

Maritime Launch Services Inc.

Management Discussion and Analysis (MD&A)

For the Three Months and Year Ended December 31, 2025

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2025.

Reference to the “Company,” “our,” “us” or “we” refer to Maritime Launch Services Inc. (“**MLS**” or “**Maritime Launch Services**”) together with its wholly owned subsidiaries Maritime Launch USA Inc., Maritime Launch Services (Nova Scotia) Ltd. and its wholly owned subsidiary Spaceport Canada Inc. (acquired March 20, 2025)

This Management Discussion and Analysis (“**MD&A**”) should be read in conjunction with the audited consolidated financial statements of the Company for year ended December 31, 2025 (“**2025 Annual Financial Statements**”) and the accompanying notes.

The 2025 Annual Audited Consolidated Financial Statements have been prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board (“IASB”) and IFRIC® Interpretations of the IFRS Interpretations Committee

All dollar amounts are expressed in Canadian Dollars (“**CAD**”), except where otherwise indicated.

The information in this MD&A is current to March 27, 2026, unless otherwise noted.

Forward-Looking Information

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information with respect to the Company’s objectives and strategies to achieve these objectives, as well as information with respect to the Company’s beliefs, plans, expectations, anticipations, estimates, intentions, and views of future events. Discussions containing forward-looking information may be found throughout this MD&A. In some cases, forward-looking information can be identified by words or phrases such as “forecast”, “target”, “goal”, “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict”, or “likely”, or the negative of these terms, or other similar expressions intended to identify forward-looking information. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward looking information. Statements containing forward-looking information are not historical facts. The Company has based the forward-looking information on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy, and financial needs.

Forward-looking statements include, but are not limited to, those relating to:

- expectations for space industry growth which may be impacted by new technology and geopolitics;
- the extent of global demand for small and medium class satellite launch services for satellite constellation deployment, which may be impacted by competition, economic and launch market conditions and new technologies;
- launch timing, which may be impacted by financing and construction schedules;
- number, frequency of launches and class or size of launch vehicles which may be impacted by availability of launch vehicles, launch market conditions, construction and financing;

- expected revenues from the launch site lease model (“**airport model**”) which may be impacted by the launch vehicle customer selected and the services required by the customer, as well as their launch cadence;

Statements containing forward-looking information are based on certain assumptions and analyses made by the Company in light of management’s experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. These assumptions include our ability to maintain and expand the scope of our business; our ability to execute on our growth strategies; assumptions relating to government support and funding levels for space programs and missions; continued and accelerated growth in the global space economy; the impact of competition; our ability to retain key personnel; our ability to obtain and maintain existing financing on acceptable terms; changes and trends in our industry or the global economy; currency exchange and interest rates; and changes in laws, rules, regulations.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect and there can be no assurance that actual results will be consistent with the forward-looking information. Given these risks, uncertainties and assumptions, readers should not place undue reliance on the forward-looking information. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those described in this MD&A and listed under the heading “Risk Factors” and in the Company’s Annual Information Form, which was filed on Sedar on March 30, 2026, such factors should not be considered exhaustive and should be read together with the other cautionary statements in this MD&A.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking information prove incorrect, actual results might vary materially from those anticipated in the forward-looking information.

Company Overview

The Company’s business model is to bring in third party launch vehicle providers as lease and launch clients (one Customer agreement closed in 2025 with another subsequent to year end in 2026), with additional revenue generating ground station development initiatives (one revenue generating client in 2025).

Building and operating a launch facility requires a strategic approach to capital investments and a business model designed to meet the evolving needs of the sector. The facility’s success hinges on carefully planned infrastructure, operational efficiency, competitive leasing options tailored to its clientele, and diversification of the spaceport mission that, at its core, supports orbital launch capability but also accommodates suborbital and hypersonic testing capability, as well as ground station hosting.

Demand for Launch

The market demand for launch facilities has grown significantly in recent years. With the proliferation of small satellite constellations for applications such as Earth Observation, telecommunications, and the internet of things (“IoT”), the need for dedicated and flexible launch solutions has become critical. Companies are seeking reliable, cost-effective, and responsive options to place their payloads into orbit without the delays and limitations often associated with larger launch systems. Furthermore, recent changes in the geopolitical environment in the United States of America, have heightened the demand for domestic launch capabilities in Canada, as businesses and governments seek greater sovereignty,

independence, and security in accessing space. This access to space also enables the Canada-US Defense relations as it pertains to North American defense, security, launch resiliency, and capacity. The Florida Space Coast, as noted in recent publications, is at its launch tempo limits (at or near full capacity) and represents a single point of failure should it become unavailable. This growing demand presents a unique opportunity for Maritime Launch Services to establish itself as a key enabler in the rapidly expanding commercial space sector.

Spaceport Location

The Company launch facility (known as “Spaceport Nova Scotia”) is near Canso, Nova Scotia, located on land leased by the Company from the Province of Nova Scotia. The location is ideal, meeting all the necessary criteria for a launch facility. Coastal areas ensure safe launch trajectories over water, minimizing risks to populated areas while supporting specific orbital requirements such as polar or sun-synchronous orbits. To create a fully functional spaceport, the site is being developed with the infrastructure essential for launch operations, including roads, utilities, and safety measures.

Much of the groundwork necessary to develop the infrastructure vital for launch operations, including roads, utilities, and safety measures—aimed at creating a fully functional spaceport began in September 2022 with a suborbital demonstration launch completed in July 2023 and a further hypersonic launch in November 2025.

The launch pads and associated structures will be at the heart of the facility. These are purpose-built to handle small-lift launch vehicles and are equipped with flame trenches, propellant loading systems, and infrastructure to support vehicle erection, payload integration, and launch. Nearby, integration and payload processing facilities provide secure, climate-controlled environments where customers can prepare and integrate their payloads with the launch vehicles. These facilities are critical for pre-launch activities, including satellite assembly, fueling, and final testing.

To ensure safe and reliable operations, range safety and control systems are installed. These systems include telemetry and tracking capabilities. A mission control and operations center serves as the nerve center for the facility, where trained personnel oversee launch activities, monitor systems, and manage contingencies in real-time.

Launch Diversification

The capacity for suborbital and hypersonic missions is a key benefit of the site. Developing solutions to advance the state of the art in hypersonic and suborbital autonomous platforms requires an environment that allows for extensive testing of these solutions in real-world conditions. This means that any vehicle or technology must have a place where it can be brought, prepared for launch, launched, tracked, safely landed, recovered, and processed to deliver results and data to the developer. Currently, such capability does not exist in Canada, which creates several challenges and roadblocks for prospective developers. Without this capability, developers of hypersonic and suborbital applications are largely restricted to testing their vehicles and technologies in simulated or laboratory environments. To conduct live testing, they would have to arrange with foreign launch and testing providers, necessitating travel outside of Canada for these tests. Such arrangements introduce multiple disadvantages, including security concerns, uncertain schedules, and heavy dependence on the priorities and decision-making circumstances of the foreign provider and their government, along with logistical complexities. All these disadvantages disappear with the existence of domestic testing capabilities.

Site Infrastructure

Propellant storage and distribution systems support all the site’s core functions and ensure the safe handling of rocket fuels and oxidizers. Cryogenic tanks, piping systems, and refueling stations are integral

to the operational infrastructure. Additionally, utilities such as power, water, telecommunications, and access roads are developed to maintain 24/7 readiness for launch preparations and support personnel.

Environmental and compliance systems are implemented to monitor and mitigate any adverse impacts of launch activities, ensuring the facility adheres to regulatory standards. Noise mitigation, waste management, and air quality monitoring systems play a crucial role in maintaining sustainable operations. To keep everything running smoothly, maintenance and logistics equipment, including mobile cranes, transporters, and ground support tools, are present on-site to facilitate rapid turnaround times between launches.

Business Model

The business model for leasing launch pads and other facility structures is designed to attract and serve various customers, ranging from commercial small satellite launch companies to government agencies and research institutions. The leasing structure is aimed at long-term fixed fee leases with additional per-launch services and support. Customized packages are available for customers requiring additional services, such as payload integration or technical support.

The primary source of revenue for the facility will come from the annual leasing of facilities to customers. This steady income stream from the leasing of launch pads is sufficient to ensure profitability of the Spaceport and is further enhanced by additional revenues generated from the provision of related support services, such as payload testing, integration, and post-launch data analysis, as required by launch customers. These services allow customers to tailor their experience while providing the facility with opportunities to enhance its profitability. The facility can also facilitate shared launches, where multiple satellite customers share the same rocket, reducing costs for individual users and creating additional value for the facility.

The facility will implement cost-management strategies to ensure operational efficiency and profitability, such as standardizing procedures and investing in modular, automated systems. Collaborations with regional suppliers for propellants and logistics further lower costs while maintaining high service quality. Customers are also provided with premium services, such as expedited launch windows and co-marketing opportunities, to enhance their experience and generate additional revenue.

Expected Maritime Launch Advantages

The Company recognizes that the facility's competitive advantage lies in its unique geographic location, efficient regulatory processes, innovative business model, and customer-centric services. Coastal sites with favorable weather conditions and access to valuable orbits provide significant benefits to launch customers. By cultivating long-term partnerships with technology providers and government entities, the facility can continuously enhance its offerings and stay at the forefront of the small and medium-lift launch market.

