

This prospectus does not constitute a public offering of any securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the Provinces of British Columbia, Alberta, Ontario, Nova Scotia and Prince Edward Island and with the TSX Venture Exchange Inc. but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.

PRELIMINARY PROSPECTUS

NON-OFFERING



DATED: June 18, 2026

CELESTIAL ACQUISITION CORP.
(a capital pool company)

No securities are being offered pursuant to this prospectus (the “**Prospectus**”). This Prospectus is being filed to enable Celestial Acquisition Corp. (“**Celestial**” or the “**Company**”), a capital pool company pursuant to Policy 2.4 - *Capital Pool Companies* (the “**CPC Policy**”) of the TSX Venture Exchange (the “**Exchange**” or “**TSXV**”), to complete its Qualifying Transaction (as defined under the CPC Policy) with Nokia Solutions and Networks Oy (“**NSN**”), Nokia of America Corporation (“**NOAC**”), and Modulate Space Corporation (“**MSC US**” and, together with NSN and NOAC, the “**Modul8 Parties**”) (the “**Proposed Qualifying Transaction**”). Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised pursuant to this Prospectus.

The Company was formed as a capital pool company on June 10, 2022, and completed its initial public offering of the Common Shares (as defined herein) on December 22, 2022, at an issue price of \$0.10 per Common Share. The Common Shares were listed for trading on the Exchange on December 22, 2022, under the symbol “CES.P”. The Company’s business has been restricted to the identification and evaluation of assets and businesses in connection with a potential Qualifying Transaction and, upon identifying and evaluating such opportunities, to negotiate an acquisition or participation in connection therewith subject to acceptance by the Exchange. The Company and the Modul8 Parties entered into a business combination agreement on April 15, 2026 (the “**Definitive Agreement**”), pursuant to which, among other things, the Company has agreed to acquire, through a series of steps, the assets comprising the “Modul8 Business” (as defined herein) from NSN and NOAC in exchange for the issuance of Common Shares. See “*The Proposed Qualifying Transaction – Transaction Structure*”. The Proposed Qualifying Transaction is intended to serve as the Company’s Qualifying Transaction under the CPC Policy.

This Prospectus is being filed pursuant to the CPC Policy, and the Proposed Qualifying Transaction must be approved by the Exchange in accordance with the CPC Policy. Except as specifically contemplated in the CPC Policy, until Completion of the Proposed Qualifying Transaction (as defined herein), the Company has not carried on and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. As of the date of this Prospectus, the common shares of the Company (the “**Common Shares**”) are listed on the Exchange under the symbol “CES.P”. Trading of the Common Shares was halted on April 16, 2026, the date of the initial announcement of the Proposed Qualifying Transaction pursuant to the CPC Policy. The Common Shares closed at a trading price of \$0.07 per Common Share on the last trading day immediately preceding the halt.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

For greater certainty, neither the securities underlying the Subscription Receipts (as defined herein) nor the Resulting Issuer Shares (as defined herein) are being qualified by this Prospectus.

Neither the Exchange nor any securities regulatory authority has in any way passed upon the merits of the Proposed Qualifying Transaction described in this Prospectus.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to it in the “Glossary”.

An investment in the securities of the Company or the Resulting Issuer (as defined herein) is speculative and involves a high degree of risk. Prospective investors should carefully consider the risks associated with an investment in the securities of the Company or the Resulting Issuer, the Completion of the Proposed Qualifying Transaction, and the business of the Resulting Issuer. Investors should review carefully the information contained in this Prospectus, including the risk factors described under the heading “*Information Concerning the Resulting Issuer – Risk Factors*”.

The Company does not have any ongoing business operations and has no assets other than cash and cash equivalents, its listing on the Exchange and its rights under the Definitive Agreement. There is no assurance that the Company will successfully complete the Proposed Qualifying Transaction, or even if it does, that the business of the Resulting Issuer will be profitable or will succeed. Moreover, additional funds may be required to accomplish the business objectives of the Resulting Issuer, and the Resulting Issuer may not be able to obtain such financing or may not be able to raise sufficient funds. If future business activities of the Resulting Issuer are financed by the issuance of Resulting Issuer Shares from treasury, control of the Resulting Issuer may change and Shareholders (as defined herein) may suffer additional dilution. Holders of Resulting Issuer Shares may be unable to enforce Canadian statutory and civil remedies against non-residents.

The following Persons are incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or reside outside of Canada, and have appointed Aird & Berlis Inc., Suite 1800, 181 Bay Street, Toronto, Ontario M5J 2T9, as their agent for service of process in Canada, respectively:

- Mark Russell, a director of the Company;
- Laura Price, a proposed director of the Resulting Issuer;
- John Dow, a proposed director of the Resulting Issuer and the proposed Chief Executive Officer of the Resulting Issuer; and
- Dr. Thierry Klein, the proposed Chief Technology and Research Officer of the Resulting Issuer.

It may not be possible for investors to enforce judgments obtained in Canada against any Person that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the Person has appointed an agent for service of process. See “*Information Concerning the Resulting Issuer – Risk Factors – Risks Related to the Proposed Qualifying Transaction and the Resulting Issuer - It may be difficult to enforce civil liabilities under Canadian securities laws.*”

The head and registered office of the Company is located at Suite 1800, 181 Bay Street, Toronto, Ontario, M5J 2T9.

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Notice Concerning Forward-Looking Statements

This Prospectus contains forward-looking statements and information which constitute “forward-looking information” as such term is used in applicable Securities Laws (“**Forward-looking Statements**”). Often, but not always, Forward-looking Statements can be identified by the use of words such as “plans”, “expects”, “estimates”, “intends”, “anticipates” or “believes”, or variations of such words and phrases (or the negative form thereof), or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking Statements in this document include, but are not limited to, statements regarding: completion and timing of the Proposed Qualifying Transaction; closing of the Subscription Receipt Financing (as defined herein); the Name Change (as defined herein) and Consolidation (as defined herein); anticipated use of funds by the Resulting Issuer; the appointment of proposed directors and officers of the Resulting Issuer; proposed corporate governance policies of the Resulting Issuer; and compensation of proposed directors and officers of the Resulting Issuer. Forward-looking Statements reflect beliefs of management of the Company and are based on information currently available to management of the Company (including assumptions relating to general economic and market conditions).

Such Forward-looking Statements are based on a number of assumptions, which may prove to be incorrect, including, but not limited to, the ability of the Company, the Modul8 Parties or the Resulting Issuer, as the case may be, to satisfy conditions in the Definitive Agreement and the requirements of the Exchange and the CPC Policy with respect to the Proposed Qualifying Transaction; the conditions to completion of the Subscription Receipt Financing; the Resulting Issuer’s activities and its abilities to maintain and expand the scope of the Modul8 Business; the general business, economic, financial market, regulatory and political conditions in which the Resulting Issuer operates will remain positive; assumptions relating to government support and funding levels for space programs; the continued funding and operationalization of NASA’s Artemis program; that sufficient working capital is available to complete the proposed business objectives; unimpeded development and commercialization of the Modul8 Business by the Licensor (as defined herein); the impact of competition; expectations regarding trends and competitive conditions in the industry; expectations regarding the regulatory environment in the industry and that the regulatory environment will not change in a manner adverse to the business of the Resulting Issuer; that the Resulting Issuer is able to secure and/or retain appropriate personnel; that the Resulting Issuer will sustain or increase profitability, and will be able to fund its operations with existing capital, and/or it will be able to raise additional capital to fund operations; and anticipated and unanticipated costs, including the cost associated with the Resulting Issuer’s business plan. The Company cautions that the foregoing list of assumptions is not exhaustive.

Forward-looking Statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company and the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the Forward-looking Statements. These risks include, without limitation:

- the Proposed Qualifying Transaction or Subscription Receipt Financing not being approved by the Exchange, including the risk that the Proposed Qualifying Transaction or Subscription Receipt Financing may not be completed on the terms contemplated herein, or at all, or may be delayed;
- the controlling influence of NSN following Completion of the Proposed Qualifying Transaction;
- significant sales of Resulting Issuer Shares after the expiry of lock-up or escrow restrictions;
- the absence of an active trading market for the Resulting Issuer Shares;
- public company compliance obligations;
- limited experience managing a public company;
- difficulty enforcing civil liabilities under Canadian securities laws;
- dependence on key personnel;
- no certainty in anticipated growth;
- dependence on continued development of space-based communications and technology program;
- dependence on Axiom lunar spacesuit program;
- dependence on a limited number of customers and programs;
- long and unpredictable sales cycles;

- dependence on transitional arrangements and the separation of the Modul8 Business from Nokia (as defined herein);
- dependence on government contracts, policies and funding levels;
- contracts with the U.S. government and certain international customers may be terminated, modified or adversely affected;
- complex industry and government regulatory regimes;
- Canadian regulatory, national security and foreign investment laws;
- reliance on a limited number of key suppliers and contractors;
- competition and market dynamics;
- customer contracts, including government contracts, being terminated, suspended or not awarded following competitive procurement processes;
- U.S. government contract awards or options involving the Modul8 Business being subject to bid protests or challenges;
- audits and reviews in connection with government contracts;
- changes in U.S. government policy regarding the use of commercial space and data providers;
- the ability of personnel and facilities to obtain and maintain required security clearances;
- the failure to comply with National Industrial Security Program Operating Manual;
- development, commercialization and achievement of customer adoption of new technologies;
- technology errors, defects or performance failures;
- contractual liability arising from errors or defects in products or systems;
- challenges associated with servicing, upgrading or replacing customized hardware and software;
- first-of-its-kind and limited deployment history;
- firm fixed-price contracts;
- Resulting Issuer management may exercise discretion in the use of proceeds from the Subscription Receipt Financing;
- uncertainty of future revenues and the need for additional financing;
- limitations on disclosure arising from classified contracts;
- concentration of operations at a single facility;
- uncertainty of contract conversion, backlog and revenue realization;
- future acquisitions, investments and joint ventures, including successful consummation or integration of acquisitions;
- limited control over analyst coverage, public perception and media or social-media commentary;
- catastrophic space events, environmental hazards and other significant disruptions;
- the aerospace industry and market risks;
- the operation and launch of technology and hardware intended for use in-space;
- interference with space-based or terrestrial communications systems;
- increased congestion in low Earth orbit environments;
- setbacks in space exploration missions and industry-wide failures;
- exposure to changes in defence spending;
- conflicts of interest;
- changes in tax laws or adverse tax assessments;
- litigation and regulatory proceedings;
- adequate insurance coverage;
- foreign operations and foreign exchange risks;
- foreign investment regulations in the U.S. restricting ownership or investment;
- market outlook, investor sentiment and valuation of space-related equities being disproportionality influenced by large industry participants;
- forward-looking information proving to be incorrect;
- decisions not to enter into certain customer or partner relationships;
- environmental laws and regulations;
- uncertain global economic, political and geopolitical conditions;
- climate change and climate-related regulations;
- changes in trade policy, tariffs and cross-border restrictions;

- historically negative cash flow from operations;
- reliance on licensed third-party technology, including concentration risk relating to technology licensed from NSN;
- ability to enforce intellectual property rights;
- Licensor intellectual property developed through government-funded programs;
- cybersecurity breaches and information technology failures;
- the use of artificial intelligence and machine learning technologies;
- assertions by third parties of intellectual property infringement;
- indemnification obligations in contractual arrangements;
- reliance on open-source software; and
- dependence on a wholly-owned subsidiary to hold the Modul8 IP Assets.

This list of factors should not be construed as exhaustive. Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in Forward-looking Statements, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. Readers should carefully consider all such risks including those under the heading “*Information Concerning the Resulting Issuer – Risk Factors*”.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying Forward-looking Statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the Forward-looking Statements contained in this Prospectus. These factors should be considered carefully and prospective investors should not place undue reliance on Forward-looking Statements. Although the Forward-looking Statements contained in this Prospectus are based upon what management currently believes to be reasonable assumptions, the Company cannot assure prospective investors that actual results, performance or achievements will be consistent with these Forward-looking Statements. The Forward-looking Statements contained in this Prospectus are made as of the date of this Prospectus and the Company does not intend, and does not assume any obligation, to update or revise these Forward-looking Statements, except where required by law.

General Disclosure Information

Unless otherwise stated, the information contained in this Prospectus is given as of June 18, 2026.

No Person has been authorized by the Company or the Modul8 Parties to give any information or make any representations in connection with the Proposed Qualifying Transaction other than those contained in this Prospectus and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Modul8 Parties, as applicable.

All information contained in this Prospectus with respect to the Company has been supplied by the Company for inclusion herein, and with respect to that information, the Modul8 Parties and its directors and officers have relied solely on the Company. Based on its due diligence conducted in this respect, the Modul8 Parties have no reason to believe that such information is not accurate.

All information contained in this Prospectus with respect to the Modul8 Parties and the Modul8 Business has been supplied by the Modul8 Parties for inclusion herein, and with respect to that information, the Company and its directors and officers have relied solely on the Modul8 Parties. Based on its due diligence conducted in this respect, the Company has no reason to believe that such information is not accurate.

Market and Industry Data

Unless otherwise indicated, information contained in this Prospectus concerning Modul8’s industry and the markets in which it operates, including general expectations and market position, market opportunities and market share, is based on information obtained from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

Unless otherwise indicated, the estimates included herein are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from internal research, and include assumptions made by Nokia, who has advised the Company that it believes such assumptions to be reasonable based on its knowledge of its industry and markets. Nokia's internal research and assumptions have not been verified by any independent source, and neither the Company nor Nokia has independently verified any third-party information. While the Company and Nokia believe the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates regarding the Resulting Issuer's future performance and the future performance of the industry and markets in which the Resulting Issuer is expected to operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "Notice Concerning Forward-Looking Statements" and "Information Concerning the Resulting Issuer – Risk Factors". For the avoidance of doubt, nothing stated in this paragraph operates to relieve the parties from liability for any misrepresentation contained in this Prospectus under applicable Canadian securities laws.

Currency Presentation and Exchange Rate Data

The financial information in respect of the Modul8 Business is presented in United States dollars. The Company's financial statements are presented in Canadian dollars. In this Prospectus, references to "US\$" are to United States dollars and references to "\$" or "C\$" are to Canadian dollars.

The following table sets out, for the periods indicated, the high, low, average and period-end indicative rates of exchange for US\$1.00 expressed in Canadian dollars, published by the Bank of Canada during the respective periods.

	Three months ended March 31, 2026	Year ended December 31, 2025	Year ended December 31, 2024
As at period end	\$1.3939	\$1.3706	\$1.4389
Low	\$1.3515	\$1.3558	\$1.3316
High	\$1.3939	\$1.4603	\$1.4416
Average	\$1.3717	\$1.3978	\$1.3698

GLOSSARY

The following is a glossary of capitalized and other terms and abbreviations used frequently throughout this Prospectus.

“3GPP” means 3rd Generation Partnership Project, an international collaboration that develops and maintains global standards for mobile telecommunications networks.

“Acquireco” means a company incorporated under the laws of the Province of Ontario as a wholly-owned subsidiary of the Company, formed for the purposes of completing the Amalgamation with Finco.

“Acquireco Shares” means the common shares in the capital of Acquireco.

“Affiliate” has the meaning ascribed to such term in National Instrument 45-106 – *Prospectus Exemptions*.

“Agency Agreement” means the agency agreement to be entered into by and among Celestial, NSN, NOAC, MSC US, Finco and Acquireco, together with the Agents in respect of the Subscription Receipt Financing.

“Agents” means, collectively, Scotia Capital Inc., as Lead Agent and bookrunner, together with ATB Capital Markets Corp. as joint-bookrunner, , and such other additional investment dealers as may be appointed, in connection with the sale of Subscription Receipts of Finco pursuant to the Subscription Receipt Financing.

“Agents’ Expenses” means certain fees and expenses of the Agents plus applicable taxes in connection with the Subscription Receipt Financing, as set out in the Agency Agreement.

“Agents’ Fee” means the cash portion of the commission payable to the Agents in connection with the Subscription Receipt Financing pursuant to the terms of the Agency Agreement.

“Agents’ Option” is defined below under the heading *“The Proposed Qualifying Transaction – Subscription Receipt Financing”*.

“Amalco” means the company resulting from the Amalgamation of Finco and Acquireco.

“Amalco Shares” means the common shares in the capital of Amalco.

“Amalgamation” means the amalgamation of Finco and Acquireco pursuant to Section 175 of the OBCA on the terms set forth in the Definitive Agreement and the Amalgamation Agreement, subject to any amendments or variations thereto made in accordance with the provisions of the Definitive Agreement and the Amalgamation Agreement.

“Amalgamation Agreement” means the agreement to be entered into between the Company, Acquireco, and Finco in respect of the Amalgamation, substantially in the form attached to the Definitive Agreement.

“Applicable Law” means (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority whether or not having the force of law.

“Associate” has the meaning ascribed to such term in the Exchange Policies.

“Audit Committee” means the audit committee of the Board.

“Audit Committee Charter” means the charter of the Audit Committee.

“Axiom” means Axiom Space, Inc.

“Axiom Agreement” is defined under the heading *“Information Concerning Modul8 – Description of the Modul8 Business - Operating Characteristics and Material Contracts”*.

“Board” means the board of directors of the Company.

“Business Acquisition” is defined below under the heading *“The Proposed Qualifying Transaction – Transaction Structure”*.

“Business Day” means a day other than a Saturday, Sunday or day on which the chartered banks are closed in the City of Toronto.

“Closing” means the Completion of the Proposed Qualifying Transaction pursuant to and in accordance with the Definitive Agreement at the Closing Time.

“Closing Date” means the date of Closing which shall be within five (5) Business Days following the later of (i) the date the parties to the Definitive Agreement receive conditional acceptance of the Proposed Qualifying Transaction and related matters from the Exchange, including issuance of the Final Receipt; and (ii) such other date as NSN and the Company may mutually agree, acting reasonably, but in any event not later than the Outside Date.

“Closing Time” means the time on the Closing Date as may be agreed to by the Company and NSN.

“Code” is defined below under the heading *“Information Concerning the Resulting Issuer – Audit Committee and Corporate Governance of the Resulting Issuer”*.

“Commissions” means the securities regulatory authorities (other than the Exchange) of the Qualifying Jurisdictions and **“Commission”** means the securities regulatory authority of a specified Qualifying Jurisdiction.

“company”, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“Company” or **“Celestial”** means Celestial Acquisition Corp., a corporation existing under the laws of the Province of Ontario.

“Company Option Plan” means the current stock option plan of the Company.

“Company Options” means the 925,000 issued and outstanding options to purchase Common Shares pursuant to the Company Option Plan.

“Compensation Committee” is defined below under the heading *“Information Concerning the Resulting Issuer – Executive Compensation”*.

“Completion of the Proposed Qualifying Transaction” means the date the Final Exchange Bulletin is issued by the Exchange.

“Confidentiality Agreement” means the mutual confidentiality agreement dated March 12, 2026 between the Company and NSN.

“Consolidated Shares” is defined below under the heading *“Prospectus Summary – Share Consolidation and Name Change”*.

“Consolidation” is defined below under the heading *“Prospectus Summary – Share Consolidation and Name Change”*.

“**Control Person**” has the meaning ascribed to such term in the Exchange Policies.

“**CPC**” has the meaning ascribed to such term in the Exchange Policies.

“**CPC Escrow Agreement**” means the TSXV Form 2F escrow agreement dated November 30, 2022, as amended, among the Company, the Escrow Agent, and the holders of certain Common Shares and Company Options.

“**CPC Escrowed Shares**” is defined below under the heading “*Information Concerning the Company – Escrowed Securities*”.

“**CPC Policy**” means Exchange Policy 2.4 – *Capital Pool Companies*.

“**Definitive Agreement**” means the business combination agreement entered into between the Company and the Modul8 Parties on April 15, 2026, as the same may be supplemented or amended from time to time, pursuant to which the parties to the Definitive Agreement will complete the Proposed Qualifying Transaction.

“**Escrow Agent**” means Odyssey Trust Company.

“**Escrow Release Conditions**” is defined below under the heading “*The Proposed Qualifying Transaction – Subscription Receipt Financing*”.

“**Exchange**” or “**TSXV**” means the TSX Venture Exchange.

“**Exchange Policies**” means the applicable rules, regulations, policies and forms of the Exchange.

“**Final Exchange Bulletin**” means the Exchange Bulletin which is issued following Closing of the Proposed Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Proposed Qualifying Transaction.

“**Final Receipt**” means the receipt issued by the OSC, as principal regulator under NP 11-202, evidencing that a receipt has been, or has been deemed to be, issued for this Prospectus in each of the Qualifying Jurisdictions.

“**Finco**” means a company incorporated under the laws of the Province of Ontario and formed for the purposes of completing the Subscription Receipt Financing and the Amalgamation with Acquireco.

“**Finco Shares**” means common shares in the capital of Finco.

“**Forward-looking Statements**” is defined above under the heading “*Notice Concerning Forward-Looking Statements*”.

“**Governmental Authority**” means any government, parliament, legislature, regulatory authority (including any Commission or stock exchange), governmental department, agency, commission, board, tribunal, crown corporation, court or other law, rule or regulation-making entity having jurisdiction or exercising executive, legislative, judicial, regulatory or administrative powers on behalf of any federation or nation, or any province, territory, state or other subdivision thereof or any municipality, district or other subdivision thereof.

“**Gross Proceeds**” is defined below under the heading “*Prospectus Summary - Subscription Receipt Financing*”.

“**holding company**” is defined below under the heading “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

“IFRS” means IFRS Accounting Standards as issued by the International Accounting Standards Board applicable as at the date on which date such calculation is made or required to be made applied on a consistent basis in accordance with generally accepted accounting principles.

“Insider” has the meaning ascribed to such term in the Exchange Policies.

“IP” means intellectual property of any and all descriptions, including recognized protectable rights and interests such as: patents (whether or not issued), copyrights, trademarks, service marks, applications for any of the foregoing, inventions, Confidential Information (as defined in the Confidentiality Agreement), trade secrets, trade dress, software and the source code therefor, software detailed design documents, libraries of code and scripts, databases and user data, rights under inbound and outbound IP licences, domain names, logos, insignia, colour combinations, slogans, moral rights, rights of publicity, author’s rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know-how, design flows, methodologies, devices, business processes, developments, innovations, goodwill and all other legal rights protecting intangible proprietary information as may exist now or hereafter come into existence, and all registrations, renewals and extensions, regardless of whether those rights arise under the laws of Finland, Canada, or the United States, or any other state, country or jurisdiction.

“IPO” means the initial public offering of the Company, completed on December 22, 2022.

“IPO Agent” means Haywood Securities Inc.

“IPO Agent Options” means 500,000 non-transferable options to purchase Common Shares issued to the IPO Agent in connection with the completion of the IPO.

“IPO Prospectus” means the final prospectus of the Company dated November 30, 2022.

“Lead Agent” means Scotia Capital Inc.

“Licensor” means NSN and its Affiliates.

“Material Adverse Effect” means, with respect to an entity, any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (i) the business, operations, results of operations or condition (financial or otherwise) of such entity (the foregoing shall not include any change or effects attributable to (x) any matter that has been disclosed in writing to the other party or any of its advisers by a party or any of its advisers in connection with the Definitive Agreement, (y) changes relating to general economic, political or financial conditions, or (z) relating to the state of securities markets in general); or (ii) the ability of such entity to consummate the Proposed Qualifying Transaction on a timely basis.

“Modul8” or **“Modul8 Business”** means the business enterprise conducted using the Modul8 Operating Assets and Modul8 IP Assets relating to the deployment, design, manufacture and commercialization of space-based communications technologies.

“Modul8 Assigned IP Assets” means the IP assets to be assigned to the Company in connection with the Business Acquisition pursuant to the terms of the Definitive Agreement.

“Modul8 Financial Statements” means the audited carve-out financial statements of the Modul8 Business for the years ended December 31, 2025 and 2024, and the unaudited carve-out condensed interim financial statements of the Modul8 Business for the periods ended March 31, 2026 and 2025, as applicable, and any other financial statements of the Modul8 Business included in this Prospectus, in each case prepared in accordance with IFRS consistently applied throughout the periods referred to therein.

