



MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”) FOR THE NINE MONTHS ENDED MARCH 31, 2025

The following discussion and analysis is intended to provide additional information with regard to the operations, business environment and factors that may affect the business and financial results of Total Telcom Inc. (“Total” or the “Company”).

The discussion and analysis as provided by Management should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the quarter ended March 31, 2025 and the audited consolidated financial statements, related notes and MD&A for the year ended June 30, 2024.

The unaudited condensed interim consolidated financial statements for the quarter ended March 31, 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in Canadian dollars.

The unaudited interim consolidated financial statements for the quarter ended March 31, 2025 have not been reviewed by the Company’s auditors, Fernandez Young LLP.

This document contains forward-looking statements that are subject to future events. Management formulates estimates and assumptions based on the expectations of future outcomes. However, actual results may differ materially from those expectations and estimates due to inherent uncertainty and general nature of the business.

This Management Discussion and Analysis is presented with information available up to and including May 26, 2025.

TOTAL TELCOM – OVERVIEW

Total Telcom Inc. is a reporting issuer in Alberta, British Columbia, and Ontario. The shares of the Company trade on the TSX Venture Exchange (symbol **TTZ**).

Total Telcom, through its wholly owned subsidiary ROM Communications Inc. (ROM) is a leading developer and provider of remote asset monitoring, tracking, control, and communication products and services.

TOTAL TELCOM – OVERVIEW (continued)

Total Telcom has a client first history and is known throughout the industry for its innovative advanced technology solutions. The Company is uniquely positioned to deliver solutions that enable its customers and clients to cost-effectively oversee, remotely monitor, track, control and communicate with their fixed and mobile assets.

These modules are wireless modems that utilize microcomputers integrated with sensors, GPS engines, WiFi, RFID and various inputs and outputs. User interface requires NO special APPs or equipment as configuration is facilitated through a wireless WiFi connection to any smartphone, tablet, laptop, or datalogging firmware by the user through the Internet. ROM is an authorized airtime reseller and hardware developer for satellite, cellular and wireless IP Networks.

Total Telcom offers its customers a suite of products and solutions that are based on proprietary hardware and software. The Company's business model allows it to generate multiple revenue streams through the sale of both hardware (products) and recurring monthly service fees (monitoring, tracking, control, and data management).

Total Telcom's suite of products and services is comprised of the following:

Water-TraX

- This self-contained certified satellite device is a major leap forward in remote satellite water monitoring based on its low price, versatility, size and features. Introduced in December 2022, Water-TraX is being recognized as a game changer with sensor manufacturers, Industry and the Military.

www.water-trax.com

ROM Controllers

- ROM's controllers are based on the Eberspacher line of heaters used in trucking, forestry, industrial, construction and RV markets. ROM has the industry recognition of being proficient integrating this premier line of heaters and its proprietary technology to various applications.

SATrv

- Industry's only satellite-based telematics system for the recreational vehicle marketplace. Using the latest technologies to provide a cost-effective practical approach to extend your peace of mind beyond cell coverage and paved roads.

www.satrv.com

TOTAL TELCOM – OVERVIEW (continued)

RacingTraX

- A purpose-built off-road racing device and management system used to monitor racer compliance, virtual mapping, leaderboard, hazard avoidance & communication.

DataTraX

- Developed for applications requiring larger data payloads up to one megabyte, DataTraX is used extensively in forestry applications managing resources and inventory.

ROMTraX

- A certified core product, this 2nd generation satellite device is approved by the DFO for VMS compliance in commercial fishing, various tracking and asset management applications.

TextAnywhere

- Originally developed as a stand-alone satellite messaging device with Global coverage, the TextAnywhere application is now incorporated into many of the Corporation's devices as a standard feature.

www.textany.com

StormWatch

- A core product, StormWatch is a Global satellite RTU featuring various analog/digital/pulse and serial interfaces and ultra-low power consumption. Typically used in environmental applications for water, air & soil monitoring plus remote weather stations.

AlarmTraX

- A self-contained 2nd generation device developed to cost effectively monitor applications for power or state changes. Used to monitor private and commercial power generators, solar power installations, water levels in production and agriculture.

CamTraX

- A self-contained satellite camera used to take and send pictures, record video to monitor changes in remote locations from erosion, flooding, spills and leaks.

TOTAL TELCOM – OVERVIEW (continued)

SiteTraX

- A self-contained remote location management system using electrophoretic displays and RFID technologies to manage remote site access, security and a communication link for emergencies.