The purposeful development of the launch site also creates opportunities outside the facility. Maritime Launch has already attracted a ground station client to the area, hosted on separate acreage owned by the Company, with additional clients exploring expansion plans for their ground station activities. The anchor tenancy of the spaceport on the 45th parallel and the northeastern tip of North America will continue to draw other businesses to the region.

Looking ahead, the facility is designed with scalability in mind. Current site plans are for four launch pads (one already operational and three more being constructed in 2026 and 2027). Additional launch pads can be developed to support concurrent launches or accommodate different types of launch vehicles. The facility can also expand into ancillary markets, such as accommodating launching larger vehicles, one day enabling space tourism, or supporting R&D initiatives for advanced propulsion systems, including

hypersonics. By combining strategic infrastructure development with a robust and flexible business model, the small-lift launch facility positions itself as a vital enabler in the burgeoning commercial space industry in Canada.

Opportunities within the Global Commercial Space Industry

Since the landing of the last NASA Space Shuttle in 2011, the low earth orbit (“**LEO**”) market demand has been met by the commercial space industry and has experienced average year-over-year growth of approximately 3%. This trend is coupled with the miniaturization of technology moving away from very large geosynchronous orbit (“**GEO**”) satellites to much smaller satellite clusters, alongside the increasing market demand for global broadband and other communication and remote sensing satellites. The global space economy was valued by the analytics and engineering firm NovaSpace (previously known as Euroconsult), and according to their report on the global space economy through 2022, the value reached an all-time high of US\$ 464 billion, a 14.1% increase over the previous year. The launch industry segment of this economy, which MLS sees as the backbone of the industry, was valued at about US\$ 10 billion in 2022. The World Economic Forum published an analysis in April 2024, stating that the global space economy had reached US\$ 630 billion in 2023 and is on pace to reach US\$ 1.8 trillion in activity by 2035.

The entire commercial space industry relies on the combination of spaceports and launch vehicles to achieve its growth. The majority of the sector’s value (83%) is derived from space-based end-user applications, which include telecommunications, Earth observation, and companies using satellite navigation to deliver services to their customers.

There are several key competitive considerations for the launch of these satellites, including cost, schedule, spaceport location related to launch inclination, satellite destination, proximity to satellite manufacturers, government stability, relationship with the United States, nearby multi-modal infrastructure, lift capacity of the launch vehicle, and the physical volume of the payload bay (fairing diameter). The opportunity presented by a commercially operated, North American location with a wide range of launch inclinations, which is phasing in launch capability using multiple launch platforms and ultimately working to bring mature, low technical risk launch vehicle(s) with multi-ton lift capacities and a large diameter fairing, is believed by management to be differentiated within the spaceport industry as it exists today and difficult to replicate elsewhere.

As of the date of this MD&A, management is aware of 40 spaceports globally that have either successfully launched satellites into orbit or are in various stages of development. All but one of these spaceports is owned and operated by a government entity, regardless of whether they call themselves a commercial launch site. The one active truly commercial launch site is located in New Zealand. The Spaceport under construction near Canso, Nova Scotia (the “Launch Complex” or “Spaceport” or “**Spaceport Nova Scotia**”) expected, subject to completion of construction and regulatory processes, to be among a small number of truly commercial launch sites globally and would represent the first such facility in Canada. Management believes it is being developed with competitive features and an increased level of flexibility compared to government-operated spaceports.

Maritime Launch expects that Canada’s current atmosphere of innovative investment, renewed and revised space policy initiatives, and international government agreements and treaties provides a solid foundation for Canada’s space industry to grow. Maritime Launch has engaged the Governments of Canada and Nova Scotia to promote the significant benefits the Spaceport will bring to the region and the country. In response, the Government of Canada has committed to support Maritime Launch by updating Canada’s launch regulations, negotiating a Technology Safeguard Agreement treaty with the US government (the “TSA”), and providing support for numerous financial reimbursement programs.

As previously stated, the Spaceport is uniquely positioned in North America, allowing for various launch inclinations from 45 degrees to 98 degrees, including sun-synchronous orbit (SSO), along with a favorable northern latitude for low Earth orbit (LEO) and medium Earth orbit (MEO) markets. These markets include global broadband and communication satellites, as well as the new space stations being developed in the US. In filings made in 2021, numerous satellite manufacturers submitted requests to the United States Federal Communications Commission, revealing plans for an additional 37,000 satellites across different constellations, all of which could be accommodated at Spaceport Nova Scotia. According to NovaSpace's 2022 report, at least 24,500 satellites are projected to be launched in the next decade, necessitating hundreds of launches annually. At the Satellite Innovation Conference in Mountain View, California, in October 2023, an FCC representative acknowledged an extra 56,000 satellite applications, underscoring the need for more launch sites. The Company plans to expand its offerings, providing launches ranging from 150 kg to 4 tons for SSO and up to 6 tons for LEO, especially as other launch ranges approach capacity. This expansion will begin with one launch pad and based on market demand, could include up to two additional pads within the current site parameters.

The site of the Spaceport is located in a high-tech, university-rich province that serves as the base for the Canadian naval fleet. It is adjacent to a wind farm for electricity, less than one kilometer from a deep seaport, and 50 km from a major super port, along with a transnational rail line and highway network. The launch facility leases will be offered at competitive rates comparable to those of other spaceports providing similar services. There is also a significant satellite manufacturing industry in Canada, and the government is expected to encourage this industry to prioritize Spaceport Nova Scotia's launch lease clients to keep launch spending domestic and reduce logistical costs.

The development of a commercial site in Canada is favourable for launch vehicle clients in the United States and Europe, given the history of strong intergovernmental relationships between the aligned countries, the stability of the Canadian government, ongoing international space-related collaborations (such as with Lunar Gateway¹), and reduced logistical costs. Canada and the United States federal governments announced the completion of a TSA in August 2024, paving the way for US-based launch vehicles and satellites to launch from Spaceport Nova Scotia.

Expected Advantages of MLS in the Market

Maritime Launch Services is entering the market at a critical time when other launch sites in North America are operating at or near capacity. This is also a time when the current geopolitical landscape has stressed the importance for Canada to develop sovereign solutions to space launch. Maritime Launch can provide relief for this congested launch environment. Additionally, many launch vehicle developers lack their own designated sites for launching their clients' constellations into orbit. Maritime Launch Services is working towards hosting multiple launch vehicle companies (one customer per launch pad) that could each conduct eight or more launches per year, capable of carrying numerous satellites on each mission. As other nations outside North America recognize the necessity for domestic launch capabilities, but without the required geography to develop their own spaceport, and with the current geopolitical landscape more and more nations and launch vehicle operators are searching for spaceport locations outside of the United States. Maritime Launch's North American location, a broad range of launch inclinations, ease of access to the site, temperate weather, proximity to the satellite market, and a commercial offering for clients. The backlog at U.S. sites, combined with the advantages of the Nova Scotia site over other locations outside North America, creates a strong anticipated competitive edge for our offerings to the industry.

¹ Canadian Space Agency

Pathfinder Launches to Gain Flight Heritage

The Company's development strategy is a phased approach aimed at achieving full orbital launch capability by the end of 2026, with additional sub-orbital and hypersonic launches already planned for 2026 following the recent successful launch in November 2025. This step-by-step method fosters the development of the land and the Spaceport, allows for collaboration with federal regulators at Transport Canada to adjust the existing regulatory framework to the commercial context, and enables earlier revenue generation through small launchers, including both suborbital and orbital missions.

To date, activities have included the initial design of the Spaceport and the construction of the road system throughout the land leading to and within the Spaceport. The first of four launchpads, included in the current phase of development, has been completed (and successfully deployed). Additional structures to be completed include the payload processing facilities, a launch control center, control of public access to the Spaceport, and regulatory approval for the launch in coordination with Transport Canada and NavCanada (for clearing airspace).

The satellite constellation market dictates a long-term need for a larger launch vehicle. There is already a strong market niche for the foreseeable future for a medium-class launch vehicle to support the tens of thousands of satellites in development across numerous constellations for global broadband and near-earth imaging. As the medium launchers in development reach flight readiness, the Company will be well positioned to offer launch pads for lease to them, in addition to the small launchers that will continue service from the Company's site.

Given the market need, the longer-term focus for the Company and the Spaceport is to eventually support multiple launch companies operating their vehicles several times per year, including a medium-class launcher. Accordingly, alongside the launch of smaller vehicles, construction on the Spaceport will continue to develop the necessary infrastructure to accommodate the launch of medium-class launch vehicles. Capacity for medium-class launch vehicles is a primary goal in the Spaceport's development, as this aligns with the broader growth of launch vehicles in the industry. Management anticipates that the launch of medium-class vehicles from the Spaceport will complement the full offering to industry alongside the small launchers enabled for use at the Spaceport. Medium launch vehicles can deploy large constellations in one launch, with an average launch capacity of five tons to LEO.

Competitive Advantages of the Company and the Spaceport

Management believes that the combination of location, non-government ownership, diverse launch offerings, orbits, schedule flexibility, cost benefits, simplified logistics, and additional demand for launch will make the Spaceport a key asset for the commercial space industry that cannot be replicated at other locations in North America.