“Modul8 IP Agreements” means the Modul8 IP Transfer and Licence Agreement, the Modul8 Patent Purchase Agreement and the Modul8 Trademarks and Domain Names Assignment Agreement.

“Modul8 IP Assets” means the Modul8 Assigned IP Assets and the Modul8 Licensed IP Assets.

“Modul8 IP Transfer and Licence Agreement” means the intellectual property transfer and licence agreement as more particularly described in the Definitive Agreement.

“Modul8 IPCo” means a direct wholly-owned subsidiary of the Company to be incorporated in Ontario as *“Modul8 IP Corp.”* prior to Closing to hold all of the Modul8 Assigned IP Assets and Modul8 Licensed IP Assets.

“Modul8 Licensed IP Assets” means the IP assets licensed to Modul8 IPCo pursuant to the Modul8 IP Transfer and Licence Agreement.

“Modul8 Operating Assets” has the meaning ascribed to such term in the Definitive Agreement.

“Modul8 Parties” means, collectively, NSN, NOAC and MSC US.

“Modul8 Patent Purchase Agreement” means the patent purchase agreement as more particularly described in the Definitive Agreement.

“Modul8 Trademarks and Domain Names Assignment Agreement” means the trademarks and domain names assignment agreement as more particularly described in the Definitive Agreement.

“MSC US” means Modulate Space Corporation, a corporation incorporated under the laws of the State of Texas.

“MSC US Note” means the promissory note to be issued by MSC US to NOAC in exchange for the Modul8 Operating Assets.

“MSC US Payment Shares” is defined below under the heading *“The Proposed Qualifying Transaction – Transaction Structure”*.

“MSC US Stock” means the outstanding common stock of MSC US.

“MSC US Stockholders” means holders of outstanding MSC US Stock.

“Name Change” means the anticipated change of name of the Company to “Modul8 Corporation”, or such other name as may be determined in the sole discretion of NSN, subject to Applicable Laws and Exchange Policies.

“Named Executive Officers” or **“NEO”** has the meaning ascribed to such term in Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

“NASA” means the National Aeronautics and Space Administration.

“NI 45-106” means National Instrument 45-106 – *Prospectus Exemptions*.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*.

“Nokia” means, together, NSN and NOAC.

“Nokia Reorganization” is defined below under the heading *“The Proposed Qualifying Transaction – Transaction Structure”*.

“Non-Arm’s Length Qualifying Transaction” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

“NP 11-202” – means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*.

“NSN Payment Shares” is defined below under the heading *“The Proposed Qualifying Transaction – Transaction Structure”*.

“OBCA” means the *Business Corporations Act* (Ontario), as the same has been and may hereafter from time to time be amended, including the regulations promulgated thereunder.

“OSC” means the Ontario Securities Commission.

“Outside Date” means August 31, 2026 or such other date as the parties to the Definitive Agreement mutually agree.

“Payment Shares” is defined below under the heading *“The Proposed Qualifying Transaction – Transaction Structure”*.

“Person” means a natural person, firm, corporation, trust, partnership, joint venture, governmental body or agency or association.

“Principal” has the meaning ascribed to such term in the Exchange Policies.

“Promoter” has the meaning ascribed to it in the *Securities Act* (Ontario).

“Proposed Qualifying Transaction” means the proposed acquisition by the Company of the Modul8 Business from the Modul8 Parties, and includes the Consolidation, Name Change, Nokia Reorganization, Business Acquisition, Subscription Receipt Financing, Amalgamation, and the Resulting Director appointments, all upon the terms and subject to the terms and conditions set forth in the Definitive Agreement, intended to be the Company’s Qualifying Transaction.

“Prospectus” means this preliminary prospectus dated June 18, 2026.

“Qualifying Jurisdictions” means each of British Columbia, Alberta, Nova Scotia, Ontario and Prince Edward Island, and such other jurisdictions to which the Agents and the Company may agree and **“Qualifying Jurisdiction”** means any one of them.

“Qualifying Transaction” has the meaning ascribed to such term in the Exchange Policies.

“Resulting Directors” means the individuals to be appointed to the Resulting Issuer Board concurrently with the Completion of the Proposed Qualifying Transaction, to be comprised of a total of five (5) directors, a majority of whom shall be independent and resident Canadian, and consisting of the Chief Executive Officer of the Resulting Issuer, two (2) independent individuals nominated by the Company or its designate and two (2) independent individuals nominated by NSN.

“Resulting Issuer” means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin, which, for the purposes of this Prospectus, shall mean the Company after Completion of the Proposed Qualifying Transaction.

“Resulting Issuer Board” means the board of directors of the Resulting Issuer, as constituted following Completion of the Proposed Qualifying Transaction.

“Resulting Issuer Escrow Agreement” means the voluntary escrow agreement to be dated as of the Closing Date among the Resulting Issuer, the Escrow Agent and certain security holders of the Resulting Issuer, see *“Information Concerning the Resulting Issuer – Escrowed Securities – Voluntary Escrow”*.

“Resulting Issuer Escrowed Securities” is defined below under the heading *“Information Concerning the Resulting Issuer – Escrowed Securities”*.

“Resulting Issuer Option Plan” means the stock option plan of the Resulting Issuer, which will be same as the Company Option Plan. See *“Information Concerning the Company – Description of Securities”*.

“Resulting Issuer Options” means options to purchase Resulting Issuer Shares.

“Resulting Issuer Shares” means the common shares in the capital of the Resulting Issuer following the Completion of the Proposed Qualifying Transaction.

“RF” means radio frequency.

“Securities Laws” means, collectively, the securities laws of the Qualifying Jurisdictions and the regulations and rules made and forms prescribed thereunder, together with all applicable multilateral or national instruments, published policy statements, blanket orders, rulings and notices of the Commissions, and together with all policies, rules and regulations of the Exchange.

“SEDAR+” means the System for Electronic Data Analysis and Retrieval+, accessible at www.sedarplus.ca.

“Shareholders” means holders of outstanding Common Shares of the Company.

“Shares” or **“Common Shares”** means, as applicable, the common shares in the capital of the Company as presently constituted.

“SideLink” refers to a cellular communication method standardized by 3GPP for 5G networks that allows devices to exchange data directly with each other, bypassing the traditional cellular network infrastructure such as base stations (gNB) or cell towers.

“SideLink Mesh Agreement” is defined under the heading *“Information Concerning Modul8 – Description of the Modul8 Business - Operating Characteristics and Material Contracts”*.

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange.

“SMC” is defined under the heading *“Information Concerning Modul8 – Description of the Modul8 Business - Operating Characteristics and Material Contracts”*.

“Subscription Receipt Agreement” means the subscription receipt agreement to be entered into by and among the Company, NSN, NOAC, Finco, MSC US (as applicable), the Lead Agent and the Escrow Agent giving effect to, and in respect of, the Subscription Receipt Financing.

“Subscription Receipt Financing” means the underwritten private placement offering of Subscription Receipts of Finco for minimum gross proceeds of US\$40,000,000.

“Subscription Receipts” means the subscription receipts to be issued by Finco pursuant to the Subscription Receipt Financing, each of which will, upon satisfaction or waiver of certain escrow release conditions contained in the Subscription Receipt Agreement: (a) be automatically converted into one (1) Finco Share, without further action or any additional consideration therefor, immediately prior to the filing of the Articles of Amalgamation and (b) be automatically converted into one (1) Resulting Issuer Share,

without further action or any additional consideration therefor, immediately following completion of the Amalgamation.

“Tipping Point Contract” means a contract funded through Space Act Agreements and awarded for a technology in which an investment in a demonstration will significantly advance maturity and increase the likelihood of developing into a commercial space application for both government and commercial markets.

“Transfer Agent Agreement” means the transfer agent, registrar and disbursing agent agreement dated November 11, 2022 between the Company and Odyssey Trust Company.

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

PROSPECTUS SUMMARY

The following is a summary of certain information contained in this Prospectus, and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Certain capitalized terms and phrases used in this Prospectus are defined in the “Glossary”.

General

The Company was incorporated under the OBCA on June 10, 2022. The Company is a reporting issuer in each of the Provinces of British Columbia, Alberta, Ontario, Nova Scotia and Prince Edward Island and is listed on the Exchange as a CPC under the symbol “CES.P”. The Company completed its IPO on December 10, 2022 pursuant to a final prospectus dated November 30, 2022 (the “**IPO Prospectus**”). The Company sold an aggregate of 5,000,000 Common Shares at a price of \$0.10 per Common Share pursuant to its IPO Prospectus, raising gross proceeds of \$500,000, which amount was raised to provide the Company with funds to identify and evaluate businesses or assets with a view towards completing a Qualifying Transaction. The Common Shares began trading on the Exchange on December 22, 2022.

The principal business of the Company is the identification and evaluation of assets or businesses, with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be approved by the Exchange in accordance with the CPC Policy. The Company has not commenced any commercial operations and has no assets other than cash and cash equivalents, its listing on the Exchange and its rights under the Definitive Agreement. Except as specifically contemplated in the CPC Policy, until completion of a Qualifying Transaction, the Company may not carry on any business other than the identification and evaluation of assets and businesses with a view to completing a Qualifying Transaction and, upon identifying and evaluating such opportunities, to negotiate an acquisition or participation subject to acceptance by the Exchange. See “*Information Concerning The Company – Business of the Company*”.

As of April 16, 2026, trading in the Common Shares on the Exchange has been halted. The market price of the Common Shares on the TSXV on the date immediately preceding the halt and continuing to the date of this Prospectus, was \$0.07 per Common Share.

The Modul8 Business and Modul8 Parties

Modul8 currently operates as a venture within Nokia Bell Labs where it designs, develops and deploys communication solutions, including hardware, software, applications and services for demanding mission-critical space environments. Modul8 is upgrading traditional in-space communications through the application of advanced, proven standards-based cellular, Wi-Fi and free space optical communications technologies and deep expertise. In March 2025, the Modul8 team deployed and operationalized the first cellular communications network on the Moon as part of the Intuitive Machines IM-2 mission. Among other lunar priorities, Modul8 is currently engaged with Axiom to integrate cellular communications capabilities into the Axiom Extravehicular Mobility Unit (AxEMU) next-generation spacesuit designed for lunar exploration as part of NASA’s Artemis program.

NOAC and NSN hold and manage certain assets, intellectual property rights and contractual arrangements relating to the Modul8 Business. Registered IP relating to the Modul8 Business that will be transferred, conveyed or licenced to the Resulting Issuer in connection with the Proposed Qualifying Transaction currently resides with NSN. The principal operating assets, contracts, tangible and other intangible assets relating to the Modul8 Business currently reside with NOAC.

MSC US is a corporation incorporated under the laws of the State of Texas which will hold the Modul8 Operating Assets, including personnel relating to the Modul8 Business. As contemplated by the Definitive Agreement, prior to the Completion of the Proposed Qualifying Transaction, the Modul8 Parties will complete an internal reorganization whereby NOAC will transfer the Modul8 Operating Assets of the Modul8 Business to MSC US, prior to MSC US being acquired by the Company.

The Proposed Qualifying Transaction

The Company has identified the Modul8 Business as an appropriate acquisition for the Company for the purpose of completing its Qualifying Transaction. The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction for purposes of the CPC Policy. As such, the Company does not require the approval of its Shareholders in order to complete the Proposed Qualifying Transaction.

The Company and the Modul8 Parties entered into the Definitive Agreement in connection with the Proposed Qualifying Transaction on April 15, 2026.

Pursuant to the Definitive Agreement, and prior to Completion of the Proposed Qualifying Transaction, the Company will acquire the Modul8 Operating Assets and the Modul8 IP Assets through a series of pre-closing and closing steps intended to reorganize and consolidate such Modul8 Operating Assets and Modul8 IP Assets. A detailed explanation of the transaction structure is described under "*The Proposed Qualifying Transaction – Transaction Structure*".

Following Completion of the Proposed Qualifying Transaction, MSC US will be a wholly-owned operating subsidiary of the Resulting Issuer, and the Modul8 IP Assets associated with the Modul8 Business will be held by Modul8 IPCo. The Resulting Issuer will hold, directly or indirectly, all of the assets, personnel and rights necessary to carry on the Modul8 Business as a standalone company. The Resulting Issuer intends to carry on the Modul8 Business under the name "Modul8 Corporation", or such other name as may be determined in accordance with the Definitive Agreement, Applicable Law and Exchange Policies.

Completion of the Proposed Qualifying Transaction is subject to, among other things, prior satisfaction or waiver of a number of customary conditions including, among others, the conditional acceptance of the Exchange and completion of the Subscription Receipt Financing.

Following the Completion of the Proposed Qualifying Transaction and the conversion of the Subscription Receipts into Resulting Issuer Shares (assuming completion of the Subscription Receipt Financing for 16,666,667 Subscription Receipts and no exercise of the Agents' Option), on a non-diluted basis, former MSC US Stockholders are expected to hold 20.00% of the outstanding Resulting Issuer Shares, NSN is expected to hold 40.67% of the outstanding Resulting Issuer Shares, former Shareholders of Celestial are expected to hold 6.00% of the outstanding Resulting Issuer Shares, and former holders of Subscription Receipts are expected to hold 33.33% of the outstanding Resulting Issuer Shares.

See "*The Proposed Qualifying Transaction – Transaction Structure*", "*The Proposed Qualifying Transaction – Definitive Agreement*" and "*Information Concerning the Resulting Issuer – Business of the Resulting Issuer*".

Subscription Receipt Financing

Prior to, and as a condition to, the Completion of the Proposed Qualifying Transaction, the parties will complete a concurrent private placement of 16,666,667 Subscription Receipts for gross proceeds of US\$40,000,000 (the "**Gross Proceeds**") at a price of US\$2.40 per Subscription Receipt.

Each Subscription Receipt will entitle the holder to receive, upon satisfaction of the applicable Escrow Release Conditions, and without payment of additional consideration, one (1) Finco Share and, following completion of the Amalgamation, one (1) Resulting Issuer Share for each Finco Share held.

See "*The Proposed Qualifying Transaction – Subscription Receipt Financing*".

Share Consolidation and Name Change

Prior to, and as a condition to, the Completion of the Proposed Qualifying Transaction, the Company will consolidate its issued and outstanding Common Shares on the basis of one (1) post-consolidation Common

Share for every 3.0833 pre-consolidation Common Shares (the “**Consolidation**”). As a result of the Consolidation, the Company is expected to have approximately 3,000,000 post-Consolidation Common Shares issued and outstanding immediately following such Consolidation (the “**Consolidated Shares**”). The Consolidation was previously approved by the Shareholders of the Company. See “*The Proposed Qualifying Transaction – Consolidation and Name Change*”.

Concurrently with the Consolidation, the Company also intends to change its name from Celestial Acquisition Corp. to “Modul8 Corporation” (or such other name as may be determined in accordance with the Definitive Agreement, Applicable Law and Exchange Policies) and to adopt the trading symbol “MDL” or such other symbol as may be acceptable to the Company, NSN and the Exchange. The Name change was previously approved by the Shareholders of the Company. See “*The Proposed Qualifying Transaction – Consolidation and Name Change*”.

Directors and Executive Officers of the Resulting Issuer

Subject to Exchange approval, on Completion of the Proposed Qualifying Transaction, all of the current directors and officers of Celestial are expected to resign from their respective positions. The Resulting Issuer Board is expected to be comprised of five (5) individuals, all of whom will be independent within the meaning of NI 52-110, other than Mr. John Dow, who is not independent as he is expected to serve as the Chief Executive Officer of the Resulting Issuer. The following individuals are expected to be appointed as the directors and/or executive officers of the Resulting Issuer:

John Dow – Proposed Director and Chief Executive Officer

John Dow currently serves as General Manager of Modul8 under Nokia Bell Labs and is a Co-Founder of Modul8. He previously served as VP Strategic Initiatives – Corporate Strategy & Technology Group, and GM & Global Head of Disruptive Network Innovations at Nokia.

John is a highly experienced entrepreneur with decades leading technology innovations as Chief Executive Officer, General Manager, and Senior Executive. As Vice President of Alcatel-Lucent’s Americas Wireless business, he led significant revenue growth and profitability during his tenure. John also led the market introduction of Alcatel-Lucent’s small cell driving significant revenue growth and market expansion under his leadership. While an executive at Fortress Technologies, John was the architect of the company’s strategic shift into secure wireless communications, a decision that ultimately led to the company’s acquisition by General Dynamics.

Dr. Thierry Klein – Proposed Chief Technology and Research Officer

Thierry E. Klein currently serves as President of Bell Labs Solutions Research at Nokia and is a Co-Founder of Modul8.

Thierry is a world-renowned researcher, an innovation leader, and an IEEE Fellow. Thierry has over 25 years of experience in communication networking and information technologies and has led countless research and innovation projects and cross-disciplinary industrial partnership engagements, including the 5G Automotive Association and the GreenTouch Consortium. Thierry previously served as CTO and Founder of Alcatel-Lucent’s Rapidly Deployable Networks Venture.

Thierry earned an MS in Mechanical Engineering and an MS in Electrical Engineering from the Université de Nantes and the Ecole Centrale de Nantes in Nantes, France. He received a PhD in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology, USA. He is an author on over 35 peer-reviewed conference and journal publications and an inventor on 36 patent applications. In 2010, he was voted “Technologist of the Year” at the Total Telecom World Vendor Awards and received the 2016 Industrial Innovation Award from the IEEE Communications Society. Thierry has been broadly recognized as an innovation leader and selected on the *BINJE’s Best Power List 2026*, the *NJBIZ Power 100* list (2025

and 2026), the *New Jersey ROI Influencers: Power List Super 75* (2025 and 2026) and recognized with the *New Jersey Innovate 100 Award* (2024).

Janet Kumpu – Proposed Chief Operating Officer and Interim Chief Financial Officer

Janet Kumpu currently serves as Chief Operating Officer and Chief Financial Officer of Modul8 under Nokia Bell Labs, following a highly distinguished career in business operations, finance and executive leadership.

Janet has held senior executive roles, including GM, President, COO and CFO for early-stage startups and Fortune 500 companies, driving growth through organic expansion, M&A and integration. Janet served as President and Chief Operating Officer of Fortress Technologies, a secure tactical wireless communications provider, leading it from startup to eventual sale to General Dynamics where she continued as Business Unit Director and VP Federal Strategic Sales and Business Development. Janet has deep experience leading large-scale defense and national security operations, driving strategic partnership integration into ACAT1 programs for mission critical communication platforms.

Zeev Lubenski – Proposed Vice President of Engineering

Zeev Lubenski currently serves as Head of Engineering at Modul8 under Nokia Bell Labs. An accomplished technology leader; Zeev has more than 30 years of R&D experience.

Zeev has worked as a global leader with multinational and distributed R&D environments and built and led large R&D teams from inception to maturity in both startups and large companies across the full product life cycle management and delivery from the prototype to deployment and operations. He has deep technical knowledge in all aspects of telecommunications, including deployable networks with a broad end-to-end architectural view.

Brad Morrison – Proposed Chief Strategy Officer

Brad brings over 25 years of experience as an entrepreneur, investor, and corporate development strategist. He has held leadership roles across consulting (KPMG LLP), investment banking and high-technology ventures. A U.S. Air Force veteran, he co-founded and led multiple high growth cybersecurity and space solutions companies as a CEO, CFO and Corporate Development Officer. Brad holds a Bachelor of Science in Management from the United States Air Force Academy and Masters of Science in Telecommunications from Southern Methodist University. He also serves on the inaugural Texas Space Commission Board of Directors overseeing strategy and investment to advance Texas' role in the development of a robust space economy.

Kevin Ford – Proposed Director

Kevin Ford is a Canadian business leader who recently retired as President, CEO and Director of Calian Group Ltd., a diversified provider of mission-critical solutions in defence, space, healthcare and infrastructure services. He is best known for his transformative 10-year tenure at Calian, where, under his leadership, the company evolved from a conservative, technology-focused firm into a dynamic global enterprise with diversified offerings and significant growth through both organic initiatives and strategic acquisitions.

Prior to his role at Calian, Kevin worked for 15 years in the private sector in professional services firms, including IBM and DMR. He began his career with the Canadian Department of National Defence, where he worked for 14 years in the information technology and computer operations domain. He is, or has been, a board member and chair for several not-for-profit organizations, including Space Canada, the Ottawa Hospital Foundation, Excellence Canada, the Canadian Association of Defence and Security Industries (CADSI) and Kanata North BIA.

Chris Hadfield – Proposed Director

Chris Hadfield is a retired Royal Canadian Air Force (RCAF) Colonel, engineer, and astronaut who has flown three space missions, including serving as Commander of the International Space Station and the first Canadian to conduct a spacewalk. Over a 35-year military and space career, he served as a CF-18 fighter pilot and North American Aerospace Defence Command (NORAD) alert pilot, a test pilot for the United States Air Force (USAF), United States Navy (USN) and with NASA, and held senior operational and technical roles with the Canadian Space Agency (CSA) and NASA, including Chief Astronaut, Chief of Robotics, Chief of Space Station Operations, and Director of Operations in Russia.

Following retirement from government service, Mr. Hadfield founded Chris Hadfield Inc., a professional services corporation through which he provides strategic advisory, keynote speaking, board directorship, and public engagement services across the aerospace, defence, and technology sectors. He serves as a director of Momentus Inc. (NASDAQ: MNTS) and holds advisory and board roles across multiple technology and defence companies. He is a Lead Fellow in the Creative Destruction Lab Space and Defence tech incubator streams. He is also a six-time bestselling author in fiction and non-fiction.

Mr. Hadfield holds a Bachelor of Science in Mechanical Engineering from the Royal Military College of Canada and a Master of Science in Aviation Systems from the University of Tennessee.

Erin O'Toole – Proposed Director

Erin O'Toole currently serves as President and Managing Director of ADIT North America, a globally integrated risk advisory firm specializing in international trade, due diligence, security and compliance. Prior to joining ADIT, he served for over a decade as a Canadian Member of Parliament, which included serving as Minister of Veterans Affairs, Parliamentary Secretary for International Trade, Shadow Minister for Foreign Affairs and Leader of the Official Opposition. Prior to his time in elected office, Mr. O'Toole practiced corporate law at two national law firms and served as in-house counsel at Procter & Gamble. He was also a commissioned officer in the Royal Canadian Air Force serving as a Tactical Navigator on Sea King helicopters in support of naval operations, maritime surveillance, and search-and-rescue operations. Mr. O'Toole is a graduate of the Royal Military College and Dalhousie Law School. He currently serves as an Adjunct Professor in the Governance, Leadership and Ethics program at Huron University and as a Distinguished Fellow at the Hudson Institute.

Laura Price – Proposed Director

Laura Price possesses more than 25 years of experience in providing audit and consulting services to the US defense industrial base. In the early 2000s, Laura founded KPMG's US national security sector advisory practice and subsequently led KPMG's risk management advisory practice, providing financial, internal control and compliance, cybersecurity, and fraud risk management services across the federal government. Laura retired as a Partner from KPMG LLP in 2021. Following retirement, Laura served as a board member and audit committee chair for Knightswan Acquisition Corporation, a US emerging growth company focused on effecting a business combination in the US defense and intelligence sectors.

Laura is a CPA licensed in Virginia and South Carolina and possesses an undergraduate degree in business summa cum laude from Michigan Technological University and a graduate degree in Organizational Management from George Washington University.

Arm's Length Qualifying Transaction

The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction for purposes of the CPC Policy.

Shareholder Approval

The Company will not be seeking Shareholder approval in relation to the Proposed Qualifying Transaction and does not require the approval of the Shareholders of the Company.

Availability of Funds and Principal Purposes

The funds that are expected to be available to the Resulting Issuer upon completion of the Subscription Receipt Financing for the Gross Proceeds (without exercise of the Agents' Option) and the Proposed Qualifying Transaction are described in the following table.

Source	Funds Available (US\$)
Estimated working capital of the Company as at March 31, 2026	196,791
Estimated working capital of the Modul8 Business as at March 31, 2026	(980,000)
Net proceeds from the Subscription Receipt Financing ⁽¹⁾	35,225,000
Total	34,441,791

Note:

(1) Net of the estimated Agents' Fee of US\$2,400,000, estimated Agents' Expenses and legal fees in the aggregate of US\$175,000, and the balance of the estimated aggregate transaction expenses of US\$2,200,000.