INDUSTRY

The Satellite Communication Market is projected to grow from USD \$282 million in 2023 to USD \$1.13 billion by 2028, growing at a CAGR of 32.1% from 2023 to 2028.¹ Total Telcom is uniquely positioned to deliver solutions that enable its customers and clients to cost-effectively oversee, remotely monitor, track, control and communicate with their fixed and mobile assets from a secured Internet Web portal.

With about 85% of the planet lacking conventional cellular connectivity, the need for solutions that enable online connectivity using satellite technology has expanded.² Decreasing manufacturing and deployment costs for satellite networks, combined with recent technological innovations have also enabled usage fees for satellite data transmission to decrease at a rapid rate.³ These lower operating and connectivity costs for customers will continue to create new opportunities within the Satellite Communications Market, while allow industries to tap new markets that were previously unavailable.

These positive growth trends will be aided by rising global demand for online connectivity, which has led to a record number of satellites currently being deployed into orbit. By the end of 2022, a total of 7,316 active satellites circled the earth, an increase of approximately 51 percent over 2021 and 321 percent over the past five years.⁴ It is estimated that the trend will continue with over 2,500 satellites to be launched on average every year – or 7 satellites a day totaling 24,500 satellites over 2022-2031.⁵

¹ https://www.marketsandmarkets.com/Market-Reports/optical-satellite-communication-market-181507372.html?utm_source=Globenews&utm_medium=referral&utm_campaign=paidpr

² <https://investor.iridium.com/annual-reports>

³ <https://spaceref.com/space-commerce/capacity-pricing-continues-to-decrease-in-line-with-the-expansion-of-hts-supply-and-services/>

⁴ <https://www.globenewswire.com/news-release/2023/06/20/2691019/0/en/Record-Setting-Growth-Highlights-Commercial-Satellite-Industry-as-it-Continues-to-Dominate-Expanding-Global-Space-Business-SIA-Releases-26th-Annual-State-of-the-Satellite-Industry-.html>

⁵ <https://www.euroconsult-ec.com/press-release/satellite-demand-to-quadruple-over-the-next-decade/>

OUR BUSINESS AND GROWTH STRATEGY

Total Telcom's business model is focused on generating multiple revenue streams through the sale of both hardware products and recurring, subscription-based data communication fees. Leveraging the company's strong technical position and industry know-how, Total Telcom's growth strategy is focused on bypassing direct sales to end customers, and instead aims to position its core technology products and solutions with manufacturers and distributors. Partnering with manufacturers and distributors is the most efficient approach for market penetration, allowing Total Telcom to keep a lean cost structure by outsourcing hardware manufacturing to a third-party organization, and employing a small team of technical and professional staff to lead research and development, manufacturing and distributor partnerships, and general business operational needs.

This entails forging strategic partnerships with manufacturers, to seamlessly integrate and white-label Total Telcom's products into their clients' product offering with client specific branding. For example, Total Telcom's Water-TraX solution can be sold independently, or integrated with any manufacturer's hardware and white-labeled as a superior solution, with Total Telcom then receiving revenues from the sale of the hardware and from the ongoing monthly data communications fees.

In cases where manufacturers might not be immediately receptive to Total Telcom's offerings, a key element of this strategy involves direct engagement with distributors. Through this approach, Total Telcom can create substantial demand at the distributor level, thereby exerting influence and pressure on manufacturers to align with the Company's product portfolio. This agile and multi-pronged strategy enables Total Telcom to optimize their market reach and drive growth. Total Telcom is focused on expanding its target markets through continued innovation and development of new products and solutions. The Company now has a total of 11 commercialized products and solutions, each of which has different applications and use-cases for a specific customer problem or market need.

Forward Looking Statements

Any statements in this document that may be considered forward-looking are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated.

FINANCIAL HIGHLIGHTS

The following sections provide Management's review of operations for the quarter ended March 31, 2025. Balance sheet comparisons are made to the year ended June 30, 2024 while income statement and cash flow comparisons are made to the quarter ended March 31, 2024. Additional information about Total Telcom Inc. can be found on SEDAR at www.sedar.com.

OVERALL PERFORMANCE

The following table sets forth the Company's selected consolidated financial data. This information has been derived from the Company's unaudited interim consolidated financial statements and should be read in conjunction with, and is qualified entirely by, the more detailed information in the unaudited interim consolidated financial statements.