Beyond the wide range of launch inclinations offered at the site, the Spaceport is situated in Nova Scotia, a high-tech province rich in universities, which serves as the base for the Canadian naval fleet. It is adjacent to a wind farm for electricity, less than one kilometer from a deep-water seaport, and 50 km from a major super port, as well as a transnational rail line. The launch site leases at the Spaceport are expected to be offered at competitive rates comparable to those of other spaceports providing similar services. Additionally, Canada has a significant satellite manufacturing industry, and local basing is anticipated to encourage this industry to prioritize and co-locate near the Spaceport, thereby keeping launch spending domestic and reducing logistical costs.

Non-government Ownership of the Spaceport

A key differentiator for the Spaceport Nova Scotia launch site is its private ownership. As already noted, almost all launch sites in the world are government-owned and operated. This results in significant differences in launch priority between government missions and commercial satellites. A key advantage is the ability to launch when the commercial client desires and to their preferred orbit, rather than waiting for an available time slot at a government range and being launched into an orbit that may limit the satellite's effectiveness or shorten its lifespan due to the energy required to move to a different orbital plane. Additionally, launching from a government range is further complicated by their proximity to highly congested population centers, their age of multiple decades, and the substantial outdated processes that must be followed. A commercial site, in contrast, is responsive to the launch needs of the launch vehicle client and their satellite customers.

Access to polar/SSO inclinations

The Spaceport location allows the Company to support a large range of inclinations for small LEO satellites, a growing segment of the launch industry, according to the BryceTech Data. These satellites will be primarily destined to the Polar/SSO launch trajectories. The Company will be able to offer access to these trajectories from the Spaceport, whereas the current launch sites in the United States supporting similar inclinations give priority to launches for government programs or cannot achieve these launch inclinations for safety overflight reasons.

Compliance with certain US regulations

The location of the Spaceport will comply with the United States *International Traffic in Arms Regulations* and the terms of the Technology Safeguard Agreement, which may provide a crucial differentiator for certain customer payloads when compared to competitors located outside North America.

Low costs for initial constellation deployment

After testing the initial satellites, constellation launchers generally prefer to launch their clients' batches of satellites in the most cost-effective manner to begin service. Depending on the satellite mass of the constellation operator, larger launchers are better positioned to accommodate new constellation launches and can carry a greater number of satellites per mission at a lower cost per kilogram. For smaller-mass constellation satellites, the launchers are expected to be competitive in cost and capable of deploying a reasonable number of spacecrafts simultaneously, depending on the launch vehicle company's offerings. Additionally, as the satellites reach the end of their short service lives in orbit, the capacity to replace smaller numbers of satellites will be crucial for clients to sustain their aging constellations.

Cost-effective and responsive launch for constellation replenishment

New constellation operators tend to experience a higher incidence of satellite failures due to the use of non-radiation-hardened components in their spacecraft. Constellation operators will need to replenish their failed satellites promptly to maintain the necessary number of satellites per orbital plane for dependable network service. Medium-sized launch vehicle providers, capable of lifting one ton or more, should be well-equipped to replenish small batches of satellites at once. Small satellite launch vehicles, which support only 150-300 kg payload ranges, are not cost-effective for constellation replenishment. The Company's flexible launch inclinations, ranging from 45 to 98 degrees, are well-suited to the needs of many potential satellite clients. For comparison, according to the Federal Aviation Administration's Office of Commercial Space Transportation, the Kennedy Space Center Spaceport 39 offers a range of inclinations from 39 to 57

degrees and cannot accommodate polar or SSO launches because the launch vehicle would have to traverse large population centers. The Spaceport will not need to overfly any population centers to achieve the specified launch inclinations.

Potential for rideshare launches

According to available BryceTech Data, a large proportion of the recent satellites launched in the "NewSpace" sector have been launched using medium-sized launch vehicles with a launch integration partner to assemble the spacecraft missions from various customers and to program their deployment with a chosen launcher. Some small satellite launch vehicles with a launch capacity of less than 300 kg can launch 3-30 microsattellites (weighing 10 to 100 kg each) at once. Medium launch providers can launch more than 50 microsattellites at a time at a better price per kilogram. These satellites are primarily destined for the polar/SSO launch trajectory, which is accessible from the Spaceport site. The only launch sites in the United States supporting similar inclinations are located in California and Alaska and prioritize government programs over commercial launches.

Diversified Launch Offerings - Small Class Vehicles

The focus on the phased approach to launch has generated significant interest from launch vehicle developers across Europe and North America. The Company and the first launch client, Reaction Dynamics Lab Inc. ("**Reaction Dynamics**") finalized an equity investment and facility usage agreement in August 2025. In addition, subsequent to year end, the Company announced the signing of an MOU with Innospace (South Korea) and is in active discussions with multiple launch vehicle companies, the total of which exceeds the number of launch pads being developed in the current phase. Most of these companies have similar facility needs, which allows for the site's development of launch support infrastructure to continue while the best option becomes clear. Payload capacities range from 150 kg to 1,250 kg. Additionally, all the facility support development required for the small class launchers directly applies to all future launch facility needs.

Canadian Domestic Launch Capability

The Government of Canada recognizes the need for domestic rocket launch capability as an important national strategic asset, especially in the current geo-political context and Canada's relationship with the United States.

Given the evolving geopolitical environment, Canada recognizes that it cannot assume guaranteed or uninterrupted access to U.S. space infrastructure under all circumstances. Changes in U.S. trade, national security, export control, and foreign policy frameworks, as well as broader shifts in cross-border relations, may increase the risks associated with reliance on foreign space launch capacity for critical capabilities. In an era where secure and sovereign access to space is fundamental to national security, economic resilience, and technological autonomy, MLS believes Canada should prioritize the development of domestic launch capability. Building and operating launch infrastructure within Canada will also foster economic development throughout Nova Scotia and provide resiliency against policy or regulatory changes outside Canada.

The lack of access to space launch capabilities in the US will have national ramifications for Canada's communications and surveillance technologies, further emphasizing the strategic importance of domestic launch capabilities in Canada. MLS is well positioned to accommodate the wide range of launch inclinations

required by the satellite market. Not only can the MLS spaceport accommodate inclination ranges from 45 degrees to 98 degrees, but MLS can also deliver payloads to geosynchronous transfer orbits, to the International Space Station (“ISS”) as well as newer commercial space stations in development, if called upon. The domestic launch capability in Canada will also signify a commitment alongside Five Eye partner countries: the USA, UK, Australia, and New Zealand. Canada will be positioned to offer capacity and resiliency to US Space Force operations in Florida should any event disrupt operations along the Florida Space Coast, such as the recent hurricane Milton that crossed Florida and impacted the Florida Space Coast. The facility will also provide an outlet for overflow demands for launches, given that the launch tempo in Florida is approaching near capacity. The Canadian and US governments announced in August 2024 the completion of the TSA negotiations. Similar discussions are being undertaken to codify the relationship with other European countries with launch vehicles in development, by defining similar frameworks.

As noted above, MLS has signed its first launch client and has two additional letters of intent with separate launch vehicle developers and is working on similar launch vehicle letters of intent with multiple other partners. These launch vehicles are being developed and funded through each manufacturer's own company means and have much smaller launch facility infrastructure requirements. MLS is also working directly with three US companies with legacy flight heritage in the industry dating back to the Apollo missions to consider their launch vehicles and/or key subsystems that can enhance the offering at the site through the incorporation of their subsystems into existing systems or as standalone, additional offerings to the satellite industry.

MLS is developing a spaceport intended to support a range of launch vehicles and is on a path to bring full orbital launch capability to Canada. MLS achieved its first launch of a smaller suborbital rocket to obtain flight heritage in July 2023 and a further successful hypersonic launch in November 2025 (and additional launches scheduled for 2026).

Employees, Specialized Skill, and Knowledge

As of the date of this MD&A, Maritime Launch has seven full-time employees, along with several contract personnel and advisors in Canada and the United States. This includes specialists and industry experts who will contribute to the operation of the Spaceport, the design and manufacturing of the launch vehicle, the design and construction of the Spaceport, satellite sales and marketing, government regulatory expertise, investor relations, and public company operations. Additionally, the creation of the Advisory Board (established March 2023) offers multiple decades of industry experience in launch vehicle development, launch site development, satellite development, and space law, enhancing the Maritime Launch team's skills and resources.

The composition of the Advisory Board is presently as follows:

ADVISORY BOARD MEMBER	BACKGROUND
Sarah McLean	VP, Communications and Corporate Affairs at Maritime Launch Services (Advisory Board Chair)
Hon. Stephen McNeil	Former Premier of Nova Scotia (2013 – 2021)
Donna Lawler	Principal at Azimuth Advisory, Space Law Specialists
Cory Bell	President and CEO of Lindsay Construction
Colonel Lee Rosen	Co-Founder and President of Think Orbital Inc.
Jeffrey Manber	Co-Founder of Nanoracks, President of International and Space Stations for Voyager Space

The Land and the Spaceport

The location of the Spaceport is an approximately 334-acre parcel situated within the Municipality of Guysborough in the Province of Nova Scotia, near the town of Canso (the “**Land**”). The Land is owned by the Province of Nova Scotia and is subject to a crown lease (the “**Land Lease**”), which was signed effective August 24, 2022. The Land Lease has an initial term of 20 years and an initial annual rent payment of \$13,500. The Land Lease also provides for, among other inclusions, a renewal period of 20 years and certain rent adjustment clauses. The Land Lease can be canceled by either the lessee or the lessor by providing 60 days’ written notice to the other party.