The Resulting Issuer intends to apply the net proceeds from the Subscription Receipt Financing (set out above) following Completion of the Proposed Qualifying Transaction as follows:

Principal Use of Funds	Amount (after giving effect to the Subscription Receipt Financing, without exercise of the Agents' Option) (US\$)
Operating expenses	6,894,000
Capital investments⁽¹⁾	
Development: Lab, Test Equipment	3,800,000
Development: Advanced Roadmap – Satellite and Optical	9,936,000
Research: Lab, Test Equipment	3,250,000
Mission Operations Center	1,250,000
Facilities: Building & IT Infrastructure	1,600,000
Unallocated working capital	7,711,791
Total	34,441,791

Note:

(1) The above uses of available funds are estimates only. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer.

The Resulting Issuer intends to use its available funds to further the business objectives described in "Information Concerning the Resulting Issuer – Available Funds and Principal Uses".

Selected Pro Forma Financial Information

The following table sets out selected pro forma financial information for the Resulting Issuer as at March 31, 2026, assuming Completion of the Proposed Qualifying Transaction and the net proceeds of the Subscription Receipt Financing. Such information is derived from the unaudited pro forma consolidated

statements of financial position of the Resulting Issuer as at March 31, 2026. See Schedule “C” – *Pro Forma Financial Statements of the Resulting Issuer*.

	Pro Forma Consolidated Amount as at March 31, 2026 (unaudited) (US\$)
Total current assets	40,152,000
Total assets	54,732,000
Total current liabilities	3,536,000
Total non-current liabilities	7,624,000
Total shareholders’ equity	43,572,000

Pro Forma Consolidated Capitalization

The following table sets out the pro forma share capital of the Resulting Issuer as at March 31, 2026, based on the pro forma statement of financial position, after giving effect to the Proposed Qualifying Transaction and the Subscription Receipt Financing for the Gross Proceeds (without exercise of the Agents’ Option) as described in the pro forma financial statements of the Resulting Issuer included in this Prospectus. See “*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization of the Resulting Issuer*”.

Holders	Number of Shares⁽¹⁾⁽²⁾	Ownership Percentage
Existing Company Shareholders	3,000,000	6.00%
Former MSC US Stockholders	10,000,000	20.00%
NSN	20,333,333	40.67%
Subscription Receipt Financing	16,666,667	33.33%
	50,000,000	100.00%

Notes:

- (1) All figures expressed on a post-Consolidation basis.
- (2) Certain securities of the Resulting Issuer are subject to escrow pursuant to the Resulting Issuer Escrow Agreement. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

Interest of Insiders, Promoters and Control Persons

No Insider, Promoter or Control Person of the Company or any of their respective Associates and Affiliates (before giving effect to the Proposed Qualifying Transaction) has any interest in the Modul8 Parties.

Interests of Experts

No Person whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus will hold any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such Person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such Person is a Promoter of the Resulting Issuer or an Associate or Affiliate of the Resulting Issuer.

Escrow

The Resulting Issuer Shares held by former certain directors, executive officers and certain Shareholders of the Company and certain directors, executive officers and other Control Persons of the Resulting Issuer will be subject to escrow pursuant to Exchange Policies. See *“Information Concerning the Resulting Issuer – Escrowed Securities”*.

Market for Securities

The Common Shares are listed on the Exchange under the trading symbol “CES.P”. No trading in the Common Shares has occurred through the facilities of the Exchange since April 16, 2026, when the Common Shares were halted from trading following announcement of the Proposed Qualifying Transaction and Definitive Agreement.

No Proceeds Raised

This Prospectus is a non-offering prospectus and was prepared and filed in connection with the Proposed Qualifying Transaction pursuant to requirements under applicable Securities Laws and the CPC Policy. No proceeds will be raised pursuant to this Prospectus.

Risk Factors

The securities of the Company should be considered highly speculative due to the nature of the Company’s business and the present stage of its development. A prospective investor should consider carefully the risk factors set out herein. In addition, prospective investors should carefully review and consider all other information contained in this Prospectus before making an investment decision. An investment in securities of the Company or the Resulting Issuer following Completion of the Proposed Qualifying Transaction should only be made by Persons who can afford a total loss of their investment.

Readers should carefully consider all such risks including those under the heading *“Information Concerning the Resulting Issuer – Risk Factors”*.

Listing Approval

The Company has applied to the Exchange for approval of the Proposed Qualifying Transaction. Final approval of the Proposed Qualifying Transaction will be subject to the Company and the Modul8 Parties fulfilling all the requirements of the Exchange.

INFORMATION CONCERNING THE COMPANY

Corporate Structure

Name, Address and Incorporation

The Company was incorporated on June 10, 2022 pursuant to the provisions of the OBCA under the name “Celestial Acquisition Corp.” The head office and registered office of the Company are located at Suite 1800, 181 Bay Street, Toronto, Ontario M5J 2T9.

Business of the Company

Overview of the Company

The Company is a CPC established pursuant to the CPC Policy. The Company does not own assets, other than cash, its listing on the Exchange and its rights under the Definitive Agreement. The principal business of the Company is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to acceptance by the Exchange, so as to complete a Qualifying Transaction in accordance with the Exchange Policies.

The Company completed its IPO on December 22, 2022, and its Common Shares were listed on the Exchange and commenced trading on December 22, 2022 under the symbol “CES.P”. On April 16, 2026, trading of the Common Shares was halted by the Exchange in connection with the announcement of the Proposed Qualifying Transaction.

History

The Company was incorporated as “Celestial Acquisition Corp.” under the OBCA on June 10, 2022 and was classified as a “Capital Pool Company” as defined in the CPC Policy.

On December 22, 2022, the Company completed its IPO of 5,000,000 Common Shares at a price of \$0.10 per Common Share pursuant to its IPO Prospectus, raising aggregate gross proceeds of \$500,000. The Common Shares began trading on the TSXV on December 22, 2022 under the symbol “CES.P”.

On April 16, 2026, the Company announced that it had entered into the Definitive Agreement with the Modul8 Parties in connection with the Proposed Qualifying Transaction. See “*The Proposed Qualifying Transaction – Definitive Agreement*”.

Narrative Description of the Business

As described above under “Business of the Company”, the Company is a CPC and, in accordance with the Exchange Policies, has not carried on any active business operations to date. For information regarding the proposed business to be conducted following Completion of the Proposed Qualifying Transaction, see “*Information Concerning the Modul8 Business*”.

Dividends or Distributions

The Company has not declared dividends on the Common Shares in the past and does not intend to pay dividends on the Common Shares in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the Board deems relevant.

Selected Financial Information and Management's Discussion and Analysis

Selected Financial Information

Since incorporation, the Company has incurred costs in carrying out its IPO, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the Exchange. The following table sets forth selected historical financial information for the Company for the period ended March 31, 2026, and the years ended September 30, 2025 and September 30, 2024 and selected statement of financial position and statement of operations data. Such information is derived from the audited annual financial statements of the Company and should be read in conjunction with such financial statements. See Schedule "A" – *Financial Statements of the Company*.

	<u>Period ended March 31, 2026 (unaudited) (C\$)</u>	<u>Year ended September 30, 2025 (audited) (C\$)</u>	<u>Year ended September 30, 2024 (audited) (C\$)</u>
Total expenses	169,276	42,466	53,733

Selected Statement of Financial Position

	<u>Period ended March 31, 2026 (unaudited) (C\$)</u>	<u>Year ended September 30, 2025 (audited) (C\$)</u>	<u>Year ended September 30, 2024 (audited) (C\$)</u>
Net working capital	274,307	458,167	53,733
Total current assets	435,559	472,874	503,251
Total current liabilities	161,252	14,707	14,658
Total shareholders' equity	274,307	458,167	488,593

Selected Statement of Operations Data

	<u>Period ended March 31, 2026 (unaudited) (C\$)</u>	<u>Year ended September 30, 2025 (audited) (C\$)</u>	<u>Year ended September 30, 2024 (audited) (C\$)</u>
Interest income	1,919	12,040	14,346
Expenses	171,195	42,466	53,733
Net loss for the period	(169,276)	(30,426)	(39,387)
Basic and diluted loss per Common Share	(0.02)	(0.00)	(0.00)

Management's Discussion and Analysis

Management's Discussion and Analysis of the Company in respect of its most recently completed fiscal year ended September 30, 2025, and the most recently completed interim financial periods for the three and six months ended March 31, 2026 are attached as Schedule "D" – *Management's Discussion and Analysis of the Company* hereto and available on SEDAR+, and should be read in conjunction with the Company's financial statements and notes thereto for the fiscal year ended September 30, 2025, and for the three and six months ended March 31, 2026 which are attached hereto as Schedule "A" – *Financial Statements of the Company* and are also available on SEDAR+ at www.sedarplus.ca.

All financial results are being reported in accordance with IFRS.

Description of Securities

The authorized capital of the Company consists of an unlimited number of Common Shares without nominal or par value. As at the date of this Prospectus, 9,250,000 Common Shares are issued and outstanding as fully paid and non-assessable shares. In addition, the Company has reserved up to an aggregate of 500,000 Common Shares issuable upon exercise of the IPO Agent Options and an aggregate of 925,000 Common Shares issuable upon exercise of the Company Options.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board, to receive notice of, attend and cast one vote per Common Share at meetings of the Shareholders and, upon liquidation, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, to share on a pro-rata basis according to the number of Common Shares held, in the remaining property of the Company.

All Common Shares which are issued and outstanding as at the date of this Prospectus are fully paid and non-assessable.

Company Option Plan

The Company has adopted the Company Option Plan pursuant to which the Board may, from time to time, in its discretion and in accordance with the Exchange Policies, grant to directors, officers, employees and consultants of the Company non-transferable Company Options in accordance with the CPC Policy. The Company Option Plan provides that the aggregate number of Common Shares reserved for issuance pursuant to Company Options may not exceed 10% of the issued and outstanding Common Shares at the time of grant (on a non-diluted basis), and that Company Options may be exercisable for a maximum term of up to ten (10) years from the date of grant.

In addition, the Company Option Plan provides that: (a) the maximum number of Common Shares issuable to any one director, officer or employee of the Company in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares at the time of grant, unless disinterested Shareholder approval is obtained, (b) the maximum number of Common Shares issuable to any one consultant of the Company in any 12 month period shall not exceed 2% of the issued and outstanding Common Shares at the time of grant; and (c) the maximum number of Common Shares issuable to all persons engaged to conduct Investor Relations Activities (as defined in the Company Option Plan) in any 12 month period, in aggregate, shall not exceed 2% of the issued and outstanding Common Shares at the time of grant. The Company Option Plan further provides that Company Options granted to any director, officer, employee or consultant while the Company is a CPC that does not continue as a director, officer, employee or consultant of the Resulting Issuer have a maximum term of the longer of (i) 12 months after the Completion of the Proposed Qualifying Transaction, and (ii) 90 days after the director, officer, employee or consultant ceases to be a director, officer, employee or consultant of the Resulting Issuer.

Any Common Shares issued upon the exercise of Company Options prior to Completion of the Proposed Qualifying Transaction must be deposited into escrow and will remain subject to escrow until the issuance of the Final Exchange Bulletin. See *“Information Concerning the Company – Escrowed Securities”*.

An aggregate of 925,000 Company Options were granted to the Company’s directors and officers prior to or at the time of completion of the IPO in accordance with the Exchange Policies. See *“Information Concerning the Company – Executive Compensation - Stock options and other compensation securities”*.

Consolidated Capitalization

For information regarding changes in the Company’s consolidated capitalization that will result from the Proposed Qualifying Transaction, see *“Information Concerning the Resulting Issuer — Pro Forma Consolidated Capitalization of the Resulting Issuer”*.

Prior Sales

Prior Sales

The Company has not issued any Common Shares or securities convertible or exchangeable into Common Shares during the 12-month period before the date of this Prospectus.

Trading Price and Volume

The outstanding Common Shares are listed on the Exchange under the trading symbol “CES.P”. The Common Shares began trading on the Exchange on December 22, 2022.

On April 16, 2026, the Common Shares were halted for trading on the Exchange in connection with the announcement of the Proposed Qualifying Transaction and the Definitive Agreement. The following table sets forth, for the periods indicated, the monthly high and low sales prices and total monthly trading volumes of the Common Shares as reported by the Exchange, for the 12-month period preceding the date of this Prospectus.

Month	High (C\$)	Low (C\$)	Volume (Shares)
July 2025	0.065	0.065	13,000
August 2025	0.065	0.06	13,000
September 2025	N/A	N/A	0
October 2025	N/A	N/A	0
November 2025	0.07	0.05	66,100
December 2025	0.12	0.05	91,350
January 2026	0.115	0.055	12,472
February 2026	0.09	0.09	3,769
March 2026	0.09	0.09	335
April (1 – 15) 2026	0.09	0.07	1,105
May 2026	-	-	-
June 2026	-	-	-

Escrowed Securities

As of the date of this Prospectus, an aggregate of 4,250,000 Common Shares (the “**CPC Escrowed Shares**”) issued prior to the Company’s IPO at a price of \$0.05 per Common Share, were deposited with the Escrow Agent under the terms of the CPC Escrow Agreement, representing approximately 45.94% of the issued and outstanding Common Shares. All Company Options are subject to escrow under the CPC Escrow Agreement, and any Common Shares issued upon the exercise of Company Options will also be subject to escrow pursuant to the CPC Escrow Agreement. See “*Information Concerning the Resulting Issuer – Escrowed Securities*”.

The following table sets out, as at the date hereof, the securities which were deposited under the CPC Escrow Agreement:

Name and Municipality of Residence of Securityholder	Number of Common Shares Escrowed ⁽¹⁾	Percentage of Common Shares as at the date of this Prospectus	Percentage of Resulting Issuer Shares ⁽⁵⁾	Number of Company Options Escrowed
Jared Bottoms, Squamish, BC	400,000	4.32%	0.26%	138,183

Jonathan Leong , Toronto, ON	200,000	2.16%	0.13%	69,091
Mark Russell , Washington, USA	200,000	2.16%	0.13%	69,091
Tahir Merali , Calgary, AB	200,000	2.16%	0.13%	69,091
Gary Lifshits , Toronto, ON	600,000	6.49%	0.39%	207,272
Marek Lorenc , Toronto, ON	600,000	6.49%	0.39%	207,272
Michal Prywata ⁽²⁾ , Toronto, ON	600,000	6.49%	0.39%	90,000
CTA Advisory Inc. , ⁽³⁾ Toronto, ON	150,000	1.62%	0.09%	-
Matthew Colucci , Calgary, AB	500,000	5.41%	0.32%	-
Mark Colucci , Calgary, AB	200,000	2.16%	0.13%	-
1987671 Alberta Inc. , ⁽⁴⁾ Calgary, AB	200,000	2.16%	0.13%	-
Haywood Securities Inc. , Vancouver, BC	400,000	4.32%	0.26%	-
Chris Hadfield Inc. , ⁽²⁾ Sarnia, ON	-	-	-	75,000
Total	4,250,000	45.94%	2.75%	925,000

Notes:

- (1) Common Shares shown are on a pre-Consolidation basis.
- (2) Technical consultant.
- (3) Held each as to 50% by Craig Armitage and Shannon Leo.
- (4) Controlled as to 100% by Janan Paskaran.
- (5) Assuming 50,000,000 Resulting Issuer Shares are outstanding following the completion of the Consolidation, Proposed Qualifying Transaction, and the Subscription Receipt Financing for the Gross Proceeds.

Principal Securityholders

No Persons beneficially own, directly or indirectly or exercise control or direction over more than 10% of the issued and outstanding Common Shares as at the date of this Prospectus.

Directors and Executive Officers

The following is a list of the current directors and officers of the Company, their municipalities of residence, their current positions with the Company, their current principal occupation and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised:

Name and Municipality of Residence and Position Held⁽¹⁾	Principal Occupation	Common Shares Held
Jared Bottoms <i>CEO & Director</i> Squamish, BC	Mr. Bottoms is a licensed Professional Engineer (P.Eng) and is currently a leading commercial and technical consultant to the aerospace industry. Since February 2025, Mr. Bottoms is a special engineering and business consultant to space industry participants.	400,000
Jonathan Leong ⁽²⁾ <i>CFO & Director</i> Toronto, ON	Mr. Leong is a Chartered Professional Accountant, Chartered Accountant and Chartered Business Valuator with experience working in a variety of financial reporting, audit, advisory, M&A and valuation engagements. Mr. Leong currently serves as VP Finance at Area One Farms.	200,000
Mark Russell ⁽³⁾ <i>Director</i> Washington, USA	Mr. Russell is a licensed professional Mechanical Engineer in Washington State. Mr. Russell is currently the founder and CEO of HyperSciences, Inc., a novel and patented impulsive.	200,000

Tahir Merali ⁽³⁾ <i>Director</i> Calgary, AB	Mr. Merali is a licensed professional engineer (P.Eng.) and is a certified Project Management Professional (PMP). Mr. Merali currently serves as Sr. Project Manager at Calgary Airports.	200,000
Gary Lifshits ⁽²⁾⁽³⁾ <i>Director</i> Toronto, ON	Mr. Lifshits is a licensed professional mechanical engineer (P. Eng.). Mr. Lifshits currently serves as Chief Operating Officer and Co-Founder at Acerta Energy.	600,000
Marek Lorenc ⁽²⁾⁽³⁾ <i>Director</i> Toronto, ON	Mr. Lorenc is a solicitor and Partner at Aird & Berlis LLP in the Capital Markets and M&A Groups, and is Founding Chair of the firm's Space Technology Practice Group.	600,000

Notes:

- (1) Appointed as founding directors of the Company on June 10, 2022, the date of incorporation. Each director will serve as director until the Company's next annual meeting of Shareholders or until his successor is elected or appointed. None are employees or independent contractors of the Company, nor have any entered into a non-competition or non-disclosure agreement with the Company.
- (2) Member of the Audit Committee.
- (3) Independent within the meaning of NI 52-110.

The total aggregate number of Common Shares beneficially owned, directly or indirectly, by all directors and officers of the Company is 2,200,000, which is equal to 23.78% of the issued and outstanding Common Shares as at the date of this Prospectus.

Set forth below is a description of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years. For further information, see "*Information Concerning the Company – Directors and Executive Officers - Other Reporting Issuer Experience*".

Jared Bottoms – Chief Executive Officer & Director – Age 36

Mr. Bottoms is a licensed Professional Engineer (P.Eng) and is currently a leading commercial and technical consultant to the aerospace industry. Since February 2025, Mr. Bottoms has been a special engineering and business consultant to space industry and serves as Head of Missions & Architecture at Canada Rocket Company. Previously, Mr. Bottoms led Strategy and Advanced Programs at Kepler Communications Inc. Mr. Bottoms joined Kepler in its early days as its resident space engineer, and over time grew the company's capabilities to design, develop, and deploy space assets providing a host of communication services to terrestrial customers today, with the focus on providing constant communication access to space assets, enabling the space economy. Over his tenure with Kepler, Mr. Bottoms grew the company's capabilities from speculative R&D to an organization that through intense design, manufacturing and deployment efforts, now operates the largest constellation of spacecraft of any Canadian operator. Prior to joining Kepler Communications, Mr. Bottoms served as Spacecraft Systems Engineer with MDA Ltd. on the design and development of cutting-edge earth observations missions, such as the Radarsat Constellation Mission, and next generation spacecraft concepts.

Mr. Bottoms holds an M.Eng in Space Systems Engineering from the University of Michigan with contributing experience from Delft University of Technology, and a B.Sc in Mechanical Engineering from the University of Alberta.

Jonathan Leong – Chief Financial Officer – Age 40

Mr. Leong is a Chartered Professional Accountant, Chartered Accountant and Chartered Business Valuator with experience working in a variety of financial reporting, audit, advisory, M&A and valuation engagements.

Mr. Leong currently serves as VP Finance at Area One Farms. Previously, Mr. Leong served as the Chief Financial Officer of Emerge Commerce Ltd. (TSXV: ECOM). Prior to joining Emerge, Mr. Leong held senior level positions at a private-equity roll-up within the veterinary industry with over 100 clinics and \$300 million in sales. He has also served as an advisor and Chief Financial Officer for several companies that have

successfully gone public, including Aphria Inc. (now Tilray Inc.) (TSX:TLRY) and TerrAscend Corp. (TSX:TSND).

Mr. Leong articulated with Grant Thornton LLP and obtained his Bachelor of Accounting and Financial Management and a Masters of Accounting from the University of Waterloo.

Mark Russell – Director – Age 54

Mr. Russell is a licensed professional mechanical engineer (P.Eng.) in Washington State. He is currently the founder and CEO of HyperSciences, Inc., a novel and patented impulsive. Prior to starting HyperSciences, Mr. Russell was employee No. 10 at Jeff Bezos' Blue Origin where he led engineering on the first vertical takeoff and landing vehicle and was project manager of Blue Origin's crew capsule development in Seattle, WA. Mr. Russell also served as Senior Mechanical Engineer in the Mechanical-Thermal Enabling Group at Intel Corporation in DuPont, Washington. In addition, Mr. Russell was the company expert in space vehicle dynamics at the Kistler Aerospace Corporation in Kirkland, Washington, and the company engineering expert in orbital spacecraft dynamics at SEA Launch, Boeing's commercial space company in Seattle, Washington and at Boeing Commercial Airplane Group.

Recently, Mr. Russell announced that he is an upcoming commercial astronaut candidate for Blue Origin's New Shepard human rated launch vehicle, joining the earliest ranks of the burgeoning commercial human space flight industry.

Mr. Russell received his M.Sc. in Aeronautics and Astronautics from Stanford University and his B.Sc. in Aeronautical Engineering from Rensselaer Polytechnic Institute in Troy, New York. Mr. Russell has two patents and several patents pending and is published.

Tahir Merali – Director – Age 40

Mr. Merali is a licensed professional engineer (P.Eng.) and is a certified Project Management Professional. Mr. Merali currently serves as Senior Project Manager at Calgary Airports, and previously served as a Program and Project Manager of Innovation with the City of Calgary. Tahir is the Chief Executive Officer of Escape Velocity Services Inc. providing project management and strategic guidance to businesses across aerospace, energy, government, and consulting sectors. Mr. Merali is Co-Founder and past Treasurer of the Zenith Canada Pathways Foundation that launched Canada's First Space Fellowship facilitating work placements and mentorship for early-career professionals. He is the former Chief Operating Officer of 4pi Lab Inc., a Calgary-based earth observation start-up recognized as a 2020 Top 15 Startup (Startup Calgary) and a successful UK-based Space Tech accelerator graduate (Seraphim Capital – Pre-SEED/SEED/Series A).

Mr. Merali has served with the Canadian Space Agency, implementing internal investment governance framework measures across the breadth of their internal and external portfolio, long-term space strategy and performing systems engineering activities on robotic and human space exploration programs including the International Space Station and Lunar Gateway. Mr. Merali also worked at the European Space Agency as an astronaut instructor, reported on the nanosatellite market with a leading Dutch company and was Chief Commercial Officer of Canada's former space trade association (Canadian Space Commerce Association). He has also worked in the Canadian resource and energy sector including pitching innovative technologies to Fortune 500 C-Suites.

Mr. Merali was a member of the International Astronautical Federation Workforce Development-Young Professionals Programme Committee from 2020-2024. He is a strong advocate for space education and has been peer-review published alongside several conference proceedings and panels. Mr. Merali has spent nearly 20 minutes in microgravity and has co-developed two life-science experiments operated in space. Mr. Merali was awarded globally as a Top 35 Under 35 of the space industry by the International Institute for Space Commerce.

Mr. Merali holds an M.Sc in Space Management from the International Space University and a B.A.Sc in Mechanical Engineering from the University of Toronto.

