



C-COM SATELLITE SYSTEMS INC.

INTERIM CONDENSED FINANCIAL STATEMENTS

**THIRD QUARTER FINANCIAL REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED AUGUST 31, 2025 AND AUGUST 31, 2024**

**PREPARED BY MANAGEMENT
(Unaudited)**

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these unaudited interim financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.



**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED AUGUST 31, 2025 AND AUGUST 31, 2024
UNAUDITED**

Management's Responsibility for Financial Reporting

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the periods presented by the unaudited interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.



AUGUST 31, 2025

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Unaudited Interim Condensed Statements of Financial Position

**As at August 31, 2025 and November 30, 2024
(Canadian dollars)**

	Notes	Aug. 31, 2025 (unaudited)	Nov. 30, 2024 (audited)
ASSETS			
Cash		\$ 4,994,081	\$ 5,890,440
Marketable securities		10,860,959	10,050,000
Accounts receivable		858,725	582,976
Non-refundable investment tax credits		714,633	396,360
Inventory	8	6,234,293	7,161,061
Prepaid expenses		83,670	118,161
Tax recoverable		342,107	378,184
Future income tax asset - right of use lease	9	342,263	396,427
Total current assets		24,430,731	24,973,609
Capital assets		87,813	107,013
Right of use asset	9	1,240,199	1,477,683
Total non-current assets		1,328,012	1,584,696
TOTAL ASSETS		\$ 25,758,743	\$ 26,558,305
LIABILITIES & SHAREHOLDERS EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	12	\$ 722,426	\$ 928,492
Lease obligations	9	292,652	275,547
Total current liabilities		1,015,078	1,204,039
NON-CURRENT LIABILITIES			
Deferred revenue		93,603	93,603
Deferred tax liability		437,900	483,922
Lease obligations	9	998,909	1,220,404
Total non-current liabilities		1,530,412	1,797,929
TOTAL LIABILITIES		2,545,490	3,001,968
SHAREHOLDERS EQUITY			
Share capital	10	16,578,862	16,578,862
Contributed surplus		2,507,009	2,413,606
Retained earnings		4,127,382	4,563,869
TOTAL SHAREHOLDERS' EQUITY		23,213,253	23,556,337
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		\$ 25,758,743	\$ 26,558,305

Unaudited Interim Condensed Statements of Changes in Equity
For the nine-month period ended August 31, 2025 and August 31, 2024
(Canadian dollars)

	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance December 1, 2024	\$ 16,578,862	\$ 2,413,606	\$ 4,563,869	\$ 23,556,337
Net income and comprehensive income (loss)	-	-	(436,487)	(436,487)
Dividends declared	-	-	-	-
Exercised options	-	-	-	-
Stock based compensation expense	-	93,403	-	93,403
Reclassification of contributed surplus on exercised options	-	-	-	-
Balance August 31, 2025	<u>\$ 16,578,862</u>	<u>\$ 2,507,009</u>	<u>\$ 4,127,382</u>	<u>\$ 23,213,253</u>
	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance December 1, 2023	\$ 16,486,919	\$ 2,160,352	\$ 6,887,168	25,534,439
Net income and comprehensive income	-	-	331,601	331,601
Dividends declared	-	-	(1,583,618)	(1,583,618)
Exercised options	77,875	-	-	77,875
Stock based compensation expense	-	184,724	-	184,724
Reclassification of contributed surplus on exercised options	14,063	(14,063)	-	-
Balance August 31, 2024	<u>\$ 16,578,857</u>	<u>\$ 2,331,013</u>	<u>\$ 5,635,151</u>	<u>\$ 24,545,021</u>