The Spaceport is being constructed in three distinct areas within the 334-acre leased site: vertical launch pad areas for small launchers, launch vehicle and payload processing capabilities, and a control center area. The initial facility layout was developed as part of the site selection process in 2016 to ensure the location was safe for any nearby population and downrange. This analysis was reviewed, approved, and accepted by Transport Canada, the federal regulatory body for space launches in Canada. This approval prompted NavCanada to conduct an aeronautical study defining the restricted airspace needed for a launch, which was completed in 2019. The Spaceport’s initial road design, created by DesignPoint, has been completed, including a geotechnical evaluation to assess road overburden. The Department of Natural Resources authorized the development of the initial roads to support the geotechnical evaluation for design, and those initial roads into the site are complete. Upgrades to the roads have now been finished, as has the drilling of the test well sites for water for the launch pad and integration facility. The site layout design is tailored for the multi-vehicle lease model to adjust the layout to accommodate multiple small launchers.

The environmental assessment of the land was approved in June 2019, and in August 2022, the Company received approval from the Province of Nova Scotia to begin construction. The approval process required the Company to provide numerous plans and studies, including the wildlife management plan, noise monitoring plan, air monitoring plan, water monitoring plan, erosion control plan, and various noise and launch vehicle emissions studies.

MLS purchased a 7-acre parcel of private land near the proposed location of the launch pad in June 2021 and has completed building out a pad site for a ground station for their client Leaf Space. This ground station came online in November 2025 and provides the spaceport with its first revenue as a hosting site for the client (US\$ 100,000 per year). The Company received full commercial rezoning utilization from the Municipality of Guysborough.

New Space Business Opportunities Are Increasing

As space becomes more accessible and capital investment in space companies increases, the opportunity for Maritime Launch Services is directly impacted. The demand for launch services has risen while the availability of sites with the range of capabilities offered by the location in Nova Scotia has remained stagnant. As noted, the existing launch sites in North America are approaching full capacity, and management is not currently aware of other identified launch site locations that provide a comparable combination of geographic and logistics equivalent to Spaceport Nova Scotia. Given the significant barriers to entry for a launch site, should a viable site be identified, the typical process to develop one would take several years of environmental reviews to even reach the point of beginning construction.

Government Agencies are Seeking Increased Commercial Collaboration

The growing commercial space economy has resulted in government customers, including civilian space agencies and defense departments, seeking commercial collaboration for launch support activities. This has been emphasized by the Government of Canada via its recently announced “Defense Industrial Strategy,” projects such as the Earth Observation Service Continuity program, the Defense Enhanced Surveillance from Space program, and the Enhanced Satellite Communication Project – Polar, all of which will require launch services. See the Subsequent events section below.

The Pace and Density of Space Missions are Increasing

The intensity of new business development is rapidly increasing across the industry. Government agencies have raised demand for space-based initiatives for Earth observation, space exploration, and space-based communication, while commercial customers are exhibiting similar needs as they secure record levels of financing. The industry has also expressed a strong interest in suborbital launches for scientific experiments, testing systems prior to orbital launches, and developing high-velocity tracking capabilities. This market segment has grown significantly in recent years.

Financial Support Received from Provincial and Federal Governments

The Government of Canada has provided meaningful support for Maritime Launch’s development of Canada’s first commercial spaceport. Regulatory support and modernization were announced by the Minister of Transport in January 2022, enabling a clear framework for commercial space launch operations in Canada. This was followed by the successful negotiation and announcement of the US-Canada TSA in August 2024. The TSA is a critical step toward fostering US partnerships and ensuring compliance with security protocols. The Company received a \$120,000 loan from ACOA in the fall of 2024 to build a ground station on site at Spaceport Nova Scotia in partnership with Leaf Space (the first revenue-generating customer). This tangible support demonstrates the government’s recognition of the strategic importance of space launch infrastructure for Canada’s national defense, economic growth, and space sector innovation.

In 2023, the Province of Nova Scotia approved Maritime Launch for an initial qualification of \$13.2M for the development of Spaceport Nova Scotia’s launch vehicle integration facility on site. The Nova Scotia CITC is an annualized reimbursement program (funds need to be spent and then applied for reimbursement via tax filings in the year following completion of the project) designed by the Government of Nova Scotia to drive economic growth and incentivize development within Nova Scotia. The program provides significant financial advantages to eligible corporations that invest in infrastructure and capital equipment for approved projects located in Nova Scotia. In 2024, the Province approved the Company’s eligibility for an additional \$7.5M in reimbursements under the CITC for the satellite processing facility project, bringing the total to \$20.7 million in qualified projects under the provincial program. The Company will start making reimbursement claims in 2027. These provincial reimbursement programs are non-repayable and will enhance Spaceport Nova Scotia’s competitive position. Coupled with the CITC program is the Atlantic ITC program, for which the Company is automatically qualified when the CITC qualification is approved. This comprises an additional 10% reimbursement for qualified infrastructure.

On June 6, 2025, the Company announced that it obtained additional approval from the Province of Nova Scotia for approximately \$10.5M of refundable tax credits under the Capital Investment Tax Credit (CITC) for an additional small launcher launch pad at the Spaceport.

In October 2025, the Company received a \$10,000,000 Senior Credit Facility from Export Development Canada (“EDC”) to further progress the construction of the Spaceport.

See also the “Subsequent Events” section of this document.

Selected Financial Information

On October 24, 2025, the Company announced the closing of a Senior Credit Facility with Export Development Canada (“EDC”) in the amount of \$10,000,000 to fund the continued development of Spaceport Nova Scotia. At the time of closing the Company received an initial draw of \$4.8 million. There have been no further draws as of the date of this MDA.

On November 3, 2025, the Company completed an equity investment from MDA Space Inc in the amount of \$10,000,000 in exchange for 44,843,049 shares at a price of \$0.223 per share. Proceeds of the financing are being used to progress ongoing development of Spaceport Nova Scotia.

The equity investment from MDA Space resulted in a forced conversion of the Company’s issued and outstanding convertible debentures. Per terms of the debentures, an equity investment at a price of \$0.223 resulted in forced conversion, whereby the debenture holders could elect to receive a cash payment for the outstanding principal and interest owing on the debentures (\$10,434,203) or convert any or all of the amount owing to shares at a conversion price of \$0.05 per share. On November 12, 2025, all debenture holders elected to convert 100% of the principal and accrued interest owing to shares and as a result the Company issued 208,844,288 common shares to retire all of the outstanding convertible debentures.

MLS’s net loss and comprehensive loss for the three months ended December 31, 2025, was \$40,377,078 (\$0.06 per share) compared to a net loss and comprehensive loss of \$3,280,357 (\$0.01 per share) for the three months ended December 31, 2024. The dominant reason for the increase in net loss and comprehensive loss is due to fair value adjustments of \$38,358,667 related to the conversion of the Company’s convertible debentures that were retired in the quarter, which is a non-cash expense. Net loss and Comprehensive loss, excluding all non-cash transactions, was \$1,495,989 for the three-months ended December 31, 2025.

MLS’s net loss and comprehensive loss for the year ended December 31, 2025, was \$47,283,982 (\$0.09 per share) compared to a net loss and comprehensive loss of \$6,216,547 (\$0.01 per share) for the year ended December 31, 2024. The dominant reason for the increase in net loss and comprehensive loss is due to fair value adjustments of \$43,258,647 of the Company’s convertible debentures that were retired in November 2025, which is a non-cash expense. Net loss and Comprehensive loss, excluding all non-cash transactions, was \$3,342,763 for the year ended December 31, 2025 (2024: loss of \$2,261,012).

The following table contains selected financial information for the three months and year ended December 31, 2025, as well as comparative results for the three months and year ended December 31, 2024.

	Three months ended December 31, 2025	Three months ended December 31, 2024	Year Ended December 31, 2025	Year Ended December 31, 2024
Revenue	14,980	-	14,980	-
Net loss and comprehensive loss	40,377,078	3,280,357	47,283,982	6,216,547
Total assets	24,958,220	14,105,938	24,958,220	14,105,938
Working capital (deficiency)	3,490,553	(17,063,200)	3,490,553	(17,063,200)
Shareholders' equity (deficiency)	18,154,912	(3,309,488)	18,154,912	(3,309,488)
Loss per share	0.06	0.01	0.09	0.01

Results of Operations: Three-months and Year ended December 31, 2025

For the three-month period and year ended December 31, 2025, the Company had a net loss and comprehensive loss of \$40,377,078 and \$47,283,982 respectively, as compared to a net loss and comprehensive loss of \$3,280,357 and \$6,216,547 for the same periods in the prior year, a decline of \$37,096,721 in the three-month period ended December 31, 2025, and a decline of \$41,067,435 for the year ended December 31, 2025 compared to the same periods in the prior year. The decline is driven mainly by non-cash expense adjustments associated with retirement of the convertible debentures of \$38,358,667, in the three-month period ended December 31, 2025, and \$43,258,647 in the year ended December 31, 2025, compared to the same non-cash expense adjustments of \$2,871,850 and \$3,060,960 in the three-months and year ended December 31, 2024.