Gary Lifshits – Director – Age 36

Mr. Lifshits is a licensed professional mechanical engineer (P. Eng.) with over a decade of experience in the oil and gas industry, working in multiple international jurisdictions with a focus in asset valuation, reservoir engineering, and field operations. Mr. Lifshits currently serves as Chief Operating Officer and Co-Founder at Acerta Energy (“**Acerta**”). Prior to founding Acerta, Mr. Lifshits held several leadership positions, most notably as Director of Operations, and prior to that Director of Reservoir Engineering and Business Development, for Gran Tierra Energy (TSX, NYSE & LSE), where under his leadership, systemic cost optimizations were implemented resulting in a reduction of operating costs of 40% year over year, while achieving the best safety year in the company’s history.

As Director of Reservoir Engineering and Business Development at Gran Tierra Energy, Mr. Lifshits led the technical evaluation in over US\$1B of successful M&A and debt/equity transactions. In his commitment to innovation and a drive to better the future, Mr. Lifshits is the founder of Beyond Renewables and inventor of the PowerWell, a non-emitting baseload energy generation technology targeting energy transition of fossil fuel infrastructure, services, and talent. Mr. Lifshits holds a Bachelor of Mechanical Engineering with a minor in Petroleum Engineering from the University of Calgary.

Marek Lorenc – Director – Age 41

Mr. Lorenc is a Partner in the Capital Markets and Mergers & Acquisitions/Private Equity Groups at Aird & Berlis LLP in Toronto, and is the Chair of the firm’s Space Tech Group. Mr. Lorenc’s practice focuses on corporate finance and securities, mergers and acquisitions, corporate governance and general corporate matters. Prior to joining Aird & Berlis, Mr. Lorenc was an associate and partner at another Toronto based Canadian international law firm. Mr. Lorenc holds a Bachelor of Arts Hons. (Political Science) from the University of Manitoba and an LL.B. from the University of Southampton.

Other Reporting Issuer Experience

The following table sets out the directors and officers of the Company that are, or have been within the last five years, directors and officers of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Exchange	Position	From	To
Jonathan Leong	Emerge Commerce Ltd.	TSXV	CFO	March 2020	January 2024

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider or Promoter of the Company is, or within the 10 years prior to the date of this Prospectus has been, a director, officer or Promoter of any other issuer that:

- (a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the Company's knowledge, no director, executive officer, Insider or Promoter of the Company or a Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Shareholder.

Penalties or Sanctions

No director, officer, Insider or Promoter of the Company, or a Shareholder holding sufficient securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Marek Lorenc, a director and the corporate secretary of the Company, is a partner with Aird & Berlis LLP, which provides legal services to the Company on a fee-for-services basis.

There may be potential conflicts of interest to which the directors, officers and Insiders of the Company may be subject in connection with the operations of the Company. The directors, officers and Insiders may be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where a director, officer or Insider will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the OBCA.

Stock options and other compensation securities

The following table sets forth information concerning all compensation securities granted or issued to the directors and Named Executive Officers of the Company during the financial year ended September 30, 2025 for services provided or to be provided, directly or indirectly, to the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽²⁾	Date of issue or grant	Issue, conversion or exercise price (C\$)	Closing price of security or underlying security on date of grant (C\$) ⁽¹⁾	Closing price of security or underlying security at year end (C\$)	Expiry date
Jared Bottoms CEO, Director	Options	77,274	09/30/2022	0.05	N/A	0.12	09/30/2027
	Options	60,909 (14.94%)	12/22/2022	0.10	0.10	0.12	12/22/2027
Jonathan Leong CFO, Director	Options	38,636	09/30/2022	0.05	N/A	0.12	09/30/2027
	Options	30,455 (7.47%)	12/22/2022	0.10	0.10	0.12	12/22/2027
Mark Russell Director	Options	38,636	09/30/2022	0.05	N/A	0.12	09/30/2027
	Options	30,455 (7.47%)	12/22/2022	0.10	0.10	0.12	12/22/2027
Tahir Merali Director	Options	38,636	09/30/2022	0.05	N/A	0.12	09/30/2027
	Options	30,455 (7.47%)	12/22/2022	0.10	0.10	0.12	12/22/2027
Gary Lifshits Director	Options	115,909	09/30/2022	0.05	N/A	0.12	09/30/2027
	Options	91,363 (22.41%)	12/22/2022	0.10	0.10	0.12	12/22/2027
Marek Lorenc Director	Options	115,909	09/30/2022	0.05	N/A	0.12	09/30/2027
	Options	91,363 (22.41%)	12/22/2022	0.10	0.10	0.12	12/22/2027

Notes:

(1) The Common Shares have been listed on the Exchange since December 22, 2022.

(2) No compensation securities were exercised during the financial year ended September 30, 2025.

Stock Option Plans and Other Incentive Plans

The Company has no other incentive plans other than the Company Option Plan. The Company Options issued to the Named Executive Officers and directors of the Company were issued pursuant to the Company Option Plan. See “*Information Concerning the Company – Description of Securities – Company Option Plan*”.

Employment, Consulting and Management Agreements

There is no employment contract, compensatory plan or other arrangement in place with any Named Executive Officer, nor is there any agreement between the Company and any Named Executive Officer that

provides for payment to a Named Executive Officer in connection with any termination, resignation, retirement, change in control of the Company or change in responsibilities of any Named Executive Officer.

Oversight and Description of Director and Named Executive Officer Compensation

Pursuant to the CPC Policy, and until the Company completes a Qualifying Transaction, no compensation of any kind may be provided to the Company's directors or officers, directly or indirectly, by any means, including payment of salary, other than compensation that may be provided by way of Company Options pursuant to the Company Option Plan.

The Company has not established a compensation committee. However, it is anticipated that such a committee will be established upon completion of a Qualifying Transaction. The Board has not, at any time since the Company's most recently completed fiscal year, retained a compensation consultant or advisor to assist the Board in determining the compensation for any of the Company's executive officers' or directors' compensation.

Indebtedness of Directors and Executive Officers

As at the date of this Prospectus, no former or current director, executive officer, or employee of the Company is or has been indebted to the Company or is indebted to another entity, which indebtedness has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, at any time.

Audit Committee

The following information of the Company is disclosed in accordance with NI 52-110.

Audit Committee's Charter

The complete text of the Audit Committee Charter is attached to this Prospectus as Schedule "F".

Composition of the Audit Committee

The Audit Committee consists of three members: Jonathan Leong, Gary Lifshits and Marek Lorenc. All members of the Audit Committee are "financially literate" for the purposes of NI 52-110. Messrs. Lifshits and Lorenc are "independent" within the meaning of NI 52-110. See below for Audit Committee member biographies of relevant education and experience.

Relevant Education and Experience

Please refer to "*Information Concerning the Company – Directors and Executive Officers*" for biographical information detailing the relevant education and experience of each member of the Audit Committee that would provide an understanding of the accounting principles used by the Company to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth of and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture issuer*) of NI 52-110, the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter which is attached hereto as Schedule "F".

External Auditor Services Fees (By Category)

The aggregate fees billed by the Company's external auditors for the fiscal years ended September 30, 2025 and 2024 are as follows:

Financial Period	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
Year ended September 30, 2025	C\$11,770	Nil	Nil	Nil
Year ended September 30, 2024	C\$11,770	Nil	Nil	Nil

Notes:

- (1) Aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements.
- (2) Aggregate fees billed for professional services rendered by the auditor and consisted primarily of file quality review fees and fees for the review of quarterly financial statements and related documents.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

The Company is a "venture issuer" for the purposes of NI 52-110. The Company is therefore relying on the exemption set out in Section 6.1 of NI 52-110 in respect of Part 3 (*Composition of the Audit Committee*) thereof, that would otherwise require, subject to certain exceptions, that all members of the audit committee be independent.

Corporate Governance

Board of Directors

The Board consists of six (6) directors, four (4) of whom are "independent" within the meaning of NI 52-110. The independent directors are Mark Russell, Tahir Merali, Gary Lifshits and Marek Lorenc. Jared Bottoms, the Chief Executive Officer of the Company, and Jonathan Leong, the Chief Financial Officer of the Company, are not independent by virtue of their positions as officers of the Company.

The Board has not adopted a formal written mandate or terms of reference, other than the Audit Committee Charter, which is attached hereto as Schedule "F". The Board has plenary power to manage and supervise the management of the business and affairs of the Company and to act in the best interest of the Company. The Board is responsible for the overall stewardship of the Company, including supervising management and approving significant decisions affecting the Company. In particular, the Board is responsible for participating with management in identifying, evaluating and approving the Proposed Qualifying Transaction, subject to acceptance by the Exchange.

Directorships

To the knowledge of the Company, none of the directors of the Company currently serve as a director of any other reporting issuer (or equivalent) in any Canadian jurisdiction or foreign jurisdiction.

Orientation and Continuing Education

The Company does not currently have any formal orientation or continuing education programs for new directors, as there have been no changes in Board membership since the Company's incorporation. The Board will review this practice as appropriate in the event of changes to the composition of the Board.

Ethical Business Conduct

The Board is of the view that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board does not have a nominating committee. The size of the Board is reviewed annually when the Board considers the number of directors to recommend for election at the annual meeting of Shareholders. The Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

Compensation

The Board does not have a compensation committee. Other than the Company Options granted pursuant to the Company Option Plan, the directors and officers of the Company are not compensated for acting in such capacities as the CPC Policy prohibits directors and officers from receiving remuneration while the Company is a CPC. See "*Information Concerning the Company – Executive Compensation*" and "*Information Concerning the Company – Description of Securities – Company Option Plan*".

Other Board Committees

The Board has no standing committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit Committee, to satisfy itself that the Board, its Audit Committee, and its individual directors are performing effectively.

Risk Factors

An investment in the Company or the Resulting Issuer following Completion of the Proposed Qualifying Transaction involves a high degree of risk. There are risks inherent with Completion of the Proposed Qualifying Transaction and with respect to the business of the Resulting Issuer. You should carefully consider the information in this Prospectus and the information set out under "*Information Concerning the Resulting Issuer – Risk Factors*".

Legal Proceedings and Regulatory Actions

There are no legal proceedings outstanding, threatened or pending as of the date of this Prospectus by or against the Company or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the directors and officers of the Company, are any such legal proceedings contemplated which are or could become material to the Company.

Interests of Management and Others in Material Transactions

Except as disclosed in the section "*Information Concerning the Company - Selected Financial Information and Management's Discussion and Analysis - Management's Discussion and Analysis*", the directors, officers and Shareholders, and any Associates and Affiliates thereof, have not had any direct or indirect material interest in any transaction or proposed transaction since the date of incorporation of the Company to the date of this Prospectus.

Auditor, Transfer Agent and Registrar

The Company's current independent auditor is MNP LLP, located at 330 - 340 King Street East, Toronto, Ontario M5A 1K8. The Company's current transfer agent and registrar is Odyssey Trust Company located at 1230 - 300 5th Avenue SW, Calgary, Alberta T2P 3C4.

Material Contracts

The Company has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than:

1. CPC Escrow Agreement, see "*Information Concerning the Company - Escrowed Securities*".
2. The Transfer Agent Agreement.
3. The Definitive Agreement, see "*The Proposed Qualifying Transaction - Definitive Agreement*".

Copies of these agreements will be available for inspection at the registered office of the Company located at Suite 1800, 181 Bay Street, Toronto, Ontario M5J 2T9, during ordinary business hours for a period of 30 days after the date of this Prospectus.

INFORMATION CONCERNING THE MODUL8 BUSINESS

The Modul8 Business

Overview

Modul8 is the newly launched name under which Nokia's Space Communications Solutions business is conducted, currently operating as a venture within Nokia's research organization, Nokia Bell Labs.

Modul8 engages in the design, development and deployment of mission-critical communications solutions, including hardware, software, applications and services, engineered for the extreme and unforgiving conditions of space. Modul8 has approximately 25 personnel, intellectual property, hardware and software assets and customer relationships and contracts, but does not currently have, and has not historically had, a separate legal existence. Modul8 focuses on transforming traditional in-space communications through the application of advanced, standards-based cellular (including 4G and 5G), Wi-Fi and free-space optical communications technologies. In March 2025, the Modul8 team deployed and operationalized the first cellular communications network on the Moon as part of the Intuitive Machines IM-2 mission. Modul8 is also engaged with Axiom Space, Inc. ("**Axiom**") to integrate cellular communications capabilities into the Axiom Extravehicular Mobility Unit (AxEMU) next-generation spacesuit designed for lunar exploration as part of NASA's Artemis program.

In connection with the Proposed Qualifying Transaction, Nokia is undertaking an internal reorganization pursuant to which the Modul8 Operating Assets used in the conduct of Modul8 will be transferred to MSC US, an entity established under the laws of the State of Texas which will hold the Modul8 Operating Assets. Following completion of the Proposed Qualifying Transaction, MSC US will be the legal entity through which Modul8 will operate in the United States. See "*The Proposed Qualifying Transaction - MSC US*", and "*Information Concerning the Resulting Issuer – Corporate Structure*".

Following the Completion of the Proposed Qualifying Transaction (including the Nokia Reorganization), the Resulting Issuer will carry on the Modul8 Business under the name "*Modul8 Corporation*", with its head and registered office continuing as that of the Company. The Modul8 Business current operations will continue to be organized and operated primarily from its existing facility located at 6600 Chase Oaks Blvd, Suite 140, Plano, Texas under MSC US, which will be a wholly-owned subsidiary of the Resulting Issuer following the Completion of the Proposed Qualifying Transaction, see "*The Proposed Qualifying Transaction – Transaction Structure*".

The Nokia Reorganization is being effected solely to facilitate the acquisition of Modul8 by the Company and will not result in any material change to the operations, products, customers or management of Modul8. Where applicable, Modul8 will continue to benefit from transitional arrangements with Nokia following Completion of the Proposed Qualifying Transaction. The material financial terms, including the scope of services and associated costs of such arrangements, are expected to be finalized on or about the Completion of the Proposed Qualifying Transaction.

History

Modul8 was founded by John Dow (proposed Chief Executive Officer of the Resulting Issuer) and Dr. Thierry Klein (proposed Chief Technology and Research Officer of the Resulting Issuer), the same team that created Nokia Bell Labs' Space Communications Solutions business.

Modul8 was born in 2018 with an initial research program under Dr. Thierry Klein's leadership at Nokia Bell Labs – the landmark "Mission to the Moon" project with Vodafone Germany, Audi, and PT Scientists, with a primary objective to deploy two Audi Lunar Quattro rovers to the Moon to explore the site of the 1972 Apollo 17 landing, while testing new communication technology. The program demonstrated, through terrestrial and lab testing, the feasibility of using 4G/LTE for space exploration assets, paving the way for future commercial lunar missions.

In 2020, the team at Nokia Bell Labs was awarded a multi-year NASA Tipping Point Contract, furthering its primary vision: adapting standards-based cellular technologies to meet the unique communication demands and environmental challenges of space. Nokia was contracted to design, build and deploy the first 4G/LTE network on the Moon. Nokia, as a Prime Contractor, selected the Intuitive Machine's IM-2 Commercial Lunar Payload Services (CLPS) mission and the lunar lander partner and Lunar Outpost as the lunar rover partner.

As a consequence of building and validating the market opportunity, Nokia set up a Space Communications Solutions (now Modul8) business within the company in late 2022 with John Dow as the General Manager, and a team within Nokia Bell Labs transitioned to the newly established business, working to reconceptualize cellular networks for the harsh environment of the Moon.

In early 2023, the newly formed business was awarded a contract to perform a "Future Lunar Surface Communications Network Study" for NASA in which it developed a plan for achieving an initial operating capability (IOC) for cellular based extra-vehicular activity (EVA) communication in the Artemis-V timeframe. Modul8 provided an end-to-end (E2E) architecture with associated communications features; hardware and software high-level designs and interface specifications; Size, Weight, and Power (SWaP) estimates for the IOC hardware; an estimated schedule and budget; and options for addressing regulatory items such as frequency band selection. Modul8 believes this study is largely acting as a blueprint for lunar surface communications; a public version of the study has been published by NASA and shared globally.

In 2024 Axiom selected Modul8 to incorporate high-speed cellular network capabilities in the AxEMU i.e. their lunar surface space suit, supporting high definition (HD) video, telemetry data and voice transmission over multiple kilometers. This advancement is intended to enable Artemis crewmembers to capture real-time video and communicate with mission controllers on Earth while they explore the lunar surface.

On March 6, 2025, the Modul8 team delivered and activated the world's first "on-air" cellular network on the Moon – proving that standards-based cellular technologies can meet the unique demands of space and that cellular connectivity can support future lunar missions and beyond.¹

The momentum continues as Modul8 was selected in late 2025 and early 2026 to design, build, demonstrate, deploy and operate both 5G and Wi-Fi capabilities for use in future CLPS and Artemis missions further establishing the Modul8 team as a trusted technology partner and advisor to NASA and the global space industry.

On April 15, 2026, to support the growth and scale of the Modul8 Business beyond Nokia (which operates in a fundamentally different market), the Modul8 Parties entered into the Definitive Agreement for the Proposed Qualifying Transaction, see "*The Proposed Qualifying Transaction*".

Industry

Overview of the Global Space Economy

According to McKinsey & Company, the global space economy is projected to grow to approximately US\$1.8 trillion by 2035, up from US\$630 billion in 2023, representing a compound annual growth rate of approximately 9%.²

The space economy comprises a broad range of government and commercial activities, including launch services, satellite manufacturing and operations, and downstream data, analytics, and connectivity applications. The sector remains strategically significant, supporting national sovereignty, security, and

¹ <https://www.nokia.com/newsroom/nokia-and-intuitive-machines-deliver-first-cellular-network-to-the-moon-achieve-some-key-mission-objectives/>

² McKinsey & Company, Space: The \$1.8 Trillion Opportunity for Global Economic Growth (2024)

scientific advancement, while also enabling practical terrestrial solutions such as global broadband access, climate and environmental monitoring, precision agriculture, disaster response, and defense intelligence.

Industry growth is underpinned by sustained public-sector investment and expanding participation from private capital. Global government space spending reached approximately US\$138 billion in 2025, compared to US\$135 billion in 2024 and US\$117 billion in 2023³. In parallel, private investment in space companies increased to a record US\$12.4 billion in 2025, representing a 48% year-over-year increase⁴. Together, long-term government demand, accelerating commercialization, and the rapid expansion of downstream applications continue to drive durable growth across the global space economy.

Modul8 operates within the space communications and space-based networking segment of the space industry. This segment focuses on the development and deployment of communications and networking solutions designed to operate in space and other mission-critical environments. Communications is a fundamental underpinning of all activities beyond Earth, as space assets, whether government, commercial, crewed, or uncrewed only provide value if they can connect to each other and back to Earth to exchange information, data and command and control decisions.

Demand for space-based communications solutions is driven by increased government and commercial investment in space exploration, satellite infrastructure, lunar and cislunar activities, and the growing need for resilient, high-performance communications and data processing capabilities in space environments. Customers include government agencies, space exploration companies, satellite operators and commercial space enterprises operating within an industry historically characterized by long development cycles, stringent technical and performance requirements, evolving standards, and significant regulatory oversight, particularly with respect to export controls, spectrum allocation and national security considerations.

The Moon as the Next Frontier for Global Space Presence

The Moon is increasingly viewed as a staging ground for future space exploration and the potential long-term establishment of a sustainable human presence beyond Earth⁵. Lunar exploration and surface operations remain strategic priorities of the United States government and its international partners, serving both scientific and geopolitical objectives.

NASA's Artemis program is designed to return humans to the Moon and establish the underlying Moon Base infrastructure required for sustained lunar activity and eventual crewed missions to Mars. Through a series of progressively more complex missions, the program aims to advance scientific discovery, stimulate economic development, and validate technologies necessary for long-duration human space exploration.

In its Ignition program, NASA has outlined a phased approach that includes crewed lunar missions, surface habitation, and recurring operational cadence over time. As the program matures, NASA expects to rely increasingly on commercial partners to deliver critical services and infrastructure including power generation, vehicles (Human Landing Systems, Lunar Terrain Vehicles, Pressurized Rovers), Multi-Purpose Habitat (MPH) and communications (surface, orbital, direct-to-Earth). NASA will utilize both CLPS and Artemis missions as a means to deliver and deploy these critical infrastructure assets. These efforts are intended to support the deployment of scientific instruments, mobility systems, and technology demonstrations on the lunar surface. Since 2012, NASA has invested an estimated US\$93 billion in the Artemis program, with cumulative spending projected to reach approximately US\$105 billion by 2028⁶. On March 24, 2026, NASA announced a pause to the Lunar Gateway orbital station to prioritize the build out of a long-term lunar surface Moon Base and an additional US\$20 billion in funding.⁷

³ Novaspace, Space Economy Report (12th ed., 2025)

⁴ Seraphim Space, Seraphim Space Index (2026)

⁵ BNN Bloomberg, March 24, 2026.

⁶ The Planetary Society, 3 Charts That Show How NASA's Artemis Compares to Apollo (2026)

⁷ BNN Bloomberg, March 24, 2026.

Connectivity as a Core Enabler of Lunar and In-Space Operations

As with all space operations, reliable communications infrastructure is a foundational utility for sustained lunar operations. As exploration efforts evolve from short-duration missions to sustained human and robotic operations, communications infrastructure is expected to become as essential to space activity as power generation, propulsion, and life-support systems. Connectivity enables mission command and control, real-time data, image and video transmission, autonomy, situational awareness, and crew communications, all of which are critical to safe and scalable operations beyond Earth's orbit.

Modul8 is focused on addressing this emerging requirement by developing next-generation space-based connectivity solutions. Leveraging decades of Nokia's and Nokia Bell Labs' experience and expertise in global terrestrial communications networks, Modul8 applies proven cellular and Wi-Fi network technologies to the unique challenges of lunar, deep-space and Earth orbit environments to serve as a trusted partner for governments, civil programs and commercial customers.

Description of the Modul8 Business

Modul8 operates at the intersection of telecommunications and space infrastructure, focusing on the design, development, delivery, deployment and operation of integrated utility-level and mission-critical communication systems required to support sustained and proliferated operations (including human and robotic activities) outside of Earth.

Unlike component-level or payload-specific technology providers, Modul8 is structured around the E2E integrated communications and data network infrastructure, assuming system-level responsibility for performance, availability, resilience, autonomy and mission-lifecycle integration and management.

Modul8 traces its origins to research and development programs initiated within Nokia Bell Labs in 2018. Since that time, Modul8 has progressed from applied research and demonstration programs to operational deployments and contracted mission systems. In March 2025, the Modul8 team successfully deployed and activated the first operational cellular network on the Moon as part of the Intuitive Machines IM-2 mission, establishing a technical and operational milestone in the evolution of space-based communications.

Products, Systems and Services

Modul8 designs, develops and provides advanced communications and networking solutions intended for use in mission-critical space environments, engineered specifically for the unique operational constraints of space environments, including radiation exposure, extreme thermal cycling, mechanical shock, vibration and acceleration, vacuum conditions, limited power availability, size and weight constraints and extended autonomous operation. Modul8 focuses on the design, development, qualification, integration and autonomous operation of complete communications systems built on established, standards-based technologies.

Modul8 provides a suite of services including consulting services, infrastructure as a service, and network & mission operations services all centered around Modul8's communications systems. Modul8's broad set of technical capabilities enables it to architect, design, build, integrate, and operate lunar surface and backbone networks built from Modul8's hardware and software products.

Modul8's core products consist of space-qualified communications and data processing hardware, embedded communication, signal processing and data transmission software, network management and operations software, and a high reliability software platform coupled with systems integration services and ongoing mission operations support. These offerings are designed to function together as a complete E2E communications network architecture rather than as discrete point solutions.

At the systems level, Modul8 develops compact, highly integrated cellular (based on 3GPP standards) and Wi-Fi (based on 802.11 standards) radio access networks optimized for size, weight and power

requirements, including an all-in-one “network-in-a-box” (NIB) configuration that combines wireless radio access, core networking functions and autonomous management capabilities coupled with custom user equipment (UE) and antennas. These products are complemented by integrations designed for spacecraft, stations, astronaut suits, vehicles and mobility platforms, robotic systems and fixed-surface installations in space, and on Earth.