	Three months ending March 31		Nine months ending March 31	
	2025	2024	2025	2024
Consolidated figures				
Sales	\$ 660,955	\$ 519,612	\$ 1,588,774	\$ 1,481,536
Income From Operations	\$ 106,114	\$ 60,616	\$ 120,350	\$ 117,451
Finance Income and Foreign Exchange Gains	\$ 869	\$ 65,429	\$ 124,835	\$ 125,885
Net Income	\$ 77,983	\$ 92,045	\$ 179,185	\$ 177,336
Earnings Per Share, basic and diluted	\$ 0.003	\$ 0.004	\$ 0.007	\$ 0.007
Shares outstanding at end of period	26,423,015	26,423,015	26,423,015	26,384,126
Cash from (used in) Operating activities	\$ 100,329	\$ 375,778	\$ 414,637	\$ 637,902
Cash from (used in) Financing activities	\$ (17,863)	\$ (22,357)	\$ (52,979)	\$ (53,836)
Cash from (used in) Investing activities	\$ (66,804)	\$ (482,328)	\$ (274,638)	\$ (1,589,711)
Foreign exchange difference on cash	\$ (24,181)	\$ 37,436	\$ 41,039	\$ 44,584
Net Cash Inflow (Outflow)	\$ (8,519)	\$ (91,471)	\$ 128,059	\$ (961,061)

	March 31, 2025	June 30, 2024
Consolidated figures		
Cash and short term deposits	\$ 3,002,589	\$ 2,791,114
Working capital	\$ 3,312,467	\$ 3,033,248
Product development intangible asset	\$ 1,463,768	\$ 1,435,741
Deferred income tax asset	\$ 156,000	\$ 222,000
Race Management Equipment	\$ 70,875	\$ 89,100
Right of use assets	\$ 338,187	\$ 400,052
Total Assets	\$ 5,638,840	\$ 5,529,492
Total Liabilities	\$ 539,624	\$ 638,061

The Company's net income for the first three quarters of 2025 has remained consistent with the previous year. Sales increased in the third quarter primarily because of increased race management services provided in 2025. This increase in sales brought the Company's year to date income from operations back in line with the previous year. However, the third quarter saw a weakening of the US dollar. As a result, in the third quarter the Company lost some of the foreign exchange gains reported in the first two quarters of fiscal 2025 resulting in on a slight increase in the year to date net income.

The Company's working capital increased by \$279,219 in the first three quarters of fiscal 2025. This primarily because of the Company's positive operating cash flow and interest and foreign exchange gains realized on the Company's cash reserves. The Company continues to invest in future product developments where specific customer applications have been identified. Year to date the Company has invested \$191,222 in product development activities while still increasing its cash and short term deposits by \$211,475.

RESULTS OF OPERATIONS

	Three months ending March 31		Nine months ending March 31	
	2025	2024	2025	2024
Consolidated Operating Results				
Sales	\$ 660,955	\$ 519,612	\$ 1,588,774	\$ 1,481,536
Gross Profit	\$ 388,541	\$ 306,222	\$ 935,207	\$ 891,447
General & Administrative Expenses	\$ 198,007	\$ 178,917	\$ 540,601	\$ 526,134
Share based compensation	\$ -	\$ -	\$ 28,600	\$ 55,470
Depreciation of Right of Use Assets and Equipment	\$ 21,105	\$ 18,643	\$ 63,314	\$ 55,926
Interest on Lease Liabilities	\$ 6,015	\$ 843	\$ 19,147	\$ 3,530
Amortization of Product Development Costs	\$ 57,300	\$ 47,203	\$ 163,195	\$ 132,936
Finance Income and Foreign Exchange Gains	\$ 869	\$ 65,429	\$ 124,835	\$ 125,885