While, the non-cash expenses related to fair value adjustments of the debentures do negatively impact the income statement, these same adjustments strengthen the balance sheet as the debenture liability is removed and the non-cash value adjustments result in increases in shareholders equity and improved working capital, with shareholders equity increasing by \$21,464,400 in the year ended December 31, 2025 compared to the prior year end.

Excluding all non-cash transactions from the operating results would have resulted in a net loss of \$1,495,989 and \$3,342,763 for the three-months and year ended December 31, 2025, respectively, compared to losses of \$273,482 and \$2,261,012 in the respective comparative periods in the prior year. The net result is an increase in net loss (excluding non-cash transactions) of \$1,081,751 and \$1,222,507 versus the same three-month and annual comparative periods in the prior year. The increases are due mainly to transaction costs and professional fees related to capital transactions in the current year (non-recurring) and increased labour costs due to increased headcount and variable compensation earned in the current year versus the prior year (see further explanations below).

The expenses and net loss and comprehensive loss incurred during the three-months and year ended December 31, 2025, and December 31, 2024, are detailed in the following tables.

	Three-Months ended December 31, 2025	Three-Months ended December 31, 2024	Year over Year Change (\$)	Year over Year Change (%)
Administration	181,687	164,777	16,910	10%
Professional services	450,062	152,902	297,160	194%
Stock-based compensation	513,599	126,300	387,299	307%
Amortization	8,823	8,728	95	1%
Wage and salaries	604,562	439,906	164,656	37%
Total operating expenses	1,758,733	892,613	866,120	97%
Gain (loss) on extinguishment of convertible debentures	-	(3)	3	100%
Fair Value adjustment (expense) on derivatives	(38,358,667)	(2,871,850)	(35,486,817)	1,236%
Other Income (expense)	-	(14,670)	14,670	100%
Interest and accretion (expense) income	(272,153)	337,709	(609,862)	(181%)
Foreign exchange (loss) gain	(2,505)	210,290	(212,795)	(101%)
Net loss and comprehensive loss for the period	40,377,078	3,280,357	37,096,721	1,131%

	Year Ended December 31, 2025	Year Ended December 31, 2024	Year over Year Change (\$)	Year over Year Change (%)
Administration	298,331	381,647	(83,316)	(22%)
Professional services	1,299,667	1,087,012	212,665	20%
Stock-based compensation	744,008	518,100	225,908	44%
Amortization	35,553	35,508	45	0%
Wage and salaries	1,461,778	1,382,616	79,162	5%
Total operating expenses	3,839,337	3,404,883	434,454	13%
Gain on extinguishment of convertible debentures	-	340,967	(340,967)	(100%)
Fair Value adjustment (expense) on derivatives	(43,258,647)	(3,060,960)	(40,197,687)	1,313%
Gain on Redemption of convertible debentures	96,989	-	96,989	100%
Interest and accretion (expense)	(285,821)	(111,081)	174,740	157%
Foreign exchange (loss) gain	(12,146)	19,410	(31,556)	(102%)
Net loss and comprehensive loss for the period	47,283,982	6,216,547	41,067,435	661%

For the three-months and year ended December 31, 2025, the Company incurred administration expenses of \$181,687 and \$298,331 respectively as compared to \$164,777 and \$381,647 for the three-months and year ended December 31, 2024. An increase of \$16,910 for the three-month period ended December 31, 2025, and a decrease of \$83,316 for the year ended December 31, 2025. The increase in administrative expenses for the comparative three-month period is driven almost entirely by the costs associated with the launch that took place from Spaceport Nova Scotia in November 2025. The annual year over year administrative costs were lower in 2025 compared to 2024 due to a variety of non-recurring administrative costs incurred in 2024.

For the three-months and year ended December 31, 2025, the Company incurred professional services costs of \$450,062 and \$1,299,667 respectively as compared to \$152,902 and \$1,087,012 for the three-months and year ended December 31, 2024. An increase of \$297,160 for the three-month period ended December 31, 2025, and an increase of \$212,655 for the year ended December 31, 2025. The driver of the increases being both the timing of capital related transactions from one year to the next but also the number of transactions taking place in 2025 compared to 2024. Key transactions taking place in 2025 were: private placement and debenture extension (February and March 2025), debt financing (October 2025), equity financing transactions (August and November 2025) as well as the conversion of all the convertible debentures to equity (November 2025).

Stock-Based Compensation increase was 225,908 on an annual basis comparing 2025 to 2024. Year over year variances (increase of \$387,299) in the three-month periods ended December 31 are related to the vesting of grants, from one year to the next, as grants issued to management and staff in prior years became

fully vested in November 2025, following the successful launch from Spaceport Nova Scotia (a condition of the original option grants).

For the three-months and year ended December 31, 2025, the Company incurred wages and salaries expenses of \$604,562 and \$1,461,778 (including independent director fees) respectively, as compared to \$439,906 and \$1,382,616 during the three-month and year ended December 31, 2024. The overall increase in the three-month period ended December 31, 2025 (increase of \$164,656) is due to the following: Accrual for unused vacation entitlements of \$68,000 (Nil in the prior year); Annual variable compensation of \$170,000 (Nil in the prior year); Non-recurring salary adjustments of \$92,000 (Nil in the prior year) related to retroactive salary adjustments; and the remaining variance (decrease of \$165,344 when excluding the named factors) is due to relative headcount changes (full time vs. part time) from one period compared to the other. On an annual basis the total salaries and wages expense was \$79,162 higher in 2025 compared to 2024 with the increases to vacation costs, headcount and variable compensation being partly offset by government grants (IRAP) to fund wages towards software related development projects to improve flight safety.

For the year ended December 31, 2025, the Company incurred a fair value adjustment expense of \$43,258,647 (of which \$38,358,667 was incurred in the three-month period ended December 31, 2025) resulting from the conversion and extinguishment of the Company's convertible debentures. The adjustment is the difference between the previously calculated fair value carrying cost of the debentures compared to the market value of the shares issued upon conversion. This is a non-cash transaction and a non-recurring expense.

The fair value adjustment incurred in prior periods of 2025 and 2024 are the result of the change in the calculated carrying value of the debentures based upon the market conditions and share price volatility occurring in those prior periods. Again, these are non-cash transactions.

During the year ended December 31, 2025, the Company incurred interest and accretion expense of \$285,821 mainly arising from senior credit facility entered into with the EDC. Interest and accretion expense in the comparative and prior periods were the result of the interest and carrying costs associated with the convertible debentures.

Summary of Quarterly Results

The following table contains selected financial information for the Company for the past eight quarterly periods.

	Revenue \$	Net income (loss) and comprehensive income (loss) \$	Total assets \$	Working capital (deficiency) \$	Shareholder equity (deficiency) \$	Income (Loss) per Share \$ **
March 31, 2024	Nil	(1,594,655)	14,164,418	(12,808,769)	353,403	(0.00)
June 30, 2024	Nil	(569,928)	13,866,626	(13,239,336)	157,782	(0.00)
September 30, 2024	41,920*	(742,510)	13,940,092	(13,742,697)	(155,431)	(0.00)
December 31, 2024	(41,920)*	(3,280,357)	14,105,938	(17,063,200)	(3,309,488)	(0.00)
March 31, 2025	Nil	322,065	14,133,936	(14,194,936)	(474,422)	0.00
June 30, 2025	Nil	(1,483,099)	13,907,049	(14,475,316)	(1,183,916)	(0.00)
September 30, 2025	Nil	(5,745,870)	13,981,612	(20,011,214)	(6,442,336)	(0.00)
December 31, 2025	14,980	(40,377,078)	24,958,220	3,490,553	18,154,912	(0.06)

* As noted above, revenue previously recognized has been adjusted and recorded as a cost recovery for accounting purposes

** The sum of Loss Per Share does not necessarily equal the annual total as a result of rounding.

Going Concern

At December 31, 2025, the Company has sufficient sources of cash and operating cash flows to meet its ongoing needs. At year end the Company had approximately \$5 million in net cash (cash on hand less the balance owing on the senior credit facility) and \$3.5 million in positive working capital. The total cash operating expenses in 2025, were approximately \$3.0 million (\$2.8 million when excluding non-recurring transaction costs) and therefore the Company has sufficient resources to meet its current level of operating costs. Additional capital expenditures to complete development of the Spaceport will be contracted only once sufficient capital is on hand to complete those contracts.

See also the "Subsequent Events" section of this document.

Liquidity and Capital Resources

At December 31, 2025, the Company reported current assets of \$9,939,391, current liabilities of \$6,448,838 and positive working capital of \$3,490,553, as compared to current assets of \$202,291 current liabilities of \$17,265,491 and a working capital deficiency of \$17,063,200 at December 31, 2024.

See the Subsequent Events Note at the end of this document.

Export Development Canada (“EDC”) Senior Credit Facility

On October 24, 2025, the Company entered a non-revolving secured term loan credit facility (“loan agreement”) in the maximum amount of \$10,000,000 with EDC. The first \$4,768,871 was received at the time of closing and no further disbursements under the loan agreement have been made as of the date of the MD&A. The loan is to be used to fund the design, engineering, financing, development, acquisition, ownership, construction, equipping, testing, repair, operation, maintenance, commercialization, and use of the spaceport. The outstanding principal bears interest at CORRA +7% per annum, payable quarterly and matures on June 1, 2026, and may be extended by the Company upon meeting certain conditions (subsequent to year end, the maturity date of the facility has been extended to January 4, 2027). The loan is secured by all underlying assets of the Company. Commitment fees, at an annual rate of 35% of the Margin (of 7%) on the undrawn portion are payable quarterly (with the first quarter being capitalized to loan principal). Arranging fees determined based on 6.25% of Gross Business Revenue are payable on receipt of the revenue, subject to a maximum fee of \$2,500,000.