Further, the cellular access networks developed for lunar surface communications have application for orbital platforms as well, including on satellites and space stations. A network deployed on satellites would enable access connectivity to end terminals in remote locations without a surface network deployment; provide backhaul connectivity between different surface communication networks; and provide relay functionalities between a lunar surface communication network and Earth. Modul8’s core lunar surface communication network (including a NIB and UE) can be reused for satellite-based deployment while being augmented with specific satellite features, protocol modifications and optimizations, such as antenna arrays, beamforming, enhanced scheduling, Doppler compensation, and orbital tracking. The modular approach taken in the design of Modul8’s core lunar surface communication products enable reuse and flexibility for deployment on satellites with the needed hardware upgrades for radio units with different transmit power levels, antenna arrays and protocol and algorithmic software upgrades on the digital processing boards. Modul8 plans to engage in research initiatives relating to the augmentation of its cellular access network into orbital satellite platforms to identify specific features, potential product applications, and integration requirements for future customer, mission, and application use cases. Modul8 estimates a 18 - 24 month timeframe to complete its research efforts, see also *“Information Concerning the Resulting Issuer – Business Objectives – Capital Investment for Advanced Roadmap”*.

In addition to radio-based systems, Modul8 is developing space-qualified free-space optical (laser) communications technologies intended to provide high-capacity backbone links between the lunar surface, orbital platforms and Earth. These optical systems would be designed to augment or replace radio networks by enabling multi-gigabit data transport for bandwidth-intensive applications and long-distance backhaul.

Early lab demonstrations simulating the link between a terrestrial ground station and a geostationary satellite, indicate potential feasibility of up to 100Gbps data rates using coherent optical transmission technologies while compensating for atmospheric turbulence and absorption through signal processing, error correction coding and adaptive optics technologies. Theoretical analyses, link budget calculations and initial lab experiments suggest that it may be possible to extend the same 100Gbps data rates for optical space communication links from the Moon to Earth while compensating for the atmospheric effects. Additional and more detailed system engineering and design studies for future advanced optical network architectures and optical transmission system specifications are required to identify the most efficient trade-off between the needed high data rates and the size, weight and power requirements of the E2E system (including the optical terminals required on the Moon, and the optical terminals and ground stations required on Earth). Thereafter, these studies are typically followed by lab proof of concept systems to demonstrate the E2E optical communication solution. At the software layer, Modul8 provides embedded control software and network management and mission control platforms that combine to enable automated setup and operation, dynamic routing, self-healing and secure operation and analysis of communications infrastructure in environments where continuous terrestrial connectivity is not available. These systems would be designed to integrate with NASA and international allied mission architectures, including flight software frameworks and mission operations platforms. Modul8’s optical activities are at an early stage and require an estimated two years of continued research, advanced prototyping and testing efforts to advance to a stage where an assessment can be made to validate and or further pursue qualification of any integrated systematized product. See *“Information Concerning the Resulting Issuer – Available Funds and Principal Uses”*.

Beyond product delivery, Modul8 provides systems integration, testing, space qualification and mission support services. These services include network architecture definition, integration with customer platforms such as landers, space suits, vehicles, and habitats, launch readiness activities and in-mission operations support. Modul8 is increasingly positioning the business to provide ongoing network and mission operations services, positioning the business not only as a system supplier/integrator, but also as an operator of space communications infrastructure.

Markets and Customers

Modul8 currently serves government and civil agencies, and prime contractors engaged in lunar exploration, space infrastructure development and associated mission programs. Key customers have included NASA and contractors participating in NASA's Artemis and CLPS programs and related initiatives, as well as international partners involved in civil and commercial space exploration.

Customers typically engage Modul8 through direct contracts, funded Space Act Agreements or as part of broader prime contractor-led mission teams. These engagements often involve multi-year development, customization, integration and operational phases, reflecting the long planning cycles and high reliability requirements characteristic of space programs.

While initial deployments have, to date, focused on lunar surface communications, Modul8's addressable market extends beyond single missions to encompass recurring infrastructure deployments supporting sustained operations, cislunar networking and backhaul, orbital non-terrestrial network (NTN) platforms and other deep space exploration missions. As space activities continue to move from one-off missions toward sustained, long-duration operations, the market for communications infrastructure is likely to follow terrestrial contracting and procurement and increasingly follow service model delivery rather than mission-by-mission basis.

Technology and Differentiation

Modul8 is differentiated by its application of mature, globally deployed terrestrial telecommunications technologies (based on 3GPP cellular and Wi-Fi / 802.11 standards) to space environments, combined with proprietary engineering adaptations required to operate reliably in space. Rather than developing bespoke, mission-specific communications protocols, Modul8 leverages standards-based cellular and wireless technologies re-architected and re-engineered for the harsh space environment, enabling scalability, interoperability and long-term technology evolution.

The core product of Modul8's portfolio is a high performance, ultra-compact, resilient wireless communication solution for lunar surface deployments and operations. The wireless NIB contains all the wireless radio access and core networking functionalities to support cellular connectivity in a highly compact form factor that can be deployed anywhere and at any time for local connectivity and coverage to end devices without any further network dependency. A network of NIBs provides a fully redundant and resilient system eliminating any single point of failure. The wireless network infrastructure provides reliable, high data rate and extended multi-kilometer range connectivity to the UE devices. The UEs are further interconnected through direct device-to-device radio links that support a fully meshed network topology between the UEs. This network feature, while conceptualised and standardized in 3GPP for 5G, is not deployed in terrestrial service provider or enterprise networks on Earth but provides a crucial capability in lunar and space deployments to enable secure and reliable communication between devices even in the absence of a network infrastructure (i.e. a NIB).

Built on standard aerospace hardware form factors optimized for size, weight and power consumption, the E2E wireless communication solution consists of several elements with clear technology differentiations: (i) an all-in-one NIB that combines all the 5G radio access and core networking functionalities with integrated Wi-Fi 6 access and mesh networking; (ii) User Equipment end devices that integrate 5G and Wi-Fi 6 in a single enclosure and support direct device-to-device connectivity using 5G SideLink as well as 802.11s mesh networking; (iii) wideband antenna that support both 5G and Wi-Fi 6 in multiple frequency bands; (iv) high availability and reliable software framework and operations and management software; and (v) built on space-grade hardware platforms with radiation hardened components that are pin-compatible with lower grade automotive components and allow for deployments and operations in less stringent environments.

The 5G and Wi-Fi 6 wireless network solution provides extremely advanced communication performance with (i) very high peak data rates (of several 100 Mbps simultaneously in the uplink and downlink direction), (ii) multi-kilometer coverage areas (up to 10km range between a NIB and connected UEs), while

maintaining over 10 Mbps uplink and downlink data rates at the cell edge, (iii) multi-kilometer range on 5G SideLink direct connectivity between UE; (iv) single or multi-sectored solutions for extended capacity and coverage supporting up to 256 simultaneous users with a single NIB; (v) 5G and Wi-Fi 6 / 802.11 peer to peer mesh networking; and (vi) fully autonomous network deployment and operation, independently of any other network infrastructure or backhaul connection to Earth with self-healing, self-configuring and self-optimized advanced features.

The wireless surface communication solution can be further deployed on orbital assets with suitable extensions and adaptations without a complete redesign (whether lunar satellite or space stations) to provide capacity and coverage from orbit to the lunar surface. Leveraging the modular approach taken when designing Modul8's core products, the network architecture with an all-in-one NIB provides a regenerative solution for orbital deployments in which all network functionalities are integrated into solutions, avoiding any single point of failure and providing the most resilient and robust network solution for mission critical deployments. The lunar surface communication solution is augmented with specific capabilities unique to orbital deployments, such as adaptive antenna arrays, increased transmit power, and software features like beamforming, enhanced scheduling, orbital tracking and Doppler compensation.

Given the challenging environmental conditions in space and in particular the constant exposure to radiation, all of Modul8's core products are built on space-grade hardware platforms with radiation hardened and radiation tolerant components that provide state-of-the-art communication, computing, data processing and storage solutions.

Modul8's systems are designed to support dynamic, bi-directional traffic patterns as expected by modern communication, networking, sensing, conferencing and video transmission applications. These communication links can be dynamically provisioned in real-time as needed by the end devices and applications and optimized for their required quality of service demands. This contrasts with traditional space communications architectures that rely primarily on scheduled, point-to-point links optimized for relatively limited number of connected devices and lack the dynamic, flexible and multi-directional links that are typical of today's modern communication networks and required for effective operation of modern applications.

Modul8 draws on technology and experience developed over multiple years working with governmental space agencies and commercial space partners as well as its first-mover positioning in operationalizing lunar cellular communications. Modul8's successful deployment and operation during the IM-2 mission have provided the necessary validation of its technical approach, operational experience in extreme conditions and early customer relationships that would be difficult and time-consuming for potential competitors to replicate or displace.

Specialized Skills and Knowledge

Modul8 depends on specialized technical skills and expertise in areas including, but not limited to, space-grade communications systems, wireless, optical and networking technologies, algorithmic and network protocol design and development, hardware and software architecture, design and integration, software reliability and assurance platforms, high-availability operations and management software, radiation hardening, thermal-mechanical design, and the design, testing and deployment of systems capable of operating in extreme and mission-critical environments. Modul8 includes a core team of engineers, researchers and technical personnel who have extensive experience and expertise in advanced telecommunications, space systems and related fields. To a lesser extent, Modul8 may also rely on third-party suppliers, contractors or partners for specialized components, manufacturing, testing or advisory services.

The multidisciplinary nature of Modul8's work requires close coordination between hardware, software and systems teams, as well as deep familiarity with government procurement processes and spaceflight qualification standards. While certain components and manufacturing activities may be supported by third-party suppliers, the core system architecture, hardware and software design, software development, testing and integration expertise are maintained internally.

Competitive Conditions

Modul8 currently operates predominantly in a developing segment of the space industry with limited competition. As the segment matures, potential competitors could include traditional aerospace and defence contractors, satellite communications providers and emerging space communications technology companies offering competing or alternative networking approaches.

Many existing providers focus primarily on satellite terrestrial networking or bespoke communications subsystems. Modul8 competes on the basis of system performance, scalability, autonomy, open interoperable standards compatibility, mission reliability and the ability to support long-duration, multi-mission, and multi-asset deployments. The communications solutions that are core to Modul8's product and services portfolio are commonly viewed as horizontal technologies that benefit and are needed for all spacecraft, suits, vehicles, mobility and robotic assets across the lunar economy and upcoming Moon Base.

The high technical requirements and long development cycles associated with lunar surface communications and beyond present significant barriers to entry. Further, Modul8's early operational experience and integration into major NASA programs provide additional competitive advantages.

See *"Information Concerning the Resulting Issuer – Risk Factors - Risks Related to the Proposed Qualifying Transaction and the Resulting Issuer"*.

Operating Characteristics and Material Contracts

As lunar missions evolve from short-duration demonstrations to sustained operations, Modul8 intends to evolve its business model to focus increasingly on supplying and servicing ongoing network operations, performance management and service delivery, positioning the business as both an infrastructure provider and operator rather than solely a systems supplier.

Historically, the Modul8 Business has been dependent on government-funded programs and contracts. Modul8 is currently dependent upon two contracts that are the primary sources of Modul8's current and expanded revenue.

Axiom Agreement

On June 1, 2024, NOAC and Axiom entered a 4-year fixed price Professional Services Subcontract Agreement (the **"Axiom Agreement"**). Pursuant to the terms of the Axiom Agreement, NOAC has been engaged to design, develop, deploy, and demonstrate a 4G/LTE-based communications system on the lunar surface based on certain requirements set forth by NASA. The main efforts include adapting, integrating and testing Nokia's 4G/LTE technology components to Axiom's AxEMU suit platform and SpaceX HLS, supporting the Demonstration Technology Objective (DTO) execution on the lunar surface, and providing a post-mission analysis based on the lunar surface DTO results.

SideLink Mesh Agreement

On September 23, 2025, NOAC and a confidential customer ("**SMC**") entered an 18-month fixed price Professional Services Subcontract Agreement (the **"SideLink Mesh Agreement"**). Pursuant to the terms of the SideLink Mesh Agreement, NOAC has been engaged to develop a 5G New Radio (NR) UE with 5G NR SideLink and mesh networking capabilities and demonstrate this new 5G UE prototype as an advanced lab system to accelerate the technology readiness level in preparation for future lunar missions. The project focuses on the development of an industrial grade 5G NR UE based on the targeted flight hardware and software architecture that can be directly interconnected in a full mesh network using device-to-device connectivity via 5G NR SideLink or connected to a centralized network node (i.e. a 5G NR gNB).

While such dependence reflects the early stage of the space infrastructure market, as commercial and international demand for space communications infrastructure expands and the space economy grows,

Modul8 will seek to expand its customer base over time. See *“Information Concerning the Resulting Issuer - Risk Factors - Risks Related to the Business and Industry.”*

Components

Modul8 relies on certain components, technologies and third-party inputs in connection with the development and deployment of its products and services, which may include specialized hardware components, software tools, and manufacturing or testing services.

Intellectual Property

Modul8 relies on a combination of patents and patent licences, proprietary software, technical know-how, trade secrets, trademarks and other proprietary rights developed primarily within Nokia Bell Labs through research, development and commercialization programs. These intellectual property assets support key elements of Modul8’s communications architectures, autonomous network operation and space-specific adaptations, and are integral to the design, deployment and operation of its mission-critical communications systems.

The intellectual property and related intangible assets used by Modul8 are important to its ability to develop, maintain and enhance its products and services, differentiate its solutions from those of competitors, and commercialize its technologies in demanding space and lunar environments. The continued availability and protection of these assets have a significant effect on Modul8’s operations and competitive position within the space communications segment.

In connection with the Completion of the Proposed Qualifying Transaction, the intellectual property comprising the Modul8 IP Assets will be conveyed, assigned and or licensed to ensure Modul8’s continued access to, and commercial use of, such assets. Modul8 will receive 2 patents through assignment, and licences to 52 additional patents, in aggregate covering existing works of Modul8 and potential future technology development. The assigned patents have unrestricted rights for Modul8 to use, develop and commercialize with a grant back license to Nokia with no field of use restrictions. The patents licensed to Modul8 have field of use restrictions to extraterrestrial communications, applications and computing products and services.

The licenses will be entered into on Nokia’s standard terms and conditions and will include, among other things, grant back rights limited to certain elements of the intellectual property portfolio. The licences will be granted as fully paid up.

The key software assets, technical documentation and specifications required for the 5G communication solutions developed by the Modul8 team are assigned to Modul8 with no grant back licenses to Nokia. Software assets, technical documentation and specifications related to Optical Communications are assigned to Modul8 with a grant back license to Nokia with no field of use restriction.

Modul8 will retain all interest and rights in the foreground developed intellectual property without any restrictions.

To protect its intellectual property and other intangible assets, Modul8 relies on a combination of statutory and common-law protections, including patent, trade secret, copyright and trademark laws, in Canada, the United States and other international jurisdictions, as well as contractual safeguards such as non-disclosure, confidentiality and invention-assignment agreements, and internal policies and controls designed to limit unauthorized use or disclosure.

See *“Information Concerning the Resulting Issuer – Risk Factors - Risks Related to Information Technology, Cybersecurity, Data Privacy and Intellectual Property.”*

Cycles and Seasonality

Modul8 is not subject to material seasonality. Revenue and operating activity are driven primarily by mission schedules, contract milestones and program funding timelines rather than consumer demand cycles.

Changes to Contracts

As a result of NASA's major replanning of the Artemis Program and announcement of its Ignition program⁸, the Axiom Agreement has been paused pending NASA, Axiom and Nokia (Modul8) alignment on a new plan. Replanning discussions are underway and, based on the extent and nature of the engagement to date, it is anticipated that a new plan will expand scope to focus on an integrated 5G and Wi-Fi 6 UE and wideband antenna solution, and will include a system engineering and integration study focused on options to integrate the new solution into Axiom's AxEMU suit platform.

The Modul8 Parties do not anticipate that any aspect of Modul8 operations with SMC will be materially adversely affected in the current financial year by renegotiation or termination of contracts or sub-contracts.

Environmental Protection

Modul8 does not currently anticipate that environmental protection requirements will have a material effect on its capital expenditures, earnings or competitive position in future financial years. However, Modul8 may be subject to evolving environmental regulations and industry standards, and compliance with such requirements could result in increased operating or compliance costs over time. At present, Modul8 does not expect such potential future requirements to materially affect its operations or financial performance.

Employees

Modul8 has not historically employed individuals as a separate legal entity. Rather, personnel working in relation to Modul8 have been employed by one or more entities within Nokia and have been dedicated, in whole or in part, to the operations of Modul8 as a business unit.

As of March 31, 2026, approximately 25 individuals were engaged in the operations of Modul8, through their employment with Nokia and its Affiliates. These individuals include engineers, scientists, technical specialists and other personnel supporting the development, deployment and commercialization of Modul8's products and services.

In connection with the internal reorganization undertaken prior to Completion of the Proposed Qualifying Transaction, substantially all of the personnel currently working in relation to Modul8 are expected to transfer their employment to MSC US or otherwise continue to provide services to Modul8 following closing. Modul8 anticipates hiring approximately 40 additional employees in the near future in varying positions to accommodate the expansion and growth of the business.

Foreign Operations

Modul8's operations are currently based in the United States, where its primary research, development, engineering, testing and systems integration activities are conducted. Modul8 does not presently maintain material operations outside the United States.

To the extent Modul8 relies on third-party suppliers or service providers, certain materials, components or services may be sourced from vendors located outside the United States. However, Modul8 is not materially dependent on foreign operations for the conduct of its business.

⁸ NASA, April 26, 2026, *NASA Unveils Initiatives to Achieve America's National Space Policy*.

Reorganizations

For more information pertaining to the internal reorganization of Modul8 prior to Completion of the Proposed Qualifying Transaction see “*The Proposed Qualifying Transaction*”.

Selected Consolidated Financial Information and Management’s Discussion and Analysis

Selected Financial Information of the Modul8 Business

The following table sets forth selected financial information of the Modul8 Business for the periods indicated, and selected statement of financial position and statement of operations data. Such information is derived from, and should be read in conjunction with, the audited carve-out financial statements and related notes of the Modul8 Business for the financial years ended December 31, 2025, and 2024, and the unaudited carve-out condensed interim financial statements of Modul8 for the three-month periods ended March 31, 2026 and 2025. See Schedule “B” – *Carve-Out Financial Statements of the Modul8 Business*. The carve-out information has been prepared in accordance with IFRS.

	<u>Period ended March 31, 2026 (unaudited) (US\$)</u>	<u>Year Ended December 31, 2025 (audited) (US\$)</u>	<u>Year Ended December 31, 2024 (audited) (US\$)</u>
Total current assets	2,440,000	3,692,000	3,278,000
Total assets	17,020,000	13,282,000	3,358,000
Total current liabilities	3,420,000	4,639,000	713,000
Total non-current liabilities	7,624,000	3,712,000	-

Selected Statement of Operations Data

	<u>Period ended March 31, 2026 (unaudited) (US\$)</u>	<u>Year Ended December 31, 2025 (audited) (US\$)</u>	<u>Year Ended December 31, 2024 (audited) (US\$)</u>
Revenue	3,662,000	12,066,000	3,552,000
Gross profit	1,249,000	3,976,000	1,541,000
SG&A Expenses	957,000	5,241,000	2,328,000
Net profit (loss)	292,000	(1,265,000)	(787,000)

Management’s Discussion and Analysis

Carve-out Management’s Discussion and Analysis of the Modul8 Business in respect of the financial years ended December 31, 2025 and December 31, 2024 and in respect of the three-month period ended March 31, 2026 and 2025, are attached as Schedule “E” – *Management’s Discussion and Analysis of the Modul8 Business* and should be read in conjunction with the audited carve-out Financial Statements of Modul8’s and notes thereto.

Risk Factors

Modul8, which will be the business of the Resulting Issuer following Completion of the Proposed Qualifying Transaction, is subject to a number of risks. See “*Information Concerning The Resulting Issuer – Risk Factors*”.

Auditors

The auditor of Modul8 is Deloitte Oy, located at Itämerenkatu 25, 00180 Helsinki, Finland. The auditor of the Resulting Issuer will continue to be MNP LLP, Chartered Professional Accountants, located at 330 -

340 King Street East, Toronto, ON M5A 1K8, see also *“Information Concerning the Resulting Issuer – Auditor, Transfer Agent and Registrar”*.

Promoters

Each of Mr. John Dow and Dr. Thierry Klein, co-founders of the Modul8 Business and proposed directors and officers of the Resulting Issuer, are considered Promoters of the Modul8 Business. As of the date of this Prospectus: (i) Mr. Dow beneficially owns, or exercises control or direction over, directly or indirectly, 2,500,000 MSC US Stock, representing approximately 25.0% of the issued and outstanding MSC US Stock, and (ii) Dr. Klein beneficially owns, or exercises control or direction over, a total of 2,500,000 MSC US Stock, representing approximately 25.0% of the issued and outstanding MSC US Stock. Upon Completion of the Proposed Qualifying Transaction, each of Mr. Dow and Dr. Klein is expected to hold approximately 5% of the outstanding Resulting Issuer Shares. It is also anticipated that Mr. Dow and Dr. Klein will each be granted 70,000 Resulting Issuer Options on Completion of the Proposed Qualifying Transaction. See *“Information Concerning the Resulting Issuer – Options to Purchase Securities”* and *“Information Concerning the Resulting Issuer – Directors and Executive Officers”*.

No Promoter of the Modul8 Business has:

- received anything of value, including money, property, contracts, options or rights of any kind, directly or indirectly from NOAC in connection with acting as a Promoter of the Modul8 Business within the last two years;
- sold or otherwise transferred any asset to NOAC within the last two years;
- has been a director, chief executive officer or chief financial officer of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
- has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority within the last two years;
- has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision within the last two years; or
- has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

Material Contracts

Modul8 is conducted pursuant to, and is subject to, certain contracts that are material to its business and operations. Although Modul8 is not itself a separate legal entity and therefore cannot be a party to contracts at this time, the contracts listed below have been entered into by NOAC and relate primarily to the conduct of Modul8.

Due to the nature of Modul8 and the industries in which it operates, certain of these contracts involve, and in the future are likely to involve, sensitive information, including matters relating to national security, government programs or other confidential arrangements, the public disclosure or filing of which is restricted or not permitted. See *“Information Concerning the Resulting Issuer – Risk Factors – Risks Related to the Business and Industry - Classified contracts may limit investor insight into portions of Modul8.”*

Except as described below, no contracts that are material to Modul8 and are outside the ordinary course of business have been entered into since January 1, 2025, or prior thereto if such material contracts remain in effect, other than:

1. The Axiom Agreement, see *“Information Concerning Modul8 – Description of the Modul8 Business - Operating Characteristics and Material Contracts.”*
2. The SideLink Mesh Agreement, see *“Information Concerning Modul8 – Description of the Modul8 Business - Operating Characteristics and Material Contracts”.*

THE PROPOSED QUALIFYING TRANSACTION

Transaction Structure

The Company has identified the Proposed Qualifying Transaction with the Modul8 Parties as an appropriate transaction for the purpose of completing its Qualifying Transaction in accordance with the CPC Policy. The Proposed Qualifying Transaction will be completed in accordance with the Definitive Agreement, pursuant to which, among other things, the Company has agreed to acquire the Modul8 Business through a series of steps, including (i) the acquisition of all of the Modul8 Operating Assets from NOAC indirectly through its acquisition of MSC US, and (ii) the acquisition of the Modul8 IP Assets from NSN (the “**Business Acquisition**”).

Completion of the Proposed Qualifying Transaction is subject to, among other things, prior satisfaction or waiver, as applicable, of a number of conditions, including completion of the Subscription Receipt Financing, completion of the Consolidation and Name Change, conditional acceptance of the Proposed Qualifying Transaction by the Exchange, and satisfaction or waiver of the conditions precedent set out in the Definitive Agreement. Upon Completion of the Proposed Qualifying Transaction, the Resulting Issuer is expected to meet all of the Exchange’s minimum listing requirements for an Exchange listed issuer.

