volume manufacturing in the fourth quarter of 2026

The official product launch of the ESA is targeted for the beginning of the fourth quarter of 2026, with the solicitation of customer orders and initial product deliveries expected to begin in early 2027.

A complementary R&D initiative supporting the ESA program is C-COM's Ka-band 8-channel Beamformer Integrated Circuit (BFIC). This advanced integrated circuit is expected to reduce the cost of ESA antennas while enhancing overall performance and efficiency.

In addition to supporting C-COM's own ESA products, the BFIC will also be offered as a stand-alone component to manufacturers developing satellite communication systems requiring Ka-band beamforming capability. This initiative is expected to open additional market opportunities for the Company. The analog beamforming market is currently estimated at approximately US\$2.2 billion and is projected to grow to US\$4.9 billion by 2031.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### BFIC Development Progress – 2025

During 2025, the Company achieved several important development milestones:

- Received the first prototype batch of integrated circuits from its contracted semiconductor foundry
- Initiated evaluation board testing of the ICs
- Completed characterization testing for the production version of the BFIC
- Secured \$0.5 million in ISED R&D funding to support further development of the BFIC for satellite IoT and ESA terminal applications

### BFIC Development Roadmap – 2026

Key development milestones expected in 2026 include:

- Manufacturing run of market-ready BFICs by the semiconductor foundry – Summer 2026
- Solicitation of BFIC sales orders and integration of these chips into C-COM's ESA models by the third quarter of 2026
- Start installation of the C-COM manufactured BFIC's onto the next production of ESA antennas.

Management believes that the successful commercialization of both the ESA antenna platform and the BFIC technology will position C-COM to capitalize on the rapid growth taking place in the satellite communications industry. These new technologies are expected to create meaningful new revenue opportunities and support the Company's long-term growth as demand for high-performance satellite connectivity continues to expand worldwide.

C-COM is going to encounter significant competition on its development path. Ease of use, worldwide distribution, effective customer support, attractive pricing, and mass production capabilities coupled with high reliability are mandatory product goals to be the market leader. To date, C-COM has maintained a strong technological and historical advantage over its COTP competition, as well as a price and design advantage over other established participants in this marketplace. The Company, over its 27 years of operation, has carved out a significant worldwide market presence for its niche products.

If C-COM can maintain price, availability and technology leadership, the Company is confident that it holds a distinct advantage over others presently in this market segment or considering entering it. This is due to the many years of software development, refined hardware design, advanced product development and an impressive global base of loyal customers with over 10,000 antenna systems deployed in over 100 countries and supported by a worldwide reseller network of 600+ dedicated resellers and systems integrators. In addition, C-COM has a compelling reputation for delivering highly reliable, cost effective and well supported products to the mobile VSAT customer base in time frames that are unmatched in the industry.

The foregoing outlook constitutes forward-looking information. Please refer to the information under the heading "Forward Looking Information" on this first page of this MD&A.

Statements about C-COM's expectations for future results, its intention to bring several ESA systems and BFIC's to market in late 2026 and the expectation that investment in R&D will generate returns to the company all contain forward-looking information. Several factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. Product development and launch may be postponed, delayed or, in the worst case, cancelled for many reasons outside C-COM's control, anticipated benefits of the new technology may not be realized, new products and services may not be released or, if released may not gain market acceptance and factors outside of C-COM's control may cause it to focus of its efforts and investments differently than described above. Any of those events and others could influence future performance and C-COM Satellite Systems Inc.'s ability to achieve the results mentioned above.

## Board of Directors:

Arunas Slekyš\*

Eli Fathi\*

Dr. Leslie Klein, CEO

Ronald Leslie\*

*\* Members of Compensation  
Committee and Audit Committee*

## Executives and Officers:

Dr. Leslie Klein  
Chief Executive Officer

Bilal Awada  
Chief Technology Officer

Art Slaughter  
Chief Financial Officer

## Stock Exchange Listings:

TSXV: CMI

OTC QB: CYSNF

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Ottawa, Ontario, Canada

## Transfer Agent:

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100 University Ave., 8th Floor

Toronto, Ont., Canada, M5J 2Y1

## Corporate Secretary:

Shane McLean, Managing Partner

LaBarge Weinstein LLP

Ottawa, Ont., Canada

## Legal Counsel:

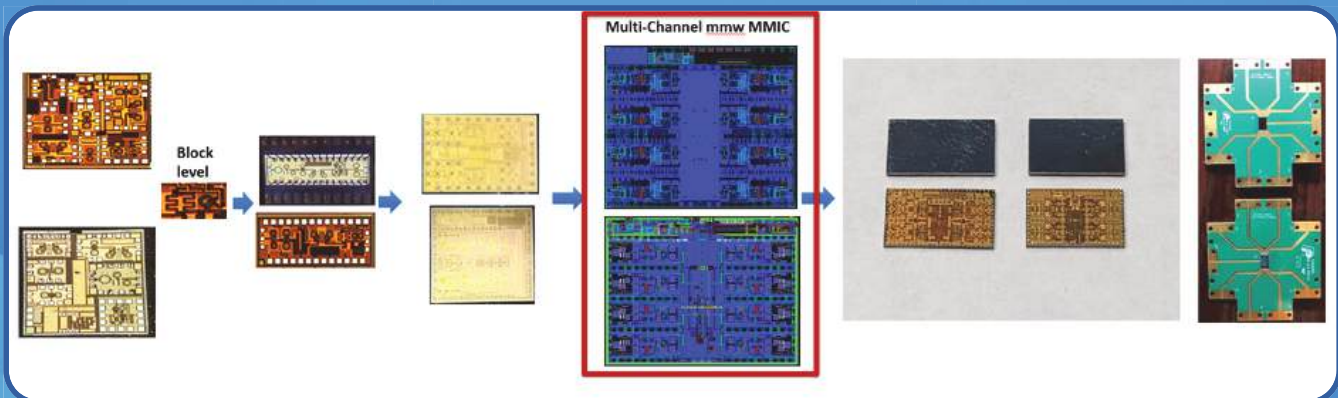
LaBarge Weinstein LLP

515 Legget Drive, Suite 800

Ottawa, Ont., K2K 3G4

# *8-Channel Analog Beamformer Integrated circuit (BFIC)*

Our R&D team continues to work on our 8-Channel Analog Beamformer Integrated circuit (BFIC). The design of this BFIC has been completed and work is ongoing with the foundry to have the initial batch of these ICs manufactured. These BFIC's will be an essential component for all our ESA antennas and will also be made available for sale on a stand-alone basis. We expect to generate additional revenues and enter new markets with this strategic development.



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