Convertible Debentures

For transactional history prior to 2024, please refer to both the 2023 and 2024 Annual audited Financial Statements of the Company.

Issuance of Convertible Debentures in 2021 and subsequent amendments.

On May 7, 2021, the Company issued Convertible Debentures for proceeds of \$7,500,000 that initially bear interest at 4% per annum, calculated, accruing, and compounded annually with principal and interest initially due on May 7, 2022, or such later date as may be mutually agreed.

Amendment 3 of the 2021 Convertible Debentures

In August 2024, the 2021 convertible debentures were again amended (Amendment 3), the maturity date of the convertible debentures was extended from May 7, 2024, to December 7, 2024. As a result of this amendment, the terms of 2021 convertible debentures were aligned with the terms of the 2023 convertible debentures.

Consistent with the 2023 convertible debentures, the host liability, the PIK interest, the conversion feature and the early repayment option have been considered as one hybrid instrument and the Company has elected to measure this financial instrument at FVTPL. The amendments included in Amendment 3 were determined to be significant modifications of the terms of the convertible debentures; accordingly, Amendment 3 was accounted for as an extinguishment.

On August 7, 2024, the Company determined the fair value of the amended 2021 convertible debentures using a Convertible Debt valuation based on a partial differential equation model with a market yield

estimate at 35% on the repayment features and a volatility of 60%. The fair value of the early repayment options was deemed to be nil as the Company does not intend to exercise its option to early repay. As a part of the 3rd amendment to the 2021 convertible debentures, the Company issued 2,250,000 common shares with a fair value of \$135,000 to certain holders as an extension fee. A gain of \$340,967 was recognized as a result of the extinguishment, net of the extension fee.

At December 31, 2024, the Company determined the fair value of the amended 2021 convertible debentures and interest payable in cash using a Convertible Debt valuation based on a partial differential equation model with a market yield estimate at 32.5% on the repayment features and a volatility of 65%. The maturity date for the fair value determination was December 7, 2026. The fair value of the PIK interest payable was determined based on the number of common shares it would convert into and the fair value of the common shares on March 31, 2025.

Issuance of Convertible Debentures in 2023 and subsequent amendments.

On December 8, 2023, the Company issued unsecured convertible debentures for proceeds of \$2,282,000 payable on December 8, 2024, unless earlier converted or repaid. The 2023 convertible debentures bear interest at 10% per annum payable in cash quarterly as well as interest payable in common shares of the Company (paid in kind, referred to as "PIK" interest), consisting of 5% of the outstanding 2023 convertible debentures, calculated at a price of \$0.12 per common share (the "conversion price"), payable at the earlier of the end of term or early repayment. The Company may choose to prepay the 2023 convertible debentures. Upon a prepayment, the holders may elect, solely at the option of each holder, to be repaid in cash with an early repayment bonus of 10% of the principal amount outstanding, or to convert the principal and any accrued, unpaid interest into common shares at the conversion price. The 2023 convertible debentures have anti-dilution rights such that if the Company issues, offers, sells, grants any option or rights to purchase, or otherwise dispose of any equity securities, for consideration on a share basis that is less than the conversion price, the conversion price will be adjusted to such lower price. This anti-dilution right resulted in the number of shares issuable on conversion, and for PIK, being variable and therefore representing embedded derivatives

Each 2023 convertible debenture is accompanied by one common share purchase warrant for each whole \$0.48 principal amount. Each warrant is exercisable at a price of \$0.15 any time prior to December 8, 2028. The warrants represent an equity classified instrument.

On March 31, 2025, the Company determined the fair value of the host liability and interest payable in cash using a convertible debt valuation based on a partial differential equation model with a market yield estimated at 32.5% on the repayment features and a volatility of 65%. The maturity date for the fair value determination was December 7, 2026. The fair value of the PIK interest payable was determined based on the number of common shares it would convert into and the fair value of the common shares on March 31, 2025. The fair value of the PIK interest payable (\$79,876) is included in the overall fair value of the debentures.

Debenture Extension of both the 2021 and 2023 Debentures and Subsequent Transactions:

On March 5, 2025, the Company announced the closing of an extension agreement with the holders of all of its issued and outstanding convertible debentures (both the 2021 (amended) and the 2023 issued debentures).

As a condition of the extension, the Company redeemed \$500,000 in principal value from a debenture holder and issued 4,830,105 common shares from Treasury to the remaining debenture holders as an extension fee. The Company will be required to redeem an additional \$500,000 in debentures should it complete any future financing with proceeds in excess of \$3,000,000.

All terms of the debentures, with the exception of the conversion price, including cash interest rate of 10% and PIK interest at 5% remain unchanged. The share conversion price has been adjusted to \$0.05 as a result of the anti-dilution down round protection.

Cash interest will compound annually and be paid in full upon maturity, however the PIK interest will be paid semi-annually through the issuance of common shares from Treasury.

On February 25, 2025, The Company also issued 2,706,978 common shares as payment for \$324,837 of PIK interest owing at December 7, 2024. The number of common shares was determined based on value of \$0.12 per share, in accordance with the terms of the debenture agreements in place at that time. Future share issuances as payment of PIK will be done at a conversion price of \$0.05 per share.

Total common shares issued in payment of outstanding PIK interest and the extension fee are a combined total of 7,537,083 as a result of the above transactions.

During the three-month period ended September 30, 2025, one of the holders of convertible debentures, elected to convert \$150,000 of principal balance to 3,000,000 common shares at a conversion price of \$0.05 per share.

In June 2025, the Company issued 4,568,940 shares at price of \$0.05 as payment for \$205,602 in PIK interest outstanding as at September 7, 2025, on the 2021(amended) and 2023 convertible debentures.

On November 12, 2025, all convertible debentures were fully retired with all principal and cash and PIK interest owing being converted to shares.

Off-Balance Sheet Arrangements

Other than as described herein, the Company has no off-balance sheet arrangements.

Related Party Transactions

During the years ended December 31, 2025, and 2024, the Company entered into the following related party transactions:

	2025	2024
• Management Compensation attributable to the Chief Executive Officer, Chief Financial Officer	\$697,308	\$509,321
• Director's fees	\$194,022	\$192,000
• Non-cash stock-based compensation attributable to the Chief Executive Officer, Chief Financial Officer and Directors	\$93,600	\$204,723

These transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Outstanding Share Data

	Issued and Outstanding March 27, 2026	Issued and Outstanding December 31, 2025	Issued and Outstanding December 31, 2024
Common Shares	755,098,595	750,555,382	421,502,741
Stock Options	30,556,782	34,349,995	28,350,000
Warrants	8,899,085	8,899,085	26,721,095

See the 2025 Annual Audited Financial Statements for the year ended December 31, 2025, for additional information with respect to common shares, stock options, and warrants.

Subsequent Events

Yuzhnoye Agreement

On April 2, 2018, the Company entered into an agreement with the Yuzhnoye State Design Office ("Yuzhnoye"), a Ukrainian supplier for the design, development, and documentation of certain technical elements of its Spaceport, pursuant to which the Company would acquire certain design plans relating to medium-class launcher facilities for the Spaceport. Under this agreement, it was expected the Company would incur total capital expenditures of EURO €6,900,000. The terms of the contract have been amended numerous times since inception. As of December 31, 2025, and pursuant to the Contract, the Company has made total payments of EURO €2,504,000 (December 31, 2024 - EURO €2,500,000).

On January 26, 2026, the Company, and the Yuzhnoye have reached a revised agreement regarding the timing and completion of the remaining contract services and deliverables. The remaining value of the services to be provided are EUR €4,396,000. Payments of EUR €8,000 per month would commence in January 2026 through March 2027 and a final payment of EUR €4,276,000 will be made on April 1, 2027.

As of the date of these financial statements, all payments have been made in accordance with the latest contract revision.

Stock Options

On January 26, 2026, the Company issued 750,000 stock options with a strike price of \$0.39 with an expiry date of January 25, 2031.

In January 2026, several options holders elected to exercise their stock options. A total of 3,333,330 options were exercised for common shares for gross proceeds of \$180,000

On March 17, 2026, an option holder elected to exercise their stock options. A total of 876,550 options were exercised for \$0.167 per common share for gross proceeds of \$146,384.

On March 24, 2026, an option holder elected to exercise their stock options. A total of 333,333 options were exercised for \$0.07 per common share for gross proceeds of \$23,333.

EDC Senior Credit Facility

With the completion and fulfillment of certain conditions per the facility agreement, the Company became eligible for a maturity extension and on February 24, 2026, the Company requested, and was granted, a maturity date extension. Previously, the maturity date was June 1, 2026, and has now been extended to January 4, 2027. All other terms and conditions of the loan remain unchanged.

Department of National Defence Agreement

On March 16, 2026, the Company announced the signing of a long-term customer agreement with the Department of National Defence ("DND") for the leasing of a launch pad at Spaceport Nova Scotia with total contract value of \$200 million. The contract has a ten-year term retroactive from April 1, 2025 to March 31, 2035 with lease fees at \$20 million per year, with the first payment of \$20 million due on March 31, 2026 and then subsequent payments of \$5 million due on the last day of each calendar quarter starting June 30, 2026 (total of \$35 million to be received in the 2026 calendar year).