Unaudited Interim Condensed Statements of Net Earnings and Comprehensive Income

**For the three-month and nine-month periods ended August 31, 2025 and August 31, 2024
(Canadian dollars)**

	Three Months Ended:		Nine Months Ended:	
	Aug. 31, 2025 (unaudited)	Aug. 31, 2024 (unaudited)	Aug. 31, 2025 (unaudited)	Aug. 31, 2024 (unaudited)
REVENUE	\$ 1,933,813	\$ 1,323,548	\$ 4,218,813	\$ 6,532,100
COST OF SALES	934,583	623,366	2,043,489	2,697,737
GROSS PROFIT	999,230 51.7%	700,182 52.9%	2,175,324 51.6%	3,834,363 58.7%
EXPENSES				
General and administrative	348,398	433,520	1,213,727	1,458,285
Research and development	389,882	428,157	1,323,420	1,420,504
Sales and marketing	156,640	181,977	629,165	818,785
	894,920	1,043,654	3,166,312	3,697,574
INCOME / (LOSS) BEFORE OTHER INCOME AND INCOME TAX	104,310	(343,472)	(990,988)	136,789
OTHER INCOME / (EXPENSES)				
Investment income	94,187	188,665	310,227	584,093
Lease obligation interest expense	(24,085)	(9,499)	(75,930)	(9,499)
Foreign exchange gain / (loss)	2,715	4,044	60,263	9,891
	72,817	183,210	294,560	584,485
INCOME / (LOSS) BEFORE INCOME TAX	177,127	(160,262)	(696,428)	721,274
INCOME TAX	21,901	(39,562)	(259,941)	389,673
NET INCOME / (LOSS) AND COMPREHENSIVE INCOME	\$ 155,226	\$ (120,700)	\$ (436,487)	\$ 331,601
Basic earnings per share	\$0.00	\$0.00	\$0.00	\$0.01
Basic weighted average number of common shares outstanding	42,256,500	42,228,073	42,256,500	42,228,073
Diluted earnings per share	\$0.00	\$0.00	\$0.00	\$0.01
Diluted weighted average number of common shares	42,351,422	42,458,452	42,351,422	42,458,452



Unaudited Interim Condensed Statements of Cash Flows

**For the nine-month periods ended August 31, 2025 and August 31, 2024
(Canadian dollars)**

	Nine Months Ended:	
	Aug. 31, 2025	Aug. 31, 2024
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Net income	\$ (436,487)	\$ 331,601
<i>Items not affecting cash:</i>		
Investment income	(310,227)	(584,093)
Income tax expense	(259,941)	389,673
Scientific research and experimental development tax credit	(318,273)	(261,367)
Amortization	20,143	39,817
Obsolete inventory write-off	126,150	
Unrealized foreign exchange loss	320,880	894,359
Stock-based compensation	93,403	184,724
	(764,352)	994,714
<i>Changes in non-cash working capital:</i>		
Accounts receivable	(678,085)	1,158,966
Inventory	926,768	1,005,939
Prepaid expenses	34,491	5,191
Accounts payable and accrued liabilities	(434,534)	(606,522)
	(151,361)	1,563,574
Investment income received	440,991	715,288
Income tax refund / (paid)	377,170	(292,218)
Cash flow from/(used) in operating activities	(97,552)	2,981,358
INVESTING ACTIVITY		
Acquisition of marketable securities	(10,860,959)	(9,955,182)
Disposal of marketable securities	10,050,000	9,958,482
Disposal of capital assets	1,100	-
Acquisition of capital assets	(1,235)	-
Cash flow from/(used) in investing activities	(811,094)	3,300
FINANCING ACTIVITY		
Dividends paid to owners of Company	-	(1,583,618)
Options exercised	-	77,875
Cash flow from/(used) in financing activities	-	(1,505,743)
Foreign exchange gain / (loss) on cash	12,287	20,810
INCREASE/(DECREASE) IN CASH FLOW	(896,359)	1,499,725
CASH - beginning of period	5,890,440	5,482,360
CASH - end of period	\$ 4,994,081	\$ 6,982,085



NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
For the three-month periods ended August 31, 2025 and 2024
(expressed in Canadian Dollars)

1. DESCRIPTION OF INCORPORATION AND OPERATIONS

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

These unaudited interim condensed financial statements for the three-month period ended August 31, 2025 were authorized for issuance by the Board of Directors on October 14, 2025.

2. BASIS OF PRESENTATION

These unaudited interim condensed financial statements are expressed in Canadian dollars, which is the Company's functional currency, and have been prepared in accordance with International Accounting Standard (“IAS”) IAS34 – Interim financial reporting, as issued by the International Accounting Standard Board (“IASB”). These unaudited interim condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with the accounting policies the Company adopted in its annual financial statements for the year ended November 30, 2024 and should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report for the year ended November 30, 2024. These unaudited interim condensed financial statements do not include all the information required in annual financial statements.