- i.) **Sales increased by approximately \$141,000 (27%) compared to the third quarter of fiscal 2024 resulting in an increase year to date sales of approximately \$107,000 (7%) compared to prior year.** This increase can primarily be attributed to increase revenue from race management services as the Company has expanded the number of races being monitored this year. In the third quarter, the Company also started to see growth in hardware sales relating to the new WaterTrax initiatives and began to see some recovery of controller sales in the RV industry. The Company also continues to see increases in the recurring communication revenue as the install base continues to grow.
- ii.) The Company's **Gross Profit** as a percentage of sale has remained fairly consistent compared to 2024 with an overall decrease of about 2% in gross profit year to date primarily because of changes in the sales mix over the past year.
- iii.) **General and administrative expenses for the year have remained fairly consistent with 2024 showing an increase of approximately \$15,000 (3%) year to date.** This increase is primarily a result of inflationary increases in wages and overhead costs along with the Company incurring additional marketing costs as it continues to implement its plan to establish key industry partnerships. Management continue to try to match overhead costs with revenue levels while still moving forward to implement its marketing strategy. This is becoming more challenging as costs continue to increase. Management anticipates overhead costs will continue to increase over the next year.
- iv.) The Company did not issue any stock options in the third quarter, but did issue 200,000 stock options in the second quarter resulting in \$28,600 of non-cash **share-based compensation** year to date. A reduction of \$26,870 compared to the share-based compensation from stock options issued in fiscal 2024.
- v.) **Depreciation of the right of use assets and equipment** increased by approximately \$7,000 compared to fiscal 2024 year to date figures and **interest on the lease liabilities** also increased by approximately \$15,000 as the Company entered into a new office lease in May 2024.

RESULTS OF OPERATIONS (CONTINUED)

- vi.) **Amortization of product development costs** increased by about \$30,000 year to date as more new products reach the commercial deployment stage and amortization commences.
- vii.) The Company has earned **interest income totaling approximately \$84,000** year to date. A slight increase of about \$3,000 compared to the previous year. Interest rates have started to decline, but the Company has been able to add additional funds to its term deposit investments to offset the impact of this decrease. In addition, the Company has realized **Foreign exchange gains** of approximately \$41,000 year to date as the US dollar has strengthened compared to the Canadian since June 2024. Approximately \$24,000 of the exchange gains recognized in the first two quarters were lost in the third quarter due to a weakening of the US dollar, but overall the Company has still realized exchange gains during the year. Management also took steps in the second quarter to reduce the Company's exposure to US dollar fluctuations by converting a portion of its US dollar cash reserves into Canadian dollars.

SUMMARY OF QUARTERLY RESULTS

Consolidated Figures	Fiscal 2025			Fiscal 2024				Fiscal 2023
(\$ Except as Noted)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales	660,955	444,063	483,756	489,415	519,612	619,578	342,346	714,367
Net Income (Loss)	77,983	37,904	63,298	114,195	92,045	101,553	(16,262)	252,068
Earnings (Loss) per Share	0.004	0.001	0.002	0.004	0.004	0.004	(0.001)	0.009

The quarterly results show that the Company is exposed to fluctuations in both revenues and profitability depending on the level of customer commercial acceptance of the new products that are being rolled out. The results also show the seasonal fluctuations that can occur depending on the timing of off road race management services provided and timing of heater & RV HVAC controller sales. In addition, the results show how the Company is exposed to exchange rate fluctuations between the US and Canadian dollars.

Race management services are currently subject to seasonal fluctuations as these services are primarily provided to the off road racing industry that does not run during the summer months. There are no contracts in place to guarantee the race management revenues will be recurring and management is working on expanding this service to other industries to reduce the seasonality of this business segment.

The quarterly results show that the Company has essentially reached the break-even point from its recurring business and barring any unforeseen circumstances, should continue to see increased profitability from growth in hardware sales as new products are rolled out for full commercialization.

LIQUIDITY AND CAPITAL RESOURCES

	March 31,	June 30,
	2025	2024
Consolidated figures		
Cash and short term deposits	\$ 3,002,589	\$ 2,791,114
Current Assets	\$ 3,606,629	\$ 3,377,769
Current Liabilities	\$ 294,162	\$ 344,521
Working Capital	\$ 3,312,467	\$ 3,033,248

Year to date, the Company has generated \$414,000 positive cash flow from operations and foreign exchange gains have added \$41,000 of cash inflows. The Company continues to invest in new product developments totaling \$191,000 fiscal year to date. The Company also made lease liability payments of \$53,000 up to the end of the third quarter. This has resulted in the Company generating positive cash flows of \$211,000 year to date resulting in an increase in cash and short term deposits and its working capital.

Short-term obligations relate primarily to accounts payable and accrued liabilities along with the current portion of the lease obligations. The Company's only long term obligation is the \$245,462 long term portion of the lease liabilities for occupied office space. Terms of the lease liabilities are disclosed in note 8 to the March 31, 2025 consolidated interim financial statements.