Subject to the satisfaction or waiver of the applicable conditions, the following steps will occur prior to and as a condition to Completion of the Proposed Qualifying Transaction:

1. *Closing of the Subscription Receipt Financing:* Finco will complete the Subscription Receipt Financing of Subscription Receipts, a condition to Completion of the Proposed Qualifying Transaction. See “*The Proposed Qualifying Transaction – Subscription Receipt Financing*”.
2. *Consolidation:* The Company will effect the Consolidation of its Common Shares on a 3.0833:1 basis. See “*The Proposed Qualifying Transaction – Consolidation*”.
3. *Name Change:* The Company will change its name to “Modul8 Corporation”. See “*The Proposed Qualifying Transaction – Name Change*”.
4. *Business Acquisition:* The Modul8 Parties and Celestial will complete the following steps pursuant to the Definitive Agreement:
 - (a) NOAC will sell, assign, transfer and convey to MSC US all of the Modul8 Operating Assets in exchange for the MSC US Note, which note shall be immediately sold, assigned, transferred and conveyed by NOAC to NSN (the “**Nokia Reorganization**”);
 - (b) Celestial shall issue an aggregate of 10,000,000 Consolidated Shares (the “**MSC US Payment Shares**”) to the MSC US Stockholders in exchange for all of the issued and outstanding MSC US Stock (there shall be no options, warrants or other securities or entitlements outstanding that are exercisable or otherwise convertible into MSC US Stock);
 - (c) Celestial shall incorporate Modul8 IPCo;
 - (d) in consideration for the issuance by Celestial to NSN of an aggregate of 20,333,333 Consolidated Shares (the “**NSN Payment Shares**”, and together with the MSC US Payment Shares, the “**Payment Shares**”), NSN shall, or shall cause its affiliates to, as applicable:
 - i. settle the outstanding MSC US Note; and

- ii. (a) sell, assign, transfer and convey to Celestial the Modul8 Assigned IP Assets; and (b) license to Celestial the Modul8 Licensed IP Assets by entering into the Modul8 IP Agreements; and
 - (e) Celestial shall sell, assign, transfer and convey to Modul8 IPCo the Modul8 IP Assets in consideration for the issuance by Modul8 IPCo common shares in the capital of Modul8 IPCo to Celestial in such number as to be determined by the parties.
5. *Subscription Receipt Conversion*: Upon satisfaction or waiver, as applicable, of the Escrow Release Conditions, all Subscription Receipts shall convert, without further action or additional consideration therefor into Finco Shares.
6. *Amalgamation*: Following satisfaction or waiver, as applicable, of the Escrow Release Conditions and the completion of the foregoing steps, Finco and Acquireco will amalgamate pursuant to the OBCA and:
 - (a) each issued and outstanding Finco Share (including the Finco Shares issued upon conversion of the Subscription Receipts) shall be cancelled, and in consideration therefor, the former holder of such Finco Share shall receive one (1) fully paid and non-assessable Resulting Issuer Share for each former Finco Share held;
 - (b) each outstanding Acquireco Share shall be cancelled and, in consideration therefor, Amalco shall issue one (1) Amalco Share to the Company;
 - (c) Amalco will continue as a wholly-owned subsidiary of the Resulting Issuer; and
 - (d) the property of each of Finco and Acquireco will continue to be the property of Amalco.
7. *Completion of the Proposed Qualifying Transaction*. Upon completion of the Consolidation, Name Change, Business Acquisition and Amalgamation, and subject to final acceptance by the Exchange, the Proposed Qualifying Transaction will be deemed completed.

MSC US

MSC US is a corporation incorporated under the laws of the State of Texas in November 2025. MSC US currently holds no assets or liabilities and has not conducted any business operations. MSC US serves as the entity into which the Modul8 Operating Assets will be transferred in connection with the Nokia Reorganization. Upon Completion of the Proposed Qualifying Transaction, all of the issued and outstanding MSC US Stock will be acquired by the Company, and MSC US will become a direct, wholly-owned operating subsidiary of the Company through which the Modul8 Business will be conducted. See “*Information Concerning the Resulting Issuer — Corporate Structure.*”

As at the date of this Prospectus, Brad Morrison is the sole director of MSC US, and MSC US Stockholders are John Dow, Dr. Thierry Klein, Janet Kumpu and Zeev Lubenski. Other than the MSC US Stock, no securities of MSC US are issued and outstanding. Immediately following Completion of the Proposed Qualifying Transaction, the Company will be the sole registered and beneficial holder of all of the issued and outstanding MSC US Stock, and the board of directors of MSC US will be reconstituted with John Dow serving as the sole director.

Definitive Agreement

The following is a summary of the material provisions of the Definitive Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Definitive Agreement, and terms used in this section and not otherwise defined herein shall have the meaning ascribed thereto in

the Definitive Agreement. A copy of the Definitive Agreement has been filed and is available under the Company's SEDAR+ profile at www.sedarplus.ca.

Representations, Warranties and Covenants

The Definitive Agreement contains customary representations and warranties made by each of the Company and the Modul8 Parties regarding, among other things, their respective organization and existence, authority and capacity, capitalization, compliance with Applicable Laws, and other matters typical for a transaction of this nature, including their authority to enter into the Definitive Agreement and to consummate the Proposed Qualifying Transaction.

The representations and warranties contained in the Definitive Agreement were made solely for the purposes of the Definitive Agreement and are subject to certain qualifications, limitations and negotiated standards of materiality agreed to by the parties in connection with its negotiation. Accordingly, such representations and warranties may be subject to contractual standards (including materiality qualifiers and Material Adverse Effect qualifiers) that differ from standards that may be applicable to public disclosure.

In addition, the Definitive Agreement contains customary affirmative and negative covenants pursuant to which, among other things, each of the Company and the Modul8 Parties has agreed, or agreed to cause applicable parties, to conduct the Modul8 Business in the ordinary course of business prior to the Closing Date, to refrain from taking certain actions outside the ordinary course without consent, and to use best efforts to satisfy the conditions precedent to Completion of the Proposed Qualifying Transaction. The Definitive Agreement also provides that any Modul8 Operating Assets or IP relating exclusively to the Modul8 Business that are identified after execution of the Definitive Agreement and up to 60 days following the Closing Date, or that were created, modified, developed or otherwise acquired prior to the Closing Date, will be included in the acquired business without additional consideration. Pursuant to the Definitive Agreement, the Company and the Modul8 Parties have agreed to cooperate in good faith following the Closing Date to effect the transfer, license or assignment of such Modul8 Operating Assets or IP to the Resulting Issuer, subject, in the case of any IP, to receipt of required internal approvals.

Conditions to the Proposed Qualifying Transaction

Completion of the Proposed Qualifying Transaction is subject to the satisfaction or waiver of a number of customary conditions precedent in favour of the Company and the Modul8 Parties, as applicable. Unless all such conditions are satisfied or waived in accordance with the Definitive Agreement, the Proposed Qualifying Transaction will not be completed. There can be no assurance that such conditions will be satisfied or waived on a timely basis, or at all. The principal conditions to Completion of the Proposed Qualifying Transaction are summarized below.

Mutual Conditions

The respective obligations of each of the Company and the Modul8 Parties to complete the Proposed Qualifying Transaction are subject to the satisfaction, on or before the Closing Date, of the following conditions, any of which may be waived by the mutual consent of the Company and NSN without prejudice to their rights to rely on any other or others of such conditions:

- (a) all necessary consents, waivers, permits, exemptions, orders and regulatory approvals shall have been obtained for the Completion of the Proposed Qualifying Transaction, including:
 - (i) obtaining a preliminary and final receipt for this Prospectus by the OSC and any other applicable securities regulatory authorities; and
 - (ii) the Exchange's conditional acceptance of the Proposed Qualifying Transaction, including the listing of the Payment Shares and Resulting Issuer Shares issuable

upon conversion of the Subscription Receipts, the Consolidation, the Name Change, the appointment of the Resulting Issuer Board and the Amalgamation,

in each case subject only customary conditions;

- (b) there shall not exist any prohibition at law against, and there shall not be in force any order or decree restraining or enjoining, the Completion of the Proposed Qualifying Transaction;
- (c) there shall be no threatened in writing, instituted or pending any bona fide action or proceeding before any court or Governmental Authority (i) challenging or seeking to make illegal, or to delay or otherwise directly or indirectly restrain or prohibit, the Completion of the Proposed Qualifying Transaction or seeking to obtain material damages in connection therewith, (ii) seeking to prohibit direct or indirect ownership or operation by the Company of all or a material portion of the business or assets of NSN, or to compel the Company or NSN to dispose of or to hold separately all or a material portion of the business or assets of NSN, as a result of the Proposed Qualifying Transaction, (iii) seeking to invalidate or render unenforceable any material provision of the Definitive Agreement or any other agreements attached as exhibits thereto or contemplated thereby, or (iv) otherwise relating to and materially adversely affecting Completion of the Proposed Qualifying Transaction;
- (d) there shall be no action taken, or any statute, rule, regulation, judgment, order or injunction proposed, enacted, entered, enforced, promulgated, issued or deemed applicable to the Proposed Qualifying Transaction contemplated hereby, by any Governmental Authority, that would reasonably be expected to result, directly or indirectly, in any of the consequences referred to in paragraph (c) directly above;
- (e) on the effective date of the Amalgamation, no cease trade order or similar restraining order of any other provincial securities administrator relating to the Common Shares shall be in effect;
- (f) the Subscription Receipt Financing shall have been completed; and
- (g) the distribution of the Payment Shares and issuance of the Resulting Issuer Shares in connection with the Amalgamation shall be exempt from prospectus and registration requirements, and from applicable takeover bid rules under applicable Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Securities Laws and shall not be subject to resale restrictions under applicable Securities Laws.

Conditions to Obligations of the Modul8 Parties

The obligations of the Modul8 Parties to complete the Proposed Qualifying Transaction are subject to the fulfillment of the following conditions on or before the Closing Date:

- (a) except as affected by Completion of the Proposed Qualifying Transaction as contemplated in the Definitive Agreement, the representations and warranties of the Company contained in the Definitive Agreement shall be true in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the Closing Date with the same effect as though such representations and warranties had been made at and as of such time, and the Company shall have delivered a certificate to such effect, dated as of the Closing Date, of a senior officer of the Company;
- (b) the Company shall have fulfilled or complied in all material respects with each of its covenants contained in the Definitive Agreement to be fulfilled or complied with by it on or

prior to the Closing Time and the Company shall have delivered a certificate to such effect, dated as of the Closing Date, of a senior officer of the Company;

- (c) all other necessary corporate action shall have been taken by the Company to permit the consummation of the Consolidation, Name Change, Business Acquisition, issuance of the Payment Shares and Resulting Issuer Shares, Amalgamation and the appointment of the Resulting Issuer Board, and NSN shall have received from the Company copies of the records of all corporate action taken to authorize the execution, delivery, and performance of the Definitive Agreement and the Completion of the Proposed Qualifying Transaction, certified by a duly authorized officer thereof to be true and complete as of the Closing Time;
- (d) all consents and approvals which are required or necessary to be obtained by the Company for the Completion of the Proposed Qualifying Transaction shall have been obtained, received or waived;
- (e) no Material Adverse Effect affecting the business, affairs, assets, financial condition or operations of the Company shall have occurred between the date of the Definitive Agreement and the Closing Date and the Company shall have delivered a certificate to such effect, dated as of the Closing Date, of a senior officer of the Company;
- (f) since the date of the Definitive Agreement, no action, suit or proceeding shall have been taken before or by any Person against the Company (whether or not purportedly on behalf of the Company) that would, if successful, have a Material Adverse Effect on the Company, in the sole discretion of NSN, acting reasonably;
- (g) the Consolidation and Name Change shall have been completed and the Company shall have filed Articles of Amendment in accordance with the OBCA in respect of the Consolidation and Name Change;
- (h) each of such required officers and directors of the Company immediately prior to the Closing Time, shall deliver duly executed resignations and releases from their positions with the Company effective upon the Completion of the Proposed Qualifying Transaction;
- (i) the Resulting Issuer Board shall have been appointed, effective as of the Closing Date;
- (j) management of the Resulting Issuer shall have been reconstituted as contemplated under the Definitive Agreement;
- (k) the Company shall have delivered all applicable closing deliverables pursuant to the Definitive Agreement;
- (l) NSN and the Company shall have entered into an investor rights agreement on or prior to Closing, which agreement shall include, among other things, customary information rights, with such rights and related provisions to be negotiated and determined by the parties, acting reasonably;
- (m) the Company shall have delivered certificates or direct registration statements duly registered in the name of such Persons evidencing the number of Payment Shares to which such Person is entitled pursuant to the Definitive Agreement; and
- (n) certain employees shall have entered into agreements with NSN and NOAC with respect to their ownership of Resulting Issuer Shares, in a form acceptable to NSN and NOAC, acting reasonably.

Conditions to Obligations of the Company

The obligations of the Company to complete the Proposed Qualifying Transaction are subject to the fulfillment of the following conditions on or before the Closing Date:

- (a) except as affected by Completion of the Proposed Qualifying Transaction as contemplated in the Definitive Agreement, the representations and warranties of the Modul8 Parties contained in the Definitive Agreement shall be true in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the Closing Date with the same effect though such representations and warranties had been made at and as of such time and each of the Modul8 Parties shall have delivered a certificate to such effect, dated as of the Closing Date, of a senior officer of each of the Modul8 Parties;
- (b) each of the Modul8 Parties and the MSC US Stockholders each shall have fulfilled or complied in all material respects with each of its covenants contained in the Definitive Agreement to be fulfilled or complied with by it on or prior to the Closing Time; and each of the Modul8 Parties shall have delivered a certificate to such effect, dated as of the Closing Date, of a senior officer of each of the Modul8 Parties;
- (c) each of the Modul8 Parties and the MSC US Stockholders shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken to permit the Completion of the Proposed Qualifying Transaction;
- (d) the Company shall have received satisfactory evidence of the due completion of the Nokia Reorganization;
- (e) each of the Modul8 IP Transfer and Licence Agreement, Modul8 Patent Purchase Agreement, and Modul8 Trademarks and Domain Names Assignment Agreement shall have been entered into;
- (f) the MSC US Stockholders shall have tendered all, but not less than all, of the MSC US Stock, accompanied by duly executed share transfer forms and associated MSC US Stock certificates (if issued), such that the Company shall, immediately after the Closing, be the sole holder of all of the issued and outstanding MSC US Stock;
- (g) since the date of the Definitive Agreement, no action, suit or proceeding shall have been taken before or by any Person against the Modul8 Parties that would, if successful, have a Material Adverse Effect on the Modul8 Operating Assets or the Modul8 IP Assets, in the sole discretion of the Company, acting reasonably; and
- (h) the Resulting Issuer Escrow Agreement, pursuant to which the Payment Shares issued to certain Persons under the Definitive Agreement will be held in escrow pursuant to Exchange Policies, shall have been executed and delivered by such Persons as may be required by the Exchange.

Exclusivity

From the date of execution of the Definitive Agreement until the earlier of the Closing Time or termination of the Definitive Agreement, each of the Modul8 Parties has agreed not to (and has agreed to ensure that its Affiliates and associates, and its and their respective directors, officers, employees, representatives, advisors (including financial, tax or legal) do not) directly or indirectly solicit, initiate, knowingly facilitate or encourage, or accept, enter into or participate in discussions, conversations, negotiations or other communications regarding any offer or proposal relating to any transaction (other than the purchase and sale transaction contemplated by the Definitive Agreement) involving the sale of the Modul8 Business or

any Modul8 Operating Assets or Modul8 IP Assets, or any other transaction effecting the sale, transfer or other disposition of the Modul8 Business or Modul8 Operating Assets or Modul8 IP Assets.

Termination

The Definitive Agreement may be terminated prior to the Closing Date (a) by mutual written agreement of the Company and NSN; (b) upon written notice by either the Company or NSN if the Closing has not occurred on or prior to the Outside Date, provided that the party exercising such right is not then in breach of the Definitive Agreement nor the primary cause of any such breach by another party; or (c) subject to the provisions of Section 5.4 of the Definitive Agreement, upon written notice by either the Company or NSN due to a material breach of the terms of the Definitive Agreement (including a failure to satisfy any condition to Closing in accordance with the terms the Definitive Agreement) by the Modul8 Parties, on the one hand, or the Company, on the other hand, provided that the party exercising such right is not then in breach of the Definitive Agreement nor the primary cause of any such breach by another party.

Upon termination of the Definitive Agreement in the circumstances described above, the Definitive Agreement will become void and of no further force or effect, except with respect to provisions that expressly survive termination.

Following Completion of the Proposed Qualifying Transaction, all reasonable costs and expenses incurred in connection therewith shall be paid from the proceeds of the Subscription Receipt Financing. In the event that the Definitive Agreement is terminated for any reason, NSN shall reimburse the Company for all its reasonable and documented fees and expenses incurred by it (subject to an agreed cap) and shall pay to the Company an agreed upon termination fee; provided, however, that if NSN terminates the Definitive Agreement pursuant to (b) or (c) above as a result of an intentional breach by the Company, with documented evidentiary support, or if either the Company or NSN terminates for a failure to complete the Subscription Receipt Financing, the Company shall not be entitled to a termination fee.

Subscription Receipt Financing

In connection with, and as a condition to, the Completion of the Proposed Qualifying Transaction, the parties intend to complete the Subscription Receipt Financing with accredited investors pursuant to section 2.3 of NI 45-106 into Finco, an entity directed by Brad Morrison, the proposed Chief Strategy Officer of the Resulting Issuer. Finco expects to issue and sell 16,666,667 Subscription Receipts at a price of US\$2.40 per Subscription Receipt, for gross proceeds of US\$40,000,000.

Each Subscription Receipt will, upon the satisfaction or waiver, as applicable, of the Escrow Release Conditions and the Completion of the Proposed Qualifying Transaction, entitle the holder, without the payment of any additional consideration and without further action, to receive one (1) Finco Share and, following the completion of the Amalgamation, one (1) Resulting Issuer Share for each Finco Share held.

The Gross Proceeds (less the Agents' Expenses and 50% of the Agents' Fee) will be held in escrow pending the satisfaction or waiver of customary escrow release conditions, which are expected to include, among other things, the satisfaction or waiver of all conditions precedent to the Completion of the Proposed Qualifying Transaction, and the receipt of all required shareholder, regulatory and Exchange approvals, including the conditional approval of the Exchange (collectively, the "**Escrow Release Conditions**"). Provided the Escrow Release Conditions have been satisfied or waived prior to the escrow deadline, the escrowed funds, less the remaining 50% of the Agents' Fee and all Agents' Expenses incurred after the closing of the Subscription Receipt Financing (which amount shall be released to the Agents), will be released to Finco, all as more particularly set out in the Subscription Receipt Agreement.

In connection with the Subscription Receipt Financing, the Company, NSN, NOAC, and MSC US will enter into the Agency Agreement with the Agents in respect of the Subscription Receipt Financing. Pursuant to the Agency Agreement, the Company will pay the Agents a cash commission equal to 6% of the Gross Proceeds, which amount shall be reduced to 3% in respect of certain presidents list purchasers. The Agents

will also be entitled to reimbursement of certain fees and expenses, all in accordance with the Agency Agreement and the Exchange Policies.

The Agents have also been granted an option (the “**Agents’ Option**”) to cover over-allotments, exercisable for a period of up to 48 hours prior to the closing date of the Subscription Receipt Financing, to purchase such number of additional Subscription Receipts, on the same terms as the Subscription Receipt Financing, in an aggregate amount equal to up to 15% of the number of Subscription Receipts sold pursuant to the Subscription Receipt Financing.

The net proceeds of the Subscription Receipt Financing are expected to be used primarily as set out under “*Information Concerning the Resulting Issuer – Available Funds and Principal Uses*”.

Consolidation and Name Change

Prior to Completion of the Proposed Qualifying Transaction, the Company will consolidate its outstanding Common Shares on the basis of one (1) post-Consolidation Share for every 3.0833 pre-Consolidation Shares such that the Company will have approximately 3,000,000 post-Consolidation Shares issued and outstanding immediately prior to Completion of the Proposed Qualifying Transaction.

Prior to Completion of the Proposed Qualifying Transaction, the Company will file articles of amendment to change its name to “Modul8 Corporation”, or such other name as may be determined in the sole discretion of NSN, subject to Applicable Laws and the Exchange Policies. Both the Consolidation and the Name Change were previously approved by Shareholders at a meeting of the Company.

Effect of the Proposed Qualifying Transaction and Subscription Receipt Financing

Upon Completion of the Proposed Qualifying Transaction and the concurrent Subscription Receipt Financing (without exercise of the Agents’ Option), and subject to Exchange acceptance, it is expected that:

1. the Company will have changed its name to “Modul8 Corporation”, or such other name as NSN may determine, subject to Applicable Laws and Exchange Policies;
2. the Company will have completed the Business Acquisition and acquired the Modul8 Business, including by acquiring all of the issued and outstanding MSC US Stock, and MSC US will become a wholly-owned operating subsidiary of the Resulting Issuer;
3. Acquireco and Finco will have amalgamated to form Amalco, which will be a wholly-owned subsidiary of the Resulting Issuer;
4. all outstanding Subscription Receipts will have converted, without additional consideration or further action on the part of the holders, into Resulting Issuer Shares in accordance with their terms;
5. there will be an aggregate of approximately 50,000,000 Resulting Issuer Shares issued and outstanding on a non-diluted basis, assuming conversion of the Subscription Receipts and completion of the Business Acquisition;
6. the former MSC US Stockholders will collectively hold approximately 10,000,000 Resulting Issuer Shares, representing approximately 20% of the issued and outstanding Resulting Issuer Shares on a non-diluted basis;
7. NSN will collectively hold approximately 20,333,333 Resulting Issuer Shares, representing approximately 40.67% of the issued and outstanding Resulting Issuer Shares on a non-diluted basis;

8. the former Shareholders of the Company will collectively hold approximately 3,000,000 Resulting Issuer Shares, representing approximately 6% of the issued and outstanding Resulting Issuer Shares;
9. the former holders of Subscription Receipts will collectively hold approximately 16,666,667 Resulting Issuer Shares, representing approximately 33.33% of the issued and outstanding Resulting Issuer Shares;
10. the Resulting Issuer Board will be comprised of five (5) persons including John Dow, Kevin Ford, Chris Hadfield, Erin O'Toole and Laura Price, and it is expected that John Dow will serve as Chief Executive Officer, Janet Kumpu will serve as Chief Operating Officer and Interim Chief Financial Officer, Dr. Thierry Klein will serve as Chief Technology and Research Officer, Zeev Lubenski will serve as Vice President, Engineering, and Brad Morrison as Chief Strategy Officer; and
11. the Resulting Issuer will carry on the Modul8 Business as its principal business.

INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

Name and Incorporation

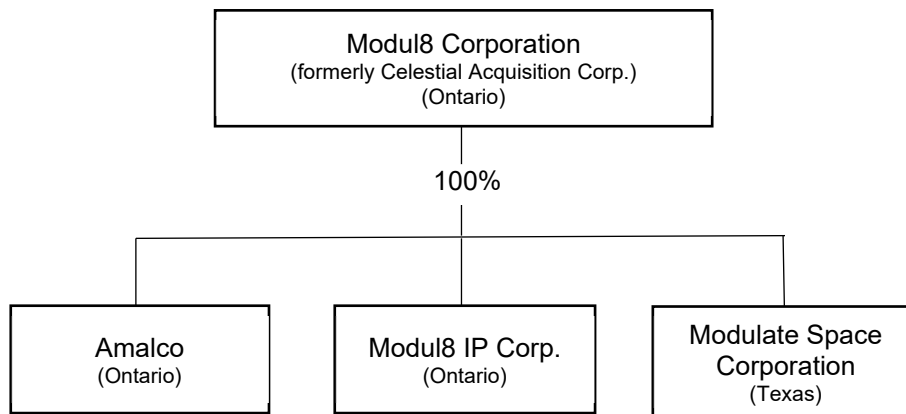
Immediately following Completion of the Proposed Qualifying Transaction, the Resulting Issuer will remain governed by the OBCA, and the Company will change its name to “Modul8 Corporation”, or such other name as NSN may determine, subject to Applicable Laws and Exchange Policies. Thereafter, the Resulting Issuer will carry on the Modul8 Business as its principal business.