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

3. CHANGES IN ACCOUNTING POLICIES

There were no changes in the Company's accounting policies during its fiscal 2024 year.

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

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from those estimates.



NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
For the three-month periods ended August 31, 2025 and 2024
(expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

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

5. GOVERNMENT GRANTS

In late 2023, the Company commenced an additional contribution agreement with the National Research Council Canada (NRC) – Industrial Research Assistance Program (IRAP) to reduce the cost of a specific research and development project. The Contribution agreement started Nov. 1, 2023 and is to be completed by Oct. 31, 2025. The NRC agreed to contribute up to a maximum of \$815,845 over the period of the agreement with specific maximum contribution amounts allocated to each fiscal year. During Q3, the Company accrued \$104,439 (2024 – \$85,182) for this project’s IRAP funding. NRC reserves the right to claim back all or part of its payments from the Company under certain circumstances. No repayment has been requested and no contingent liability has been accrued at year end.

In Q2 2025, the Company commenced a contribution agreement with Industry, Science, and Economic Development Canada (“ISED”) to develop high efficiency beamforming IC and intelligent beam-forming antenna modules for satellite and ESA terminals. This ISED “FABrIC” grant totals \$497,650. The agreement started April 1, 2025 and is to be completed by Mar. 31, 2027. During Q3 2025, the Company accrued \$29,193 (2024 – \$Nil) for this project’s ISED funding. ISED reserves the right to claim back all or part of its payments from the Company under certain circumstances.

6. SEASONALITY

The results of operations for the interim periods are not necessarily indicative of the results of operations for the full year. The Company’s revenues and earnings have historically been subject to some quarterly seasonality due to the timing of vacation periods and statutory holidays.

7. OPERATING SEGMENT INFORMATION

IFRS 8 “Operating Segments” defines an operating segment as (a) a component of an entity that engages in business activities from it which may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (b) whose operating results are regularly reviewed by the entity’s chief decision maker to make decisions about resources to be allocated to the segment and to assess its performance and (c) for which discrete financial information is available. For managements purposes the Company’s activities are attributable to a single operating segment, engaged in the design and manufacture of auto-deploying mobile satellite antennas. Consequently, the group does not present any operating segment information.



NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
For the three-month periods ended August 31, 2025 and 2024
(expressed in Canadian Dollars)

7. OPERATING SEGMENT INFORMATION (CONTINUED)

Revenue by Geographic area

The location of the customer determines the geographic areas for revenue.

	3 months ended Aug. 31, 2025	3 months ended Aug. 31, 2024
	\$	\$
Canada	3,205	2,723
United Arab Emir.	659,585	-
Kazakhstan	491,300	286,044
Europe	354,610	131,803
Middle East	218,629	377,810
Rest of the World	206,484	525,168
Total	1,933,813	1,323,548

Capital assets

The location of capital assets determines the geographic areas. All capital assets are located in Canada.

Major Customers

For the quarter ended August 31, 2025, the Company had two customers who accounted for more than 10% of revenues comprising a total of \$1,116,115 or 58% of total revenues (for the quarter ending August 31, 2024 – the Company had four customers who generated more than 10% of revenues for a total of \$763,666, or 58% of total revenues).

8. INVENTORY AND COST OF SALES

	August 31, 2025	August 31, 2024	Change
	\$	\$	\$
Component parts	4,824,295	6,041,581	1,217,286
Finished goods	1,409,998	1,795,939	385,941
Total	6,234,293	7,837,520	1,603,227



NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
For the three-month periods ended August 31, 2025 and 2024
(expressed in Canadian Dollars)

8. INVENTORY AND COST OF SALES (CONTINUED)

	August 31, 2025	August 31, 2024	Change
	\$	\$	\$
Value of inventory expensed in the period	921,140	607,988	313,152
Un-recovered freight and storage charges	12,345	11,249	1,096
Obsolete inventory increase/(decrease)	(2,028)	-	2,028
Allocation of amortization	3,126	4,129	1,003
Total Cost of Sales	934,583	623,366	311,217

9. RIGHT OF USE ASSET AND LEASE OBLIGATION

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

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

	As of August 31, 2025	As of August 31, 2024
	\$	\$
Balance, December 1	\$1,477,683	-
Additions	-	1,583,232
Disposals and other adjustments	-	-
F2025 depreciation	(237,484)	(26,387)
	1,240,199	1,556,845