The company is expected to recognize revenue from this contract over the remaining nine years of term, starting April 1, 2026, at a rate of \$22,222,222 per annum (\$1,851,852 per month).

Risk Factors

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks occur, the financial condition, liquidity, and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described below actually occur, the Company's business, financial condition and operating results could be adversely affected.

Potential for Launch Failures

Rocket launches are inherently hazardous and there exists a potential for a launch site accident or critical launch failure which could result in damage to the Spaceport; damage or destruction of real or personal property of MLS, its clients or third parties; personal injury; or death or dismemberment to MLS employees, contractors or the general public. The risk of launch site accident or critical launch failure, while remote, is serious. MLS launch vehicle lease clients intend to account for this risk with robust launch insurance, through which the Company would be a named covered party; however, such insurance coverage and the scope and terms thereof have not been finalized and are subject to overall launch market success globally. The loss of a launch vehicle or satellite payload or damage to the Spaceport are covered items.

Ability to Raise Additional Funds

Developing its services and completing the construction related costs at the Spaceport is expensive. MLS currently has access to enough capital to complete the current phase of development of the Spaceport. However, should MLS, based upon market demand or other opportunities, elect to further expand the Spaceport, MLS may seek additional capital to undertake and complete such an expansion. Raising funds in a future economic environment may prove difficult and additional funding may not be available on acceptable terms, or at all.

Negative Cash Flow

MLS has always had negative cash flow from operating activities. MLS does not anticipate this will continue and expects to be cashflow positive from operations in 2026 and beyond as a result of signing revenue generating contracts in 2025 and subsequent to year end.

No History of Earnings

MLS has incurred net losses since its inception and expects 2025 to be the last year of losses as a result of revenue generating contracts that have been signed in 2025 and subsequent to year end.

Limited Operating History

Given the relative new development of the commercial space market, MLS has a limited operating history in this industry. MLS has not yet fully constructed the Spaceport but has completed the required provincial and federal regulatory approval and signed its first revenue generating customer contracts.

Disruption in the Delivery of Satellites or Launch Vehicles due to Changing Geopolitical Conditions

The success of the commercial space industry depends on the support of international governments for their product delivery to the launch site for delivery into space. For example, the allowance of the shipment of satellites or launch vehicles built in the United States to Canada will require the approval of the United States and Canadian governments. The Canada and United States governments did announce, in August

2024, the completed negotiations for a Technology Safeguard Agreement (“TSA”) however the agreement has yet to be ratified by the Canadian Parliament. The US government assumes compliance with the TSA by Canada in anticipation of parliamentary approval. Nonetheless, there exists the potential for delays or disruptions in these deliveries based on the conditions in the originating country and their relationships with Canada which are mostly out of the control of MLS. Changes in political or diplomatic relationships between Canada and other nations, or international relationships between countries in MLS’s supply chain could delay or disrupt the subject deliveries. For example, potential tariff activities between Canada and the United States may have (unknown at this time) either a positive or negative effect on MLS and the industry as a whole.

Global Supply Chain Disruptions

MLS’s operations at the Spaceport depend on the timely availability of propellants, specialized equipment and construction materials sourced from domestic and international suppliers. Global supply chain challenges, including those arising from military conflicts such as those in Ukraine and the Middle East, may cause increases in global fuel and energy costs and other supply chain disruptions that could delay or increase the cost of Spaceport construction, activation and launch activities. These conditions and events, and others like them, are highly complex and inherently uncertain. There can be no assurance that global supply chain disruptions will not have a material adverse effect on the Company’s business, results of operations and financial condition.

Space Weather and Orbital Environment

The space environment presents risks to the success of launch missions from the Spaceport. Coronal mass ejections, solar flares and other space weather events can affect launch vehicle performance during ascent, potentially causing mission failures that damage the Company’s reputation and negatively impact the willingness of launch vehicle operators and satellite clients to utilize the Spaceport. Similarly, collisions with space debris or other satellites and spacecraft can cause severe damage to customer payloads and further harm to the Company’s reputation. Increased congestion in low Earth orbit and medium Earth orbit could reduce available orbital slots for satellite clients, diminish demand for launches from the Spaceport, and limit available launch windows. The space environment is inherently unpredictable, and there can be no assurance that space weather events or orbital congestion will not materially adversely affect the Company’s business, results of operations and financial condition.

Development Risks

The development, commercialization and marketing of MLS’s business is at an early stage and is founded on the continuing growth of the commercial space satellite market and the desire for global broadband, near earth imaging and other commercial products. In general, provision of any services may be susceptible to various risks, including potentially prohibitive costs or other characteristics that may prevent or limit their approval or commercial use. Furthermore, the number of people who may require or benefit from the business is difficult to forecast with accuracy. MLS’s future success is partially dependent on the continuing development of the large global market for its services and its ability to capture a share of this market. The recent participation of the company as an offering in the NATO StarLift Program increases access to a larger addressable market through NATO and other allies’ participation in the government launch market.

The expansion of space launch services to be commercially viable creates significant challenges in the areas of service development and optimization, procurement, government regulation, third-party reimbursement, and market acceptance.

The ability of MLS to compete and expand will also be dependent on its access, at a reasonable cost, to equipment, are key success indicators.

Adverse Publicity from Launch Industry Incidents

Public incidents involving launch failures or accidents at other spaceports or by other launch vehicle operators could create adverse public perception of launch activities generally, including operations at Spaceport Nova Scotia. Such incidents, even if unrelated to the Company, could lead to decreased customer demand for launch services, increased regulatory scrutiny from Transport Canada or other governmental authorities, or community opposition to the Spaceport's operations. MLS's business would be adversely affected if any such incident results in a reduction in the demand for its services or a delay or suspension of its operations.

Cyclical Nature of the Launch Services Market

Demand for launch services is cyclical in nature. The launch services market can fluctuate based on various factors, including satellite constellation deployment timelines, customer financing availability, macroeconomic conditions and technological developments that affect the size and frequency of satellite deployments. A sustained downturn in demand for launch services could leave the Spaceport underutilized and may have a material adverse effect on the Company's business, financial condition and results of operations. There can be no assurance that the launch services market will grow as anticipated or that MLS will be able to maintain sufficient utilization of the Spaceport during periods of reduced demand.

Operation and Supplier Risk

MLS sources technology and equipment required for its business from a variety of contract manufacturers and suppliers and there is a risk that one or more of these subcontractors will not fulfil their contractual obligations. There is also a risk that long lead times for critical equipment may affect site development and launch schedules. Where possible, MLS addresses these risks through contract insurance.

Expanding Market

Commercial launching of satellites is an expanding market. In such expanding markets, demand and market acceptance for recently introduced products and services are subject to a high level of uncertainty and risk. The development of a mass market for MLS's services may be affected by many factors, some of which are beyond MLS's control, including the emergence of newer, more competitive technologies and products, in terms of launch vehicles, regulatory requirements, consumer perceptions of the safety of MLS's services and related fuels, and customer reluctance to risk investment in a new service provider. If a fulsome market fails to develop, or develops more slowly than MLS anticipates, MLS may never achieve profitability. In

addition, MLS cannot guarantee that its services will continue to be developed or marketed if sales levels do not support the continuation of its business.

Liability

The sale of any services exposes MLS to the risk of liability claims. Liability claims might be brought against MLS by customers or others otherwise utilizing the services. There is a risk that MLS's services may unintentionally induce adverse events, and that such adverse events may not be detected for a long period of time. If MLS cannot successfully defend against service liability claims, it could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, liability claims can result in impairment of business reputation; increased costs due to related litigation; distraction of management's attention from MLS's primary business; substantial monetary awards to claimants; the inability to commercialize or develop services; and decreased demand for MLS's services.

MLS carries typical commercial general liability insurance, Directors and Officers Liability insurance, pollution insurance, and other applicable insurance that it believes is sufficient in light of its current activities. However, MLS may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect against losses due to liability as launch activity and operations develop and expand. As its business is developed, MLS intends to expand its insurance coverage; however, MLS may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. On occasion, large judgments have been awarded in lawsuits based on product liability claims. A successful product liability claims or series of claims brought against MLS or any third parties whom MLS is required to indemnify could cause the Issuer's stock price to decline and, if judgments exceed MLS's insurance coverage, could adversely affect results of operations and MLS's business.

Dependence on Key Personnel

MLS's success is dependent on certain key management personnel, primarily its executives, which is key to the existence and continuity of MLS. Furthermore, competition for qualified employees among industrial technology companies is intense and the loss of key personnel or inability to attract and retain the additional highly skilled employees required for the expansion of activities could adversely affect MLS's business.

Competitive Market for MLS's Products and Services

The Spaceport Nova Scotia's location in Nova Scotia is a differentiated offering to the industry. While the spaceport industry generally has been controlled by federal governments heretofore, a commercial launch offering with the significant range of inclinations and located within the North American satellite market is believed by management to be relatively uncommon. Management believes there are limited locations in North America and Europe that offer a similarly broad range of inclinations preferred by the emerging satellite market. Maritime Launch Services is a first mover in an emerging market of a commercial spaceport offering but will nonetheless see a risk that MLS will face competition in the form of foreign government subsidized spaceports. Overall, most of MLS's competitors in the industry are federal ranges which have greater financial, and other, resources, which could enable them to continue to invest significant amounts of capital and other resources in their businesses in spite of the limited range of trajectories the competitors have. Further, many of MLS's competitors have longer operating histories, larger customer bases, and greater brand recognition.

