



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.

Welch LLP[®]

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Statements of Financial Position

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

	Notes	2025	2024
ASSETS			
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
Total current assets		24,637,885	24,973,609
Equipment	10	81,338	107,013
Right of use asset	13	1,161,037	1,477,683
Total non-current assets		1,242,375	1,584,696
TOTAL ASSETS		\$ 25,880,260	\$ 26,558,306
LIABILITIES & SHAREHOLDERS EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	12	\$ 679,973	\$ 928,492
Lease obligations	13	298,561	275,547
Total current liabilities		978,534	1,204,039
NON-CURRENT LIABILITIES			
Deferred revenue	14	151,095	93,603
Deferred tax liability	15	492,756	483,922
Lease obligations	13	921,843	1,220,404
Total non-current liabilities		1,565,694	1,797,929
TOTAL LIABILITIES		2,544,228	3,001,970
SHAREHOLDERS EQUITY			
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
TOTAL SHAREHOLDERS EQUITY		23,336,032	23,556,337
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		\$ 25,880,260	\$ 26,558,305

Statements of Changes in Equity

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

	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance December 1, 2024	\$ 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	-	-	-	-
Balance November 30, 2025	<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
Balance December 1, 2023	\$ 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)	-	-
Balance November 30, 2024	<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)

	Notes	2025	2024
REVENUE	21	\$ 5,783,028	\$ 7,886,850
COST OF SALES	8	2,935,159	4,115,367
		2,847,869	3,771,483
EXPENSES			
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
INCOME / (LOSS) BEFORE OTHER INCOME AND INCOME TAX		(938,127)	(931,581)
OTHER INCOME / (EXPENSE)			
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
INCOME / (LOSS) BEFORE INCOME TAX		(496,703)	(107,440)
INCOME TAX EXPENSE / (RECOVERY)	15	(89,153)	104,035
NET (LOSS) / INCOME AND COMPREHENSIVE (LOSS) / INCOME		\$ (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
OPERATING ACTIVITIES		
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
INVESTING ACTIVITY		
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)
FINANCING ACTIVITY		
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)
INCREASE / (DECREASE) IN CASH FLOW	(933,226)	408,080
CASH - beginning of period	5,890,440	5,482,360
CASH - end of period	\$ 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



NOTES TO THE FINANCIAL STATEMENTS
For the years ended November 30, 2025, and 2024
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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.

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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

	Nov. 30, 2025	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:

	Nov. 30, 2025	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

	Nov. 30, 2025	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
Total Cost of Sales	2,935,159	4,115,367

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
Total Inventory	6,021,507	7,161,061	1,139,554

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

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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	-
	26,618	820,407	1,235	(1,100)	739,204	81,338

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
	37,779	820,407	-	-	713,394	107,013

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

	Nov. 30, 2025	Nov. 30, 2024
	\$	\$
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
	26,618	46,739

11. APPLICATION SOFTWARE

Nov. 30, 2025

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

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11. APPLICATION SOFTWARE (CONTINUED)

						Nov. 30, 2024
	Amortization Expense	Opening Cost	Additions	Disposals	Accumulated Amortization	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
Total lease obligation	1,220,404	1,495,951
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
Total undiscounted lease costs	1,401,271

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
	151,095	93,603
Current	-	-
Long-term	151,095	93,603
	151,095	93,603

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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
Income tax expense / (recovery)	(89,153)	104,035

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)
Income tax expense / (recovery)	(89,153)	104,035

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:

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

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15. INCOME TAX (CONTINUED):

	Nov. 30, 2025			
Deferred tax liability -				
	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

	Nov. 30, 2024			
Deferred tax liability -				
	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:

	As of Nov. 30, 2025	As of Nov. 30, 2024
	\$	\$
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
Issued Capital	42,256,500	16,578,862	42,256,500	16,578,862

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).

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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
Weighted average number of common shares – diluted	42,318,873	42,458,315

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.

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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
	1,446,647	1,830,264

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
	5,783,028	7,886,850



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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)
Total Expenses	\$ 3,785,996	\$ 4,703,064	\$ (300,130)

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:



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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>			
		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 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.

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23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

- iii. The Company has a 5-year lease commitment with 718133 Ontario Ltd. which ends July 31st, 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:

	Nov. 30, 2025	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.



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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:

	Nov. 30, 2025	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



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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
	<u>10,860,959</u>	<u>10,050,000</u>

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:

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



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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.