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

The following table presents this lease obligation for the company's Head Office space:

	As of August 31, 2025	As of August 31, 2024
	\$	\$
Balance, December 1	1,495,951	-
Additions	-	1,583,232
Disposals and other adjustments	-	-
Less: F2025 principal payments	(204,390)	(21,624)
Total lease obligation	1,291,561	1,561,608
Current portion	292,652	337,699
Non-current	998,909	1,223,909



NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
For the three-month periods ended August 31, 2025 and 2024
(expressed in Canadian Dollars)

9. RIGHT OF USE ASSET AND LEASE OBLIGATION (CONTINUED)

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

The following table presents the Company's total contractual lease obligations as of August 31, 2025 on an undiscounted cash-flow basis:

Less than one year	\$ 384,478
One to five years	1,110,772
More than five years	Nil
Total undiscounted lease costs	1,495,250

10. ISSUED CAPITAL

Stock options

The Company has an established stock option plan, which provides that the Board of Directors may grant stock options to eligible directors, officers and employees. Under the plan, eligible directors, officers and employees are granted the right to purchase shares of common stock at a price established by the Board of Directors on the date the options are granted but in no circumstances below fair market value of the shares at the date of grant.

On May 10, 2022, the Company reset the option pool to 20% of the issued and outstanding common shares on that date. Formal approval for the reset was received from the TSXV on June 17, 2022. A total of 8,176,280 common shares then became authorized for issuance under the plan.

There were 2,140,130 options available to be granted as of August 31, 2025. No consideration is payable on the grant of an option with options generally vesting after one year from the date of grant.

As of August 31, 2025 there were 4,661,050 options outstanding, of which 4,103,050 were exercisable.

Outstanding share capital

On August 31, 2025 there were 42,256,500 common shares of the Company outstanding (August 31, 2024 – 42,256,500).



NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
For the three-month periods ended August 31, 2025 and 2024
(expressed in Canadian Dollars)

11. NET EARNINGS PER SHARE

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

	3 months ended Aug. 31, 2025	3 months ended Aug. 31, 2024
Weighted average number of shares – basic	42,256,500	42,228,073
Addition to reflect the dilutive effect of employee stock options	94,922	230,379
Weighted average number of shares – diluted	42,351,422	42,458,452

Options that are anti-dilutive because the exercise price was greater than the average market price of the common shares are not included in the computation of diluted earnings per share. For the period ending August 31, 2025, 3,894,150 options were excluded from the above calculation (August 31, 2024 – there were 3,265,150 anti-dilutive options excluded from the above calculation).

Net income represents the measure of profit and loss used to calculate earnings per share.

12. RELATED PARTY TRANSACTIONS AND BALANCES

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

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

		3 months ended Aug. 31, 2025	3 months ended Aug. 31, 2024
		\$	\$
<i>Board of Directors:</i>			
Board of Director fees	(i)	36,000	36,000
<i>Transactions with Rampart International Corp.:</i>			
Reimbursement of office and other expenses	(ii)	1,232	2,471



NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
For the three-month periods ended August 31, 2025 and 2024
(expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions with 718133 Ontario Inc.:

Rental of office and warehouse space	(iii)	97,735	93,007
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Transactions with Art Slaughter CPA Pro. Corp.:

Purchase of consulting services	(iv)	5,938	6,937
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Transactions with LaBarge Weinstein LLP:

Legal fees and expenses	(v)	4,800	6,065
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	As At	As At
	Aug. 31, 2025	Aug. 31, 2024
	\$	\$
<i>Balances with related parties</i>		
Amounts due from Rampart International Corp.	Nil	2,471
Amounts due to 718133 Ontario Inc.	4,100	2,661
Amounts due to Art Slaughter CPA Pro. Corp.	1,201	706
Amounts due to LaBarge Weinstein LLP	1,808	Nil

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

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



NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
For the three-month periods ended August 31, 2025 and 2024
(expressed in Canadian Dollars)

13. IMPACT OF THE RUSSIA/UKRAINE CONFLICT

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

14. IMPACT OF THE GLOBAL TRADE AND TARIFF DISPUTE

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