MLS operates within competitive markets and MLS believes that it has adopted a competitive business strategy based on the location and commercial responsiveness to customer's schedule needs. However, MLS's business, results, operations, and financial condition could be materially adversely affected by the actions of its competitors (including their marketing and pricing strategies and product and services development). MLS may be forced to change the nature of its business as a result of competitive factors and there is no assurance that MLS will be able to compete successfully in the marketplace in which it seeks to operate.

Cancellation of Land Lease

The Company's 20-year land lease with the Province of Nova Scotia for the land used to develop the Spaceport can be cancelled by either party with only 60 days' written notice. There can be no assurance that the lease will be renewed or that the Province of Nova Scotia will not exercise its cancellation right. Termination or non-renewal of this lease could halt the Spaceport's operations and would have a material adverse effect on the Company's business.

Hazardous Materials

The Spaceport's operations require the storage, handling and transportation of rocket propellants, energetic materials and other potentially hazardous substances on-site. The improper handling, storage or disposal of such materials could result in significant liability, including personal injury, death, property damage, environmental contamination and regulatory sanctions. While MLS's site layout for the Spaceport was designed with consideration for critical failure scenarios and adheres to international safety standards, including guidance from the United States Department of Defense Explosives Safety Board, NASA and the United States Federal Aviation Administration's Office of Commercial Space Transportation, there can be no assurance that the Spaceport will not experience safety incidents involving hazardous materials. Any such incident could result in significant liability, regulatory action and reputational harm to the Company.

Dependence on Third-Party Launch Vehicle Operators

MLS's business model is based on a multi-vehicle lease model under which third-party launch vehicle operators conduct launches from the Spaceport. The Company does not develop or operate its own launch vehicles. MLS's ability to generate revenue depends on its ability to attract and retain a sufficient number of launch vehicle operators willing to operate from the Spaceport. There can be no assurance that MLS will be able to secure binding agreements with launch vehicle operators, or that operators who have expressed interest or entered into memoranda of understanding with the Company will proceed to binding commitments. Launch vehicle operators may choose competing spaceports, experience financial difficulties, cease operations, or fail to perform under their agreements with MLS. The failure to attract and retain a sufficient number of launch vehicle operators would have a material adverse effect on the Company's business, financial condition and results of operations.

Single Spaceport Concentration

MLS's operations are concentrated at the Spaceport, a single facility located near Canso, Nova Scotia. The Company does not have any backup or alternative launch facilities. Any significant disruption at the Spaceport caused by severe weather, power failures, infrastructure damage, natural disasters or any other events could halt all launch operations entirely. Given the Company's dependence on this single site, any

prolonged interruption could have a material adverse effect on MLS's business, results of operations and financial condition.

Licensing and Regulatory Delays

MLS's ability to attract and retain launch vehicle operators depends on obtaining ongoing regulatory approvals from Transport Canada, NavCanada and potentially other agencies for each mission or series of missions. The regulatory process for commercial launch activities in Canada is continuing to develop, and delays in obtaining the necessary licenses or approvals could impede the Company's ability to meet its anticipated launch cadence and to fulfil its commitments to launch vehicle operators and satellite clients. There can be no assurance that the Company will receive required regulatory approvals on a timely basis, or at all, and any significant licensing delays could have a material adverse effect on MLS's business and operations.

Dependence on Government Funding

MLS has received conditional commitments for government funding, including from the Government of Canada's Strategic Innovation Fund and the Province of Nova Scotia's Capital Investment Tax Credit program. These funding commitments are subject to conditions, and there can be no assurance that the Company will satisfy all applicable conditions or that the full amounts committed will ultimately be received. Government funding programs are subject to change, reduction, or cancellation based on changes in government policy, fiscal priorities, or political conditions. If MLS does not receive the anticipated government funding, or if such funding is materially reduced or delayed, the Company may be unable to complete the construction of the Spaceport on the anticipated timeline or at all, which would have a material adverse effect on the Company's business, financial condition and results of operations.

Construction Cost Overruns and Delays

The Spaceport is a complex infrastructure project that involves significant construction, engineering, and procurement activities. Cost estimates for the construction of the Spaceport are based on assumptions that are subject to change, including with respect to the availability and cost of labour, materials, and equipment in Atlantic Canada. Actual construction costs may significantly exceed current estimates due to unforeseen site conditions, contractor performance issues, supply chain disruptions, regulatory requirements, weather events, or other factors. Material construction delays could postpone the date on which the Spaceport achieves commercial operations, which could in turn delay MLS's ability to generate revenue and could have a material adverse effect on the Company's business and financial condition.

Labour and Supply Chain Disruptions

MLS depends on Atlantic Canadian construction firms and specialty contractors to build, maintain and operate the Spaceport's infrastructure. The Company also relies on the timely availability of specialized equipment and materials required for Spaceport construction and operations. Labour disruptions, including strikes, work stoppages or labour shortages at these firms or their suppliers, could delay construction or infrastructure maintenance of the Spaceport. Given the specialized nature of the work involved and the limited pool of qualified contractors in the region, any significant disruption to the Company's supply chain or labour force could negatively affect the Company's business, operations and financial condition.

Evolving Technologies

The commercial space industry is continually undergoing advancements through the introduction of new technologies, materials, launch methods and operational processes. In order to keep pace with new developments, MLS may need to expend significant capital to upgrade the Spaceport's infrastructure, acquire new equipment, or train personnel. The Company may also need to invest in research and development to ensure the Spaceport remains competitive and capable of supporting new classes of launch vehicles. There can be no assurance that the Company will be successful in adapting to new technologies, and the failure to do so could result in the Spaceport becoming less competitive, which could have a material adverse effect on MLS's business, financial condition and results of operations. In addition, disruptive technologies or alternative methods of deploying satellites or other payloads into orbit could reduce demand for traditional launch services and negatively impact the Company's business.

Regulation

In both domestic and foreign markets, the use of MLS's services is affected by a body of laws, governmental regulations, administrative determinations, court decisions, and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial, or local levels in Canada and at all levels of government in foreign jurisdictions. There can be no assurance that MLS complies with all of these laws, regulations, and other constraints as they change over time. Failure by MLS to comply with these laws, regulations and other constraints or new laws, regulations and other constraints could lead to the imposition of significant penalties or claims and could negatively impact MLS's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead MLS to discontinue product sales and could have an adverse effect, resulting in significant loss of sales.

Risks of Foreign Exchange Rate Fluctuation

MLS is exposed to fluctuations of the Canadian dollar against certain other currencies because it publishes its financial statements in Canadian dollars, while a portion of its liabilities, sales, revenues, and costs could be denominated in other currencies. Exchange rates for currencies of the countries in which MLS customers or suppliers originate may fluctuate in relation to the Canadian dollar, and such fluctuations may have a material adverse effect on MLS's future earnings or assets when translating foreign currency into Canadian dollars. MLS may experience economic loss and a negative impact on earnings solely as a result of foreign exchange rate fluctuations, which include foreign currency devaluations against the Canadian dollar, however this risk can be at least partially mitigated by the use of foreign currency hedging instruments.

Legal Proceedings

While MLS is not currently a party to any legal proceedings, such proceedings could be filed against MLS in the future. No assurance can be given as to the final outcome of any legal proceedings or that the ultimate resolution of any legal proceedings will not have a materially adverse effect on MLS.

Cybersecurity

Information technology ("IT") systems are an integral part of the Company's business and are relied on to complete daily and strategic operations. The Company uses various technologies, some of which are managed by third parties, to process, transmit and store electronic information. In addition, the Company facilitates a variety of business processes and activities, including reporting on business and interacting with customers, vendors and employees. These IT systems are subject to an increasing number of complex cyber threats, including cyberattacks, data breaches, employee error or malfeasance, power outages, telecommunication or utility failures, systems failures, service provider failures, natural disasters or other catastrophic events. As the cyber threats evolve and become more sophisticated and complex, the more difficult it is to detect and successfully defend against them. In addition, cyber-security-related vulnerabilities by their very nature may remain undetected for an extended period of time.

The Company actively monitors, manages, and continues to enhance the ability to mitigate cyber risk through a multi-layered security approach. However, there is no assurance that these measures will be successful. If the Company does not effectively manage a reliable IT infrastructure or fails to timely identify or appropriately respond to cybersecurity incidents, then the Company's IT systems could be interrupted, destroyed or shut down completely, which in turn could result in operational disruptions or the misappropriation of sensitive data. Depending on the nature and scope of a cybersecurity incident, it could lead to the compromise of confidential information, improper access to Company systems and networks, manipulation or destruction of data, operational disruptions and exposure to liability.

The Company has implemented security measures with respect to systems protection, employee training, and business continuity and contingency planning. A disruption to the Company's systems or a breach of sensitive information may negatively impact the Company's operations and financial position, damage its reputation, reduce its competitive advantage and reduce the ability to achieve its strategic objectives and/or the trading price of the Common Shares.