The Company's primary cash requirements are for the continued implementation of its marketing strategy to bring its new products to full commercialization. The Company will continue to invest resources in the development of new product and services for specific applications identified for potential new customers. In addition, the Company could have short term cash requirements in order to purchase inventory should larger sales opportunities be realized. The Company has sufficient cash resources to fund these initiatives and does not anticipate any immediate financing requirements.

SECURITIES ISSUED AND OPTIONS GRANTED

There are presently 26,423,015 common shares issued and outstanding as of May 26, 2025. No shares were issued during the third quarter.

There are presently 1,165,000 stock options outstanding and exercisable as of May 26, 2025. No stock options were issued during the third quarter, but 25,000 stock options were forfeited in the third quarter.

COMMITMENTS, GUARANTEES AND INDEMNIFICATIONS

The Company is not obligated under any guarantees, but has provided certain indemnifications as described in note 15 to the consolidated financial statements for the year ended June 30, 2024.

TRANSACTIONS WITH RELATED PARTIES

General and administrative expenses for the quarter include \$10,500 (\$25,500 for the nine months ended March 31, 2025) in management fees payable to a Company controlled by a director and \$3,750 (\$11,250 for the nine months ended March 31, 2025) in director fees expense. These transactions occurred in the normal course of business and are recorded at fair value. See note 10 to the condensed interim consolidated financial statements for details regarding key management personnel compensation.

CHANGES IN ACCOUNTING POLICIES

The condensed interim consolidated financial statements have been prepared using IFRS as described in note 3 to the consolidated financial statements for the year ended June 30, 2024.

Accounting policy developments and their potential impact on the Company in the future are described in note 4 to the consolidated financial statements for the year ended June 30, 2024. There were no changes in the accounting policies adopted for the third quarter.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Management has classified and measured the Company's financial instruments as described in note 21 to the consolidated financial statements for the year ended June 30, 2024.

The Company is exposed to concentration of credit risk with respect to its cash, term deposits and accounts receivable. Management monitors this risk on an ongoing basis through review of specific accounts and cash management.

The Company is exposed to currency risk resulting from fluctuations in foreign exchange rate changes between the Canadian and United States dollars as a significant portion of the Company's operations and cash resources are denominated in United States dollars.

OUTLOOK AND FUTURE RISKS

Starting in 2021 and continuing in 2022, the Company saw a decline in some of its traditional environmental monitoring equipment as a manufacturer has tried to develop their own fully integrated product not requiring our communication equipment. As a result, management began working on new product developments in the environmental monitoring market with the ability to integrate with a wide variety of manufacturers' products and completed development of WaterTrax in December 2021. The Company officially launched WaterTrax for full commercial distribution at the National Groundwater Association trade show in December 2022. Feedback from this launch was extremely positive and management has been working with manufacturers and establishing industry partnerships with distributors. The Company went back to the trade show in December 2024 with some of its industry partners and continues to see growing market acceptance to the WaterTrax solutions offered by the Company. Although sales from these relationships have been slower than hoped for, management expects WaterTrax sales will continue to grow as the Company continues to implement its marketing plan for full scale distribution of the product and get it integrated within distributors supply chains.

OUTLOOK AND FUTURE RISKS (CONTINUED)

The expertise developed around large data package transmission from DataTraX has allowed the Company to develop a remote satellite camera (CamTraX) application. There has been significant interest from government agencies for the use of this product in remote environmental monitoring applications. The initial power consumption issues identified have now been addressed and two initial units have been deployed in environmental monitoring applications in conjunction with WaterTraX units. Management is now able to deploy the final commercial version of this product as an add-on to its WaterTraX environmental and water monitoring initiatives.

The Company returned to the National Groundwater Association trade show in December 2024. The WaterTraX products were extremely well received as the industry is becoming more aware of the environmental monitoring solutions offered by the Company. The Company is exploring opportunities for global distribution of the WaterTraX products from connections with industry partners identified at this show.

Over the past year, the Company saw continued growth in market acceptance of the DataTraX product with significant hardware sales to new customers occurring in the forestry industry in 2022. The hardware sales have declined somewhat from 2023 to 2025 as lumber prices declined, but the Company is seeing increased communication revenues as the customers get more units installed and activated. Management expects this revenue stream will remain consistent over the next year with the ability to grow when lumber market conditions improve. The value of the product has been proven to customers resulting in demand for the DataTraX product when lumber production increases.