It is intended that the Resulting Issuer Shares will continue to be listed on the Exchange under the trading symbol “MDL”. The Resulting Issuer will be a reporting issuer in the Provinces of British Columbia, Alberta, Ontario, Nova Scotia and Prince Edward Island. Its head office and registered office of the Resulting Issuer will continue to be located at the current head and registered office of the Company, Suite 1800, 181 Bay Street, Toronto, Ontario M5J 2T9.

Intercorporate Relationships

Upon Completion of the Proposed Qualifying Transaction, the Resulting Issuer will have three direct wholly-owned subsidiaries, consisting of: (i) Amalco; (ii) Modul8 IP Corp.; and (iii) MSC US, as illustrated below.

Business of the Resulting Issuer



Assuming Completion of the Proposed Qualifying Transaction, the Resulting Issuer will carry on the Modul8 Business and utilize the funds available to it as described in this Prospectus. The Modul8 Business will be carried on primarily (initially) through the MSC US, see “*The Proposed Qualifying Transaction – MSC US*”.

Following Completion of the Proposed Qualifying Transaction, the Resulting Issuer expects its principal activities to include the design, development and deployment of communications solutions, including hardware, software, applications and related services, for use in demanding, mission-critical space environments. The Resulting Issuer may, from time to time, evaluate opportunities to expand its operations into additional markets or applications; however, there can be no assurance that any such expansion will occur, and the Resulting Issuer will not be under any obligation to pursue or complete any such expansion.

For further information regarding the Modul8 Business, see “*Information Concerning the Modul8 Business*” and “*Information Concerning the Resulting Issuer – Available Funds and Principal Uses*”.

Available Funds and Principal Uses

Available Funds

The funds that are expected to be available to the Resulting Issuer upon completion of the Subscription Receipt Financing for the Gross Proceeds (without exercise of the Agents' Option) and the Proposed Qualifying Transaction are described in the following table.

Source	Funds Available (US\$)
Estimated working capital of the Company as at March 31, 2026	196,791
Estimated working capital of the Modul8 Business as at March 31, 2026	(980,000)
Net proceeds from the Subscription Receipt Financing ⁽¹⁾	35,225,000
Total	34,441,791

Note:

(1) Net of the estimated Agents' Fee of US\$2,400,000, estimated Agents' Expenses and legal fees in the aggregate of US\$175,000, and the balance of the estimated aggregate transaction expenses of US\$2,200,000.

Principal Use of Available Funds

The Resulting Issuer intends to apply the net proceeds from the Subscription Receipt Financing (set out above) following Completion of the Proposed Qualifying Transaction as follows:

Principal Use of Funds ⁽¹⁾	Amount (after giving effect to the Subscription Receipt Financing, without exercise of the Agents' Option) (US\$)
Operating expenses⁽²⁾	6,894,000
Sales and Marketing	1,243,610
General & Administrative ⁽³⁾	2,637,100
Research	1,482,630
Development	1,530,660
Capital investments	19,836,000
Development: Lab, Test Equipment ⁽⁴⁾	3,800,000
Development: Advanced Roadmap – Satellite and Optical ⁽⁴⁾	9,936,000
Research: Lab, Test Equipment ⁽⁴⁾	3,250,000
Mission Operations Center	1,250,000
Facilities: Building & IT Infrastructure	1,600,000
Unallocated working capital	7,711,791
Total	34,441,791

Notes:

(1) For additional information see "Information Concerning the Resulting Issuer – Business Objectives".

(2) Estimates 24 months of operations.

(3) Includes salaries and wages.

(4) Aggregate funds are intended to be applied against the Resulting Issuer's Satellite and Optical development works, see "Information Concerning the Modul8 Business – Description of the Modul8 Business – Products, Systems and Services". Approximately US\$5.09 million and US\$11.8 million is expected to be applied against Satellite and Optical work, respectively. Management of Modul8 anticipates that, assuming the application of these proceeds in full, the Satellite Communication application is expected to reach pre-commercialization including proof of concept, and the Optical Communication application is expected to reach pre-commercialization including systems proof of concept. The completion of the foregoing works on Satellite and Optical Communications is expected to enable management of the Resulting Issuer to then assess additional steps

required to reach commercial production and an estimate of costs and timing of same which would require, among other things, securing customer contracts for prototype development, terrestrial demonstrations, and flight demonstrations to validate system features, specifications and performance.

The above use of available funds are estimates only. The allocation of funds will be examined on an ongoing basis, and there may be circumstances in which, and for sound business reasons, funds are reallocated, in accordance with the prevailing business and economic conditions. It is difficult at this time to definitively project the total funds necessary to accomplish the business objectives of the Resulting Issuer. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's operations over the 24 months following Completion of the Proposed Qualifying Transaction. See *"Information Concerning the Resulting Issuer - Risk Factors – Risks Related to the Business and Industry - Discretion in the Use of Proceeds"* and *"Information Concerning the Resulting Issuer - Risk Factors – Risks Related to the Business and Industry - Uncertainty of future revenues and need for additional financing"*.

Until applied, the net proceeds of the Subscription Receipt Financing will be held as cash balances in the Resulting Issuer's bank account or invested in certificates of deposit and other instruments issued by banks or government guaranteed obligations.

If the Agents' Option is exercised in full the Resulting Issuer will receive additional net proceeds of US\$5,640,000 after deducting the Agents' Fee. The net proceeds from the exercise of the Over-Allotment Option, if any, is expected to be added to general working capital.

Business Objectives

General

The Resulting Issuer intends to further the business objectives and growth strategy of the Modul8 Business described in *"Information Concerning Modul8"*. The Resulting Issuer's strategic growth plan is intended to leverage its existing technological capabilities, accelerate product and market development, and position it as a differentiated, technology-driven space communication solutions provider. The principal objectives include:

Operational Expansion

- Strengthen operational excellence and governance through critical operational and technical resources to advance quality management systems, development workstreams, supply chain traceability and regulatory, governance, security and compliance best practices.
- Establish an advanced research and engineering team of 10 people in 2026 and expand to 15-20 people by the end of 2028 to research, validate and create advanced concepts that expand the portfolio of the Resulting Issuer into new space communication technology domains with specific emphasis on optical space communications technologies; advanced 5G on satellite communications; and end-to-end dynamic and autonomous networking.
- Expand the development, test, integration and support teams to add depth and multi-disciplinary talent to meet projected program requirements and new contract awards.
- Increase market access, strategic partnerships, and growth strategies through targeted corporate development, business development and marketing investments intended to accelerate growth and market penetration.

Capital Investments for Advanced Roadmap

- Establish and expand the system engineering, design, architecture and development team to support the development, proof of concept and prototyping of future roadmap products and services. The roadmap extensions will increase the Resulting Issuer's technology assets in the

areas of wireless / 5G satellite communication, space optical communication and advanced networking. The investments will create early implementations and lab demonstrations of future roadmap items.

- Invest in the early development of new technologies in advance of awarded contracts with the objective to further differentiate the Resulting Issuer’s offerings, maintain a technological advantage and leadership position, to secure the associated intellectual property, critical designs, data rights and accelerate the market growth opportunities.

Capital Investments for Lab and Test Equipment

- Invest in lab infrastructure to support research, development, integration and testing of new communication solutions and advanced concepts with specific emphasis on space optical lab infrastructure, optical transmission equipment, as well as lab equipment for satellite communications. The investments would support the research and development of the advanced roadmap technologies.

Mission Operations and Control Centre

- Build and establish the Resulting Issuer’s Mission Operations and Control center to support, monitor and control its integrated lunar surface communications solutions during space flight missions. The Mission Operations and Control center needs to have secure, dedicated and redundant communication, IT and power infrastructure and be connected to customer and partner mission operations and control centers.
- Extend communication support from short-duration flights and missions to further provide the capacity and capability to be the primary operator of space communications infrastructure.
- Establish a partner lab to facilitate and support on-site joint development, integration and testing as well as joint mission operations and support.

Facilities, Building and IT Infrastructure

- Complete critical operational infrastructure buildout to achieve certification and compliance metrics to satisfy Government standards for operational excellence, security, data protection and governance best practices.
- Establish a Canadian market presence to support targeted research and operational support to increase access to Canadian, European and North American market initiatives.

Milestones

The following significant events should occur for the stated business objectives disclosed above to be accomplished and the specific time periods in which each event is targeted to occur. See also above “*Information Concerning the Resulting Issuer – Available Funds and Principal Uses – Principal Use of Available Funds*”.

Business Objective	Timeline
Operational expansion	N/A
Establish advanced research team	2026 - 2028
Capital Investments for Advanced Roadmap	2026-2028
Capital Investments for Lab and Test Equipment	

Development equipment, lab and test equipment	2026 initial optical lab to be established, expanded through 2027
Research lab infrastructure, lab and test equipment for space optical and satellite communication solutions	Add lab and test equipment for satellite communication in 2028
Mission Operations and Control Centre	Completion mid-2028
Facilities, Building and IT Infrastructure	N/A

Dividends or Distributions

There will be no restrictions on the Resulting Issuer's ability to pay dividends subsequent to the Completion of the Proposed Qualifying Transaction. It is not contemplated that any dividends will be paid in the immediate future following Completion of the Proposed Qualifying Transaction, as it is anticipated that all available funds will be used to finance the growth and operations of the Resulting Issuer's business. The holders of Resulting Issuer Shares will be entitled to dividends, if, as and when declared by the Resulting Issuer Board. Any decision to pay dividends on Resulting Issuer Shares in the future will be made by the Resulting Issuer Board on the basis of the earnings, financial requirements and other conditions existing at such time.

Description of the Securities

The attributes of the Resulting Issuer Shares will be the same as the Common Shares, and will not change as a result of the Proposed Qualifying Transaction, see "*Information Concerning the Company – Description of Securities*".

Pro Forma Consolidated Capitalization of the Resulting Issuer

The following table sets forth the pro forma consolidated capitalization of the Resulting Issuer before and after giving effect to the Proposed Qualifying Transaction, assuming completion of the Subscription Receipt Financing for the Gross Proceeds (without exercise of the Agents' Option), and the Consolidation. The table should be read in conjunction with the pro forma financials of the Resulting Issuer and the notes thereto included in this Prospectus. See Schedule "C" – *Pro Forma Financial Statements of the Resulting Issuer*.

Designation of Security ⁽¹⁾	Amount authorized or to be authorized	Outstanding as at March 31, 2026 ⁽²⁾	Amount outstanding after giving effect to the Proposed Qualifying Transaction, the Subscription Receipt Financing for the Gross Proceeds (without exercise of the Agents' Option), and Consolidation ⁽²⁾
Resulting Issuer Shares	Unlimited	3,000,000	50,000,000
Resulting Issuer Options	10% of the Resulting Issuer Shares on the date of grant	300,003 ⁽³⁾⁽⁴⁾	1,822,503 ⁽⁴⁾
IPO Agent Options	500,000	162,163 ⁽⁵⁾	162,163 ⁽⁵⁾

Notes:

- (1) Certain securities of the Resulting Issuer are subject to escrow, see "*Information Concerning the Resulting Issuer – Escrowed Securities*".
- (2) Assumes completion of the Consolidation.
- (3) Granted pursuant to the Company Option Plan. The aggregate number of Resulting Issuer Shares authorized for reservation pursuant to grants of Resulting Issuer Options under the Resulting Issuer Option Plan may not exceed 10% of the Resulting Issuer Shares on the date of grant. See "*Information Concerning the Resulting Issuer – Resulting Issuer Option Plan*".
- (4) An aggregate of 137,839 Resulting Issuer Options are exercisable at \$0.15 per Resulting Issuer Share, an aggregate of 162,163 Resulting Issuer Options are exercisable at \$0.30 per Resulting Issuer Share, and an aggregate of 1,522,500 Resulting Issuer

Options to be issued to executives of the Resulting Issuer and to employees leaving their roles at Nokia to join the Resulting Issuer, all exercisable at the purchase price of the Subscription Receipts in the Subscription Receipt Financing.

- (5) Each IPO Agent Option is exercisable into a Resulting Issuer Share at a price of \$0.30 for a period of 12 months from Closing.

Pro Forma Fully Diluted Capitalization of the Resulting Issuer

The following table sets out the pro forma fully-diluted share capital of the Resulting Issuer after giving effect to the Completion of the Proposed Qualifying Transaction and the Subscription Receipt Financing:

Designation of security	Number Outstanding ⁽¹⁾	% of Fully Diluted Share Capital ⁽¹⁾
Issued to NSN pursuant to the Proposed Qualifying Transaction	20,333,333	40.67%
Issued to former MSC US Stockholders pursuant to the Proposed Qualifying Transaction	10,000,000	20.00%
Existing Shareholders of the Company	3,000,000	6.00%
Issued to investors in the Subscription Receipt Financing ⁽²⁾	16,666,667	33.33%
Total Resulting Issuer Shares	50,000,000	100%
Reserved for issuance upon exercise of outstanding Company Options	300,003	0.54%
Reserved for issuance upon exercise of outstanding IPO Agent Options	162,163	0.29%
Reserved for issuance upon exercise of the Resulting Issuer Options expected to be issued on Closing to Executive Officers	270,000	0.49%
Reserved for issuance upon exercise of the Resulting Issuer Options expected to be issued on Closing to transitioning employees ⁽³⁾	1,252,500	2.27%
Remaining number of Resulting Issuer Shares reserved for issuance under the Resulting Issuer Option Plan	3,177,497	5.76%
Total Resulting Issuer Shares (fully-diluted)	55,162,163	100%

Notes:

- (1) All figures expressed on a post-Consolidation basis.
(2) Assumes the Gross Proceeds are raised under the Subscription Receipt Financing (without exercise of the Agents' Option).
(3) Refers to the employees who will be leaving their existing roles with Nokia to continue employment under the Resulting Issuer.

Options to Purchase Securities

Upon Completion of the Proposed Qualifying Transaction, there are expected to be an aggregate of 1,984,666 Resulting Issuer Options outstanding. Of these Resulting Issuer Options, 1,522,500 are expected to be issued in connection with Completion of the Proposed Qualifying Transaction, with the balance consisting of the 300,003 Company Options and 162,163 IPO Agent Options outstanding immediately prior to Closing that will, upon Closing, continue as options to purchase Resulting Issuer Shares and be governed by the Resulting Issuer Option Plan.

The following table sets forth details of the Resulting Issuer Options that are expected to be held by directors, officers, employees and consultants of the Resulting Issuer upon Completion of the Proposed Qualifying Transaction.

Holder	Number of Optionees	Resulting Issuer Shares Underlying Options ⁽¹⁾	Exercise Price (C\$) ⁽¹⁾	Expiry Date
Executive Officers	4	270,000	(3)	5 years
Directors (other than those who are also Executives)	Nil	-	-	-

Transitioning employees ⁽⁴⁾	20	1,252,500	(3)	5 years
Former Directors	6	137,839 108,649	0.15 0.30	09/30/2027 12/22/2027
Former Employees	N/A	-	-	-
Former Consultants	2	53,514	0.30	(2)
Other	-	-	-	-
Total	32	1,822,503	-	-

Notes:

- (1) The number of Company Options previously outstanding was adjusted downwards and the corresponding exercise price was adjusted upwards as a result of the Consolidation.
- (2) The consulting arrangement with Messrs. Prywata and Hadfield shall terminate upon Completion of the Proposed Qualifying Transaction and, pursuant to the terms of the options issuance, the Company Options shall remain exercisable for a period of 90 days thereafter.
- (3) The Exercise Price shall be equal to the purchase price of the Subscription Receipts in the Subscription Receipt Financing.
- (4) Refers to the employees who will be leaving their existing roles with Nokia to continue employment under the Resulting Issuer.

Resulting Issuer Option Plan

Subject to the Completion of the Proposed Qualifying Transaction, it is expected that the Resulting Issuer will grant Resulting Issuer Options to its directors, officers, employees and consultants under the Resulting Issuer Option Plan.

See “*Information Concerning the Company – Description of Securities – Company Option Plan*” for a discussion of the Resulting Issuer Option Plan, which will be the same as the Company Option Plan.

Principal Securityholders

To the knowledge of management of the Company, other than as follows, the only securityholders that will own of record or beneficially, directly or indirectly or exercise control or direction over more than 10% of the Resulting Issuer Shares after giving effect to the Proposed Qualifying Transaction and the Subscription Receipt Financing are as follows:

Name and Municipality of Residence	Type of Ownership	Number of Resulting Issuer Shares	Percentage of Resulting Issuer Shares ⁽²⁾
NSN ⁽¹⁾ Finland	Direct	20,333,333	40.67%

Note:

- (1) NSN is a direct wholly-owned subsidiary of Nokia Oyj.
- (2) Assumes there are 50,000,000 Resulting Issuer Shares outstanding after giving effect to the Proposed Qualifying Transaction and the Subscription Receipt Financing assuming the Gross Proceeds are raised (without exercise of the Agents' Option).

Directors and Executive Officers

The Resulting Issuer intends to reconstitute its Board following Completion of the Proposed Qualifying Transaction. The following table sets forth the name of all individuals proposed to be directors and executive officers of the Resulting Issuer following the Completion of the Proposed Qualifying Transaction, their municipalities of residence, their anticipated positions with the Resulting Issuer, their principal occupations

during the past five years and the number of Resulting Issuer Shares to be beneficially owned, directly or indirectly, or over which control or direction will be exercised.

Name, Province or State and Country of Residence, and Position ⁽¹⁾⁽⁹⁾	Principal Occupation in Preceding Five Years	Shares Owned ⁽²⁾⁽³⁾⁽⁴⁾	
		Number	Percentage
John Dow <i>Chief Executive Officer & Director</i> Texas, USA	Mr. Dow has served has GM Space Communications, and VP Strategic Initiatives at Nokia since 2020.	2,500,000	5.0%
Dr. Thierry Klein <i>Chief Technology & Research Officer</i> New Jersey, USA	Since January 2022, Dr. Klein has served as President of Bell Labs Solutions Research at Nokia.	2,500,000	5.0%
Janet Kumpu <i>Chief Operating Officer & Interim Chief Financial Officer</i> Florida, USA	Mrs. Kumpu currently serves as Chief Operating Officer and Chief Financial Office of the Space Communications business unit at Nokia. Prior thereto she served as Director of Operations of Iron Mountain.	800,000	1.6%
Zeev Lubenski <i>VP Engineering</i> Texas, USA	Mr. Lubenski currently serves as Head of Development Space Communications. Prior there to he served as SVP Strategy and Technology at Mavenir Systems, Inc.	1,700,000	3.4%
Brad Morrison <i>Chief Strategy Officer</i> Texas, USA	Mr. Morrison currently serves as Chief Financial Officer of Benchmark Space Systems since October 2025, and Senior Managing Director, Emerging Technology & Manufacturing at TerraNova Capital Partners. Prior there to he served as CEO of Innove LLC.	2,500,000	5.0%
Kevin Ford ⁽⁶⁾⁽⁷⁾ Director & Board Chair Ontario, Canada	Mr. Ford served as CEO and Director of Calian Group Ltd.	Nil	-
Chris Hadfield ⁽⁷⁾⁽⁸⁾ Director Ontario, Canada	Mr. Hadfield serves as the Chief Executive Officer of Chris Hadfield Inc., a promotional company.	Nil	-
Erin O'Toole ⁽⁶⁾⁽⁸⁾ Director, Ontario, Canada	Mr. O'Toole is President and Managing Director of ADIT North America since January 2023. Prior thereto he served as Member of Canadian Federal Parliament and leader of the Official Opposition.	Nil	-
Laura Price ⁽⁶⁾⁽⁷⁾⁽⁸⁾ Director Virginia, USA	Ms. Price is currently retired. Prior thereto she was audit and consulting Partner at KPMG LLP where she led KPMG's federal industry audit and consulting practice.	Nil	-

Notes:

- (1) The term of office of the directors will expire annually at the time of the Resulting Issuer's annual general meeting or when or until their successor is duly appointed or elected. The term of office of the Resulting Issuer's officers will expire at the discretion of the Resulting Issuer's directors. None of the current directors and officers of the Company has a non-competition or non-disclosure agreement with the Company.
- (2) Includes all Resulting Issuer Shares that are beneficially owned, directly or indirectly, or controlled by the director and/or officer.
- (3) As at the date of this Prospectus the proposed directors and executive officers of the Resulting Issuer, as a group, are expected to own beneficially, directly or indirectly, or exercise control or direction over, a total of 10,000,000 Resulting Issuer Shares, representing 20% of the expected issued and outstanding Resulting Issuer Shares.
- (4) Assumes there are 50,000,000 Resulting Issuer Shares outstanding after giving effect to the Subscription Receipt Financing, assuming the Gross Proceeds are raised (without exercise of the Agents' Option).
- (5) Is independent in accordance with NI 52-110.
- (6) Proposed member of the Audit Committee.
- (7) Proposed member of the Compensation Committee.
- (8) Proposed member of the Corporate Governance and Nominating Committee.

- (9) Marek Lorenc will serve as Corporate Secretary of the Resulting Issuer. No compensation will be paid in connection therewith. See “*Information Concerning the Company – Directors and Executive Officers*”.

The proposed directors and officers of the Resulting Issuer are expected to devote their time and expertise to the business of the Resulting Issuer, as reasonably required by the Resulting Issuer from time to time. Each of the proposed non-executive directors of the Resulting Issuer will devote such time as necessary to exercise the performance of their duties as directors of the Resulting Issuer.

Set forth below is a description of the background of the proposed directors and executive officers of the Resulting Issuer who are not currently directors or officers of the Company.

John Dow – Proposed Director & Chief Executive Officer

John Dow currently serves as General Manager of Modul8 under Nokia Bell Labs and is a Co-Founder of Modul8. He previously served as VP Strategic Initiatives – Corporate Strategy & Technology Group, and GM & Global Head of Disruptive Network Innovations at Nokia.

John is a highly experienced entrepreneur with decades leading technology innovations as Chief Executive Officer, General Manager, and Senior Executive. As Vice President of Alcatel-Lucent’s Americas Wireless business where he led significant revenue growth and profitability during his tenure. John also led the market introduction of Alcatel-Lucent’s small cell driving significant revenue growth and market expansion under his leadership. While an executive at Fortress Technologies, John was the architect of the company’s strategic shift into secure wireless communications, a decision that ultimately led to the company’s acquisition by General Dynamics. John Dow will be employed on a full-time basis with the Resulting Issuer.

Dr. Thierry Klein – Proposed Chief Technology and Research Officer

Thierry E. Klein currently serves as President of Bell Labs Solutions Research at Nokia and is a Co-Founder of Modul8.

Thierry is a world-renowned researcher, an innovation leader, and an IEEE Fellow. Thierry has over 25 years of experience in communication networking and information technologies and has led countless research and innovation projects and cross-disciplinary industrial partnership engagements, including the 5G Automotive Association and the GreenTouch Consortium. Thierry previously served as CTO and Founder of Alcatel-Lucent’s Rapidly Deployable Networks Venture.

Thierry earned an MS in Mechanical Engineering and an MS in Electrical Engineering from the Université de Nantes and the Ecole Centrale de Nantes in Nantes, France. He received a PhD in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology, USA. He is an author on over 35 peer-reviewed conference and journal publications and an inventor on 36 patent applications. In 2010, he was voted “Technologist of the Year” at the Total Telecom World Vendor Awards and received the 2016 Industrial Innovation Award from the IEEE Communications Society. Dr. Klein has been broadly recognized as an innovation leader and selected on the *BINJE’s Best Power List 2026*, the *NJBIZ Power 100* list (2025 and 2026), the *New Jersey ROI Influencers: Power List Super 75* (2025 and 2026) and recognized with the *New Jersey Innovate 100 Award* (2024). Thierry Klein will be employed on a full-time basis with the Resulting Issuer.

Janet Kumpu – Proposed Chief Operating Officer and Interim Chief Financial Officer

Janet Kumpu currently serves as Chief Operating Officer and Chief Financial Officer of Modul8 under Nokia Bell Labs, following a highly distinguished career in business operations, finance and executive leadership.

Janet has held senior executive roles, including GM, President, COO and CFO for early-stage startups and Fortune 500 companies, driving growth through organic expansion, M&A and integration. Janet served as President and Chief Operating Officer of Fortress Technologies, a secure tactical wireless communications

provider, leading it from startup to eventual sale to General Dynamics where she continued as Business Unit Director and VP Federal Strategic Sales and Business Development. Janet has deep experience leading large-scale defense and national security operations, driving strategic partnership integration into ACAT1 programs for mission critical communication platforms. Janet Kumpu will be employed on a full-time basis with the Resulting Issuer.

Zeev Lubenski – Proposed Vice President of Engineering

Zeev currently serves as Head of Engineering at Modul8 under Nokia Bell Labs. An accomplished technology leader; Zeev has more than 30 years of R&D experience.

Zeev has worked as a global leader with multinational and distributed R&D environments and built and led large R&D teams from inception to maturity in both startups and large companies across the full product life cycle management and delivery from the prototype to deployment and operations. He has deep technical knowledge in all aspects of telecommunications, including deployable networks with a broad end-to-end architectural view. Zeev Lubenski will be employed on a full-time basis with the Resulting Issuer.

Brad Morrison – Proposed Chief Strategy Officer

Brad Morrison brings over twenty-five years of experience as an entrepreneur, investor, and corporate development strategist. He has held leadership roles across consulting (KPMG LLP), investment banking and high-technology ventures. A U.S. Air Force veteran, he co-founded and led multiple high growth cybersecurity and space solutions companies as a CEO, CFO and Corporate Development Officer. Brad holds a Bachelor of Science in Management from the United States Air Force Academy and Masters of Science in Telecommunications from Southern Methodist University. He also serves on the inaugural Texas Space Commission Board of Directors overseeing strategy and investment to advance Texas' role in the development of a robust space economy. Brad Morrison will be employed on a full-time basis with the Resulting Issuer.

Kevin Ford – Proposed Director

Kevin Ford is a Canadian business leader who recently retired as President, CEO and Director of Calian Group Ltd., a diversified provider of mission-critical solutions in defence, space, healthcare and infrastructure services. He is best known for his transformative 10-year tenure at Calian, where, under his leadership, the company evolved from a conservative, technology-focused firm into a dynamic global enterprise with diversified offerings and significant growth through both organic initiatives and strategic acquisitions.

Prior to his role at Calian, Kevin worked for 15 years in the private sector in professional services firms, including IBM and DMR. He began his career with the Canadian Department of National Defence, where he worked for 14 years in the information technology and computer operations domain. He is, or has been, a board member and chair for several not-for-profit organizations, including Space Canada, the Ottawa Hospital Foundation, Excellence Canada, the Canadian Association of Defence and Security Industries (CADSI) and Kanata North BIA.

Chris Hadfield – Proposed Director

Chris Hadfield is a retired Royal Canadian Air Force (RCAF) Colonel, engineer, and astronaut who has flown three space missions, including serving as Commander of the International Space Station and the first Canadian to conduct a spacewalk. Over a 35-year military and space career, he served as a CF-18 fighter pilot and North American Aerospace Defence Command (NORAD) alert pilot, a test pilot for the United States Air Force (USAF), United States Navy (USN) and with NASA, and held senior operational and technical roles with the Canadian Space Agency (CSA) and NASA, including Chief Astronaut, Chief of Robotics, Chief of Space Station Operations, and Director of Operations in Russia.

Following retirement from government service, Mr. Hadfield founded Chris Hadfield Inc., a professional services corporation through which he provides strategic advisory, keynote speaking, board directorship, and public engagement services across the aerospace, defence, and technology sectors. He serves as a director of Momentus Inc. (NASDAQ: MNTS) and holds advisory and board roles across multiple technology and defence companies. He is a Lead Fellow in the Creative Destruction Lab Space and Defence tech incubator streams. He is also a six-time bestselling author in fiction and non-fiction.

Mr. Hadfield holds a Bachelor of Science in Mechanical Engineering from the Royal Military College of Canada and a Master of Science in Aviation Systems from the University of Tennessee.

Erin O’Toole – Proposed Director

Erin O’Toole currently serves as President and Managing Director of ADIT North America, a globally integrated risk advisory firm specializing in international trade, due diligence, security and compliance. Prior to joining ADIT, he served for over a decade as a Canadian Member of Parliament, which included serving as Minister of Veterans Affairs, Parliamentary Secretary for International Trade, Shadow Minister for Foreign Affairs and Leader of the Official Opposition. Prior to his time in elected office, Mr. O’Toole practiced corporate law at two national law firms and served as in-house counsel at Procter & Gamble. He was also a commissioned officer in the Royal Canadian Air Force serving as a Tactical Navigator on Sea King helicopters in support of naval operations, maritime surveillance, and search-and-rescue operations. Mr. O’Toole is a graduate of the Royal Military College and Dalhousie Law School. He currently serves as an Adjunct Professor in the Governance, Leadership and Ethics program at Huron University and as a Distinguished Fellow at the Hudson Institute.

Laura Price – Proposed Director

Laura Price possesses more than 25 years of experience in providing audit and consulting services to the US defense industrial base. In the early 2000s, Laura founded KPMG’s US national security sector advisory practice and subsequently led KPMG’s risk management advisory practice, providing financial, internal control and compliance, cybersecurity, and fraud risk management services across the federal government. Laura retired as a Partner from KPMG LLP in 2021. Following retirement, Laura served as a board member and audit committee chair for Knightswan Acquisition Corporation, a US emerging growth company focused on effecting a business combination in the US defense and intelligence sectors.

Laura is a CPA licensed in Virginia and South Carolina and possesses an undergraduate degree in business summa cum laude from Michigan Technological University and a graduate degree in Organizational Management from George Washington University.

Other Reporting Issuer Experience

The following table sets out the proposed directors and executive officers of the Resulting Issuer that are, or have been within the last five years, directors and officers of other issuers that are or were reporting issuers in any Canadian jurisdiction (or the equivalent in a jurisdictions outside of Canada):

Name	Name of Reporting Issuer	Exchange	Position	From	To
Kevin Ford	Calian Group Ltd.	TSX	CEO and Director	2015	2026
Chris Hadfield	Momentus Inc.	NASDAQ	Director	2021	Present
Laura Price	Knightswan Acquisition Corporation	NYSE	Director and Audit Chair	2021	2024

Promoters

No Promoter of the Resulting Issuer has received or will receive anything of value, including money, property, contracts, options or rights of any kind from the Resulting Issuer for acting as a Promoter of the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

No proposed director, officer, Insider or Promoter of the Resulting Issuer is, or within the 10 years prior to the date of this Prospectus has been, a director, officer or Promoter of any other issuer that:

- (a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issue after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, no director, executive officer, Insider or Promoter of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Brad Morrison filed for personal bankruptcy on February 7, 2020. The bankruptcy petition was filed in connection with a Chapter 7 bankruptcy protection filing made by Innove, LLC (October 3, 2019), an entity in which Mr. Morrison served as owner and Chief Executive Officer. Innove LLC's filing was made as a result of an unforeseeable, non-litigated joint venture business contract dispute and termination that irreparably harmed the going concern of Innove LLC. The proceedings were completed, the case dismissed, and the entity dissolved on March 18, 2021. Mr. Morrison's personal bankruptcy petition was filed as a protective measure in connection therewith. Effective October, 2, 2020, Mr. Morrison was discharged from personal bankruptcy.

Penalties or Sanctions

No proposed director, officer, Insider or Promoter of the Resulting Issuer, or a shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which all of the directors, officers and Insiders of the Resulting Issuer may be subject in connection with the operations of the Resulting Issuer. All of the directors, officers and Insiders are engaged in and will continue to be engaged in corporations or businesses, including publicly traded corporations, which may be in competition with the Resulting Issuer. Accordingly, situations may arise where all of the directors, officers and Insiders will be in direct competition with the Company. Directors and executive officers of the Resulting Issuer will be bound by the provisions of the OBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. Any conflicts of interest will be subject to the procedures and remedies provided under the OBCA.

Executive Compensation

Compensation Discussion and Analysis

Executive compensation will play an important role in supporting the achievement of the Resulting Issuer's short- and long-term business objectives. Following Completion of the Proposed Qualifying Transaction, the compensation philosophy of the Resulting Issuer is intended to support the attraction, retention and motivation of qualified executives and to align the interests of executive officers with those of shareholders over the long term.

As the Resulting Issuer will be at an early stage of operations following Completion of the Proposed Qualifying Transaction, its compensation practices are expected to evolve as the business develops. Equity-based compensation, including the granting of Resulting Issuer Options, may form a meaningful component of executive compensation, with a view to promoting long-term alignment between executive performance and shareholder value.

The Resulting Issuer's compensation philosophy shall be based on the following fundamental principles:

- Alignment with shareholder interests – executive compensation is intended to align management incentives with the creation of long-term shareholder value;
- Performance sensitivity – where practicable, compensation is expected to reflect individual performance and the performance of the Resulting Issuer; and
- Market competitiveness – compensation practices are intended to be competitive with those of similarly situated companies in order to attract and retain qualified executives.

The objectives of the compensation program in compensating all the Resulting Issuer's Named Executive Officers will be developed based on the above-mentioned compensation philosophy and is intended to be as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Resulting Issuer's business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

The establishment of clear corporate objectives, together with qualitative and quantitative performance considerations appropriate for the Resulting Issuer's stage of development, will assist in supporting an effective executive compensation framework.

Following Completion of the Proposed Qualifying Transaction, the Resulting Issuer Board will establish a compensation committee (the "**Compensation Committee**") comprised of the following three (3) independent directors Chris Hadfield, as Chair, Kevin Ford and Laura Price. The Compensation Committee is expected to periodically review executive compensation matters, including the overall structure and competitiveness of compensation, taking into account the size, stage of development and operating characteristics of the Resulting Issuer, as well as general market practices among comparable issuers.

In reviewing compensation practices, the Compensation Committee may consider publicly available compensation data of peer companies and the experience and judgment of its members. No formal benchmarking group has been established as of the date of this Prospectus. The Compensation Committee will also review the effectiveness of the Resulting Issuer's compensation policies and practices.

Compensation Governance

The Compensation Committee will be responsible for ensuring that the Resulting Issuer has in place an appropriate plan for executive compensation and for making recommendations to the Resulting Issuer Board with respect to the compensation of the Resulting Issuer's executive officers. The Compensation Committee will ensure that total compensation paid to all Named Executive Officers is fair, reasonable, and consistent with the Resulting Issuer's compensation philosophy and will be responsible for considering the implications of the risks associated with the Resulting Issuer's policies and practices.

From time to time, the Compensation Committee is expected to make recommendations to the Resulting Issuer Board with respect to compensation for executive officers and directors, and the Resulting Issuer Board will review and, where appropriate, approve such recommendations. The executive compensation program of the Resulting Issuer is expected to include a combination of fixed and variable compensation elements intended to support the achievement of the Resulting Issuer's business objectives.

The three basic components of the Resulting Issuer's executive officer compensation program will be:

- base salary;
- annual incentive (bonus) payments; and
- incentive securities.

Base salaries are expected to be paid in cash and to represent the fixed portion of executive officer compensation. Any performance-based incentive compensation is expected to represent compensation that is variable and contingent on factors such as individual performance, achievement of corporate objectives and, where appropriate, the overall performance of the Resulting Issuer.

As of the date of this Prospectus, no formal formula or weighting has been established for the allocation of compensation among the various components. Compensation decisions are expected to be made by the Resulting Issuer Board based on a holistic assessment of performance and the recommendations of the Compensation Committee, taking into account the circumstances of the Resulting Issuer at the relevant time.

Base Salary

The Compensation Committee is expected to review and recommend, and the Resulting Issuer Board will approve, base salary ranges for the Named Executive Officers.

In determining appropriate base salary levels, the Compensation Committee and the board are expected to consider a variety of factors, including prevailing market conditions, compensation levels and practices of similarly situated companies, and the individual skills, experience, responsibilities and performance of each Named Executive Officer. The Compensation Committee may review comparative compensation data from publicly available sources and, where appropriate, independent third-party compensation consultants.

Base salaries are intended to reflect the responsibilities of each Named Executive Officer and to be consistent with the overall compensation philosophy of the Resulting Issuer. The Resulting Issuer expects that its approach to base salary determination for executive officers will be generally consistent with its broader compensation practices applicable to employees, taking into account differences in roles and responsibilities.

Annual Incentive (Cash Bonus) Payments

The Resulting Issuer may provide eligible Named Executive Officers with the opportunity to earn annual cash-based incentive compensation. Any such incentive awards are expected to be based on a combination of individual performance, achievement of corporate objectives and other factors considered relevant by the Compensation Committee and the Resulting Issuer Board from time to time.

At the beginning of each financial year, the Resulting Issuer Board, upon the recommendation of the Compensation Committee, may establish target annual incentive amounts for Named Executive Officers. In developing its recommendations, the Compensation Committee is expected to consider factors such as the Resulting Issuer's performance, individual performance, the achievement of key operational or strategic objectives, and, where appropriate, compensation practices of comparable companies. Any incentive compensation pool may be subject to an overall cap determined by the Resulting Issuer Board.

The Compensation Committee is expected to assess the performance of each Named Executive Officer on a qualitative and discretionary basis, taking into account the executive officer's achievement of individual objectives, contribution to the Resulting Issuer's strategic priorities and general performance during the applicable period. Based on this assessment, a Named Executive Officer may receive none, a portion, or all of the applicable target annual incentive amount.

The Resulting Issuer Board will consider the recommendations of the Compensation Committee in determining annual incentive awards, but retains ultimate discretion with respect to the approval, amount and payment of any such incentive compensation, including the ability to adjust any recommended award upward or downward.

Equity-Based Compensation

Equity-based compensation will form an important component of the Resulting Issuer's overall compensation framework. Equity-based awards, including stock options granted under the Resulting Issuer Option Plan, are intended to align the interests of directors, officers, employees and consultants with those of shareholders by providing an opportunity to participate in the long-term value creation of the Resulting Issuer. The Resulting Issuer Board, through the Compensation Committee, will oversee the administration of equity-based compensation, taking into account the stage of development, performance objectives and capital structure of the Resulting Issuer, as well as the Exchange Policies. See "*Information Concerning the Company – Description of Securities – Company Option Plan*" for a discussion of the Resulting Issuer Option Plan, which is the same as the Company Option Plan.

Summary Compensation Table

The following table sets forth the anticipated annual compensation, other than securities-based compensation, that will be paid to each of the Resulting Issuer's Named Executive Officers following Completion of the Proposed Qualifying Transaction, pursuant to employment agreements that will be entered into concurrently with the Completion of the Proposed Transaction.

Following the Completion of the Proposed Qualifying Transaction, the Compensation Committee of the Resulting Issuer Board is expected to adopt a more formal compensation review process in assessing and setting go-forward compensation providing a market-based blend of base salaries, bonuses, and equity incentive components that functionally align the interests of the executive officers with the interests of the Resulting Issuer's shareholders.

Compensation Excluding Compensation Securities							
Name and position	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$) ⁽¹⁾	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Severance on Termination Without Cause	Payment on Change of Control ⁽²⁾
John Dow <i>Chief Executive Officer</i>	350,000	50%	Nil	-	-	18 months	24 months
Dr. Thierry Klein <i>Chief Technology and Research Officer</i>	350,000	50%	N/A	-	-	12 months	18 months
Janet Kumpu <i>Chief Operating Officer & Interim Chief Financial Officer</i>	297,950	35%	N/A	-	-	12 months	18 months
Brad Morrison <i>Chief Strategy Officer</i>	250,000	100%	N/A	-	-	12 months	18 months
Zeev Lubenski <i>VP Engineering</i>	290,000	30%	N/A	-	-	9 months	12 months

Notes:

- (1) The bonus targets are expected to be determined by overall financial performance and the attainment of strategic objectives under management by objectives.
- (2) Payment would be subject to the termination of the executive without cause within a period of time following the change of control.

Stock Options and Other Compensation Securities

The following table sets forth the Resulting Issuer Option to be issued to the Resulting Issuer's Named Executive Officers concurrently with Completion of the Proposed Qualifying Transaction.

Compensation Securities				
Name and position	Type of security	Number and percentage of class	Exercise price (US\$)	Expiry date ⁽²⁾
John Dow <i>Chief Executive Officer</i>	Resulting Issuer Options	70,000 (3.84%)	(1)	5 years
Dr. Thierry Klein <i>Chief Technology and Research Officer</i>	Resulting Issuer Options	70,000 (3.84%)	(1)	5 years
Janet Kumpu <i>Chief Operating Officer & Interim Chief Financial Officer</i>	Resulting Issuer Options	65,000 (3.57%)	(1)	5 years
Brad Morrison <i>Chief Strategy Officer</i>	Resulting Issuer Options	Nil	Nil	Nil

Zeev Lubenski VP Engineering	Resulting Issuer Options	65,000 (3.57%)	(1)	5 years
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Notes:

- (1) The Exercise Price shall be equal to the purchase price of the Subscription Receipts in the Subscription Receipt Financing.
- (2) Vesting 1/3rd each year over 3 years.

Stock Option Plans and Other Incentive Plans

Following Completion of the Proposed Qualifying Transaction, all issued and outstanding Company Options previously granted under the Company Option Plan will be continued under and governed by the Resulting Issuer Option Plan. See “*Information Concerning the Company – Description of Securities – Company Option Plan*” for a discussion of the Resulting Issuer Option Plan, which is the same as the Company Option Plan.

Investor Relations Agreements

Other than as described below, no written or oral agreement or understanding has been reached with any person to provide any promotional or investor relations services for the Resulting Issuer.

Pension Plan Benefits

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the Resulting Issuer’s Named Executive Officers at, following, or in connection with retirement.

Employment, Consulting and Management Agreements

The Resulting Issuer, through MSC US, will enter into employment or consulting agreements with the Resulting Issuer’s Named Executive Officers and key employees in connection with the Closing. The employment agreements are expected to be entered into concurrently with the Completion of the Proposed Qualifying Transaction and are expected to include customary terms with respect to: (a) the resignation, retirement or other termination of employment of the Resulting Issuer’s Named Executive Officer or key employee; (b) a change in control of the Resulting Issuer; (c) a change in the Resulting Issuer’s Named Executive Officer’s responsibilities following a change in control of the Resulting Issuer, and (d) non-solicitation restrictions in favour of the Resulting Issuer. See also “*Information Concerning the Resulting Issuer – Executive Compensation – Summary Compensation Table*”.

Indebtedness of Directors and Officers

As of the date of this Prospectus, no current or former director or officer of the Company, proposed director or officer of the Resulting Issuer nor any of their Associates or Affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Company nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company. None of the foregoing individuals are expected to be indebted to the Resulting Issuer following the Completion of the Proposed Qualifying Transaction.

Audit Committee and Corporate Governance of the Resulting Issuer

The following information of the Resulting Issuer is disclosed in accordance with NI 52-110.

Audit Committee’s Charter

Following the Completion of the Proposed Qualifying Transaction, the Resulting Issuer is expected to continue to use the Audit Committee Charter of the Company attached as Schedule “F” to this Prospectus.

Composition of the Audit Committee

NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Resulting Issuer, which could, in the view of the Resulting Issuer’s board, reasonably interfere with the exercise of the member’s independent judgment.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer’s financial statements. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Following the Completion of the Proposed Qualifying Transaction, the anticipated members of the Audit Committee of the Resulting Issuer will be Laura Price, as Chair, Kevin Ford and Erin O’Toole all of whom are “financially literate” as such term is defined in NI 52-110, each of whom will be considered “independent” members as such term is defined in NI 52-110. Laura Price will be the Chair of the Audit Committee.

Relevant Education and Experience

Please refer to “*Information Concerning the Resulting Issuer – Directors and Executive Officers*” for biographical information detailing the relevant education and experience of each member of the Audit Committee of the Resulting Issuer that would provide an understanding of the accounting principles used by the Resulting Issuer to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth of and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Resulting Issuer’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee oversight will not be relevant until the Audit Committee of the Resulting Issuer is created upon the Completion of the Proposed Qualifying Transaction.

Pre-Approval Policies and Procedures

The Audit Committee of the Resulting Issuer is not anticipated to adopt any specific policies and procedures for the engagement of non-audit services.

Exemption

The Resulting Issuer is relying on the exemption provided in Section 6.1 of NI 52-110 as the Resulting Issuer will be a “venture issuer”. As a result, the Resulting Issuer will be exempt from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Statement of Corporate Governance Practices for the Resulting Issuer

Set forth below is a description of the corporate governance practices to be adopted by the Resulting Issuer, provided pursuant to Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* of National Instrument of NI 58-101 – *Disclosure of Corporate Governance Practices*.

Board of Directors

The Resulting Issuer Board will consist of five (5) directors, four (4) of whom are independent within the meaning of NI 52-110. An independent director, as defined in NI 52-110 is a director who has no direct or indirect material relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a members independent judgment or as otherwise determined to be independent in accordance with NI 52-110. Certain directors, such as current or former employees or officers of the issuer, are deemed not to be independent of the issuer.

All members of the Resulting Issuer Board are independent within the meaning of NI 52-110 other than Mr. John Dow, who is not independent as he will serve as Chief Executive Officer of the Resulting Issuer. Certain members of the Resulting Issuer Board are directors of other issuers, for further information, see "*Information Concerning the Resulting Issuer – Directors and Executive Officers - Other Reporting Issuer Experience*".

At the end of or during each meeting of the Resulting Issuer Board, the members of management of the Resulting Issuer who are present at such meeting will be asked to leave the meeting in the event the independent directors wish to meet separately. In addition, other meetings of the independent directors may be held from time to time if required. The independent directors may take leadership roles on various issues as the need arises. Further, as with all directors, the independent directors may engage external advisors at the expense of the Resulting Issuer in appropriate circumstances, subject to the approval of the Resulting Issuer Board, and have complete access to appropriate personnel of the Resulting Issuer in order to secure all information necessary to fulfill their duties.

Board Mandate

The Resulting Issuer Board, either directly or through its committees, is responsible for the supervision of management of the Resulting Issuer's business and affairs with the objective of enhancing Shareholder value.

Position Descriptions

The Resulting Issuer Board will approve written position descriptions or terms of reference for the Board Chair and the Chair of each of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The Resulting Issuer Board will develop a written position description for the Chief Executive Officer and Chief Financial Officer.

Orientation and Continuing Education

The orientation and continuing education of the directors of the Resulting Issuer will be the responsibility of the Compensation Committee. Given its early stage of development, the Resulting Issuer will not have any formal orientation and education programs.

As new directors join the Resulting Issuer Board, it is intended that they will be provided with, among other things, corporate policies, historical information about the Resulting Issuer, information on the Resulting Issuer's performance and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties. The Resulting Issuer Board believes that these procedures are a practical and effective approach in light of the Resulting Issuer's particular circumstances, including the size of the

Resulting Issuer, limited turnover expected of the directors and the experience and expertise of the directors.

Management of the Resulting Issuer will provide the Resulting Issuer Board (at least on a quarterly basis) briefings and an update on business, operations and affairs of the Resulting Issuer, which may include new and ongoing prospects of the Resulting Issuer, the Resulting Issuer's performance relative to its peers and related developments that could have a significant effect on the Resulting Issuer's operations and results. Such updates shall be conducted by senior management with responsibility in the relevant areas. In addition, from time to time, presentations and seminars may be provided to the Resulting Issuer Board on recent accounting developments as well as other issues receiving increased focus in the industry.

The Resulting Issuer will also encourage directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of the Resulting Issuer has the responsibility for ensuring that he/she maintains the skill and knowledge necessary to meet his/her obligations as a director.

Ethical Business Conduct

In order to encourage and promote a culture of ethical business conduct, on Completion of the Proposed Qualifying Transaction, the Resulting Issuer will implement a Code of Business Conduct and Ethics (the "**Code**"). The Code shall reflect the Resulting Issuer's commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees and consultants are expected to comply. The Resulting Issuer recognizes that each employee's and consultant's cooperation and commitment shall be necessary for continued success and the cultivation and maintenance of its reputation as a good corporate citizen. The Code shall address a number of important topics, including conflicts of interest, corporate opportunities, confidentiality, protection and proper use of company assets, insider trading, fair dealing, compliance with laws, rules and regulations, compliance with environmental