The Company completed product development initiatives around the heater controllers in 2020, which resulted in increased sales in the recreational vehicle industry. As manufacturers within the RV industry experienced supply chain issues reducing their production ability, the Company had lower controller sales than anticipated for 2022. However, these supply chain issues started to be resolved and demand for the heater controllers started to increase towards the end of fiscal 2022. This increased demand continued into 2023 as RV manufacturers experienced a post Covid demand within the industry. This resulted in increased demand for the Company's heater controllers. In addition, the Company completed development of a new controller that is fully integrated with all of the HVAC components of recreational vehicles by the end of November 2022. Revenues related to the heater and RV HVAC integrated controllers increased to over \$780,000 by the end of fiscal 2023. However, the Company experienced a decline in Controller sales in fiscal 2024 as the RV industry experienced lower demand because of increased interest rate and post covid market adjustments. Fiscal 2024 saw \$430,000 in RV product sales which is a 45% decrease compared to fiscal 2023. The decline in sales appears to have stabilized, but there is now significant uncertainty in how this market is going to be impacted by the threatened tariffs the US government is planning to impose on imported steel and other products. This uncertainty has slowed demand for our controllers as the RV manufacturers wait to see what if any impact these tariffs may have on their business. For the first three quarters of fiscal 2025, the Company had \$271,000 in heater and RV controller product sales.

OUTLOOK AND FUTURE RISKS (CONTINUED)

In April 2025, the Company entered into a strategic agreement to sell the intellectual property relating to the heater controller product for \$70,000 US dollars plus a royalty of \$25 US dollars for each heater controller manufactured over the next 15 years. Management expects this alliance will result in significant recurring royalty revenue as the purchaser has significant customer relationships and distribution channels already established and is hiring additional personnel to expand their marketing efforts relating to heater controller opportunities.

The Company completed the development of AlarmTraX in fiscal 2021. This product is a satellite based application that will replace the soon to be obsolete cellular Alarm Point product. Initial customer reaction to this product has been positive and management expects to see sales of AlarmTraX continue to grow as customers convert over to the new technology and the 3G cellular network is phased out.

The Company has maintained its race management revenue stream with revenues increasing by approximately \$87,000 in 2024. This increasing trend continued in the first three quarters of fiscal 2025 with the Company seeing an increase in race management fees of \$100,000 as the Company continues to see more demand for their race management services. In March 2024, the Company completed development of a new All In One racing unit and produced the first 200 units to add to the race management fleet. These units provide improved functionality and simplify the installation process for racers. Management has seen the added features of this product help the continued growth in race management revenue as the Company has recovered previously lost races and opened up markets to smaller racing series that have never had this type of race management service offered in the past.

Management expects to continue to open new markets, as the Company is able to develop customer specific applications that tie into the platform of the Company's core products. The challenge the Company faces is to effectively market these products. The Company will invest significant resources in continued customer specific product developments and implementing its marketing strategy. Management anticipates it will continue to invest in Product development consistent with current levels after reallocating a portion of their resources towards sales and customer service applications in the past year. Management believes it has the resources necessary to complete the full commercial deployment of its new product initiatives.

A significant number of customer sales and supplier purchases are denominated in US Dollars and the Company holds about 37% of its cash and short term deposits in US dollars. Therefore, the Company is exposed to risks associated with fluctuations between the Canadian and US dollar.

OUTLOOK AND FUTURE RISKS (CONTINUED)

As the Company does a significant amount of business with customers in the United States, it will be impacted by tariffs being threatened to be imposed on all goods imported into the United States. This will have the impact of increasing the cost of our products to US customers. In addition, the tariffs will affect other aspects of our US customers businesses, which could affect their overall demand for our products. Management is working with its US based customers to assess the potential impact these tariffs may have on the Company. In addition, management has begun to develop strategic alliances to increase distribution of our products within Canada and to work on global distribution opportunities (including opportunities in South America, Europe and Australia) to reduce the Company's reliance on the United States market.

Future risk factors include management's ability to successfully market the products that have been developed, successfully integrate customer applications to the Company's platform, attract and retain qualified personnel, maintain cost control and the potential for increased competition by companies that may have significantly greater financial resources and/or infrastructure. Furthermore, the company is entirely dependent upon third party satellite and cellular service providers to convey data from the field application to ROM's operation center for further processing and distribution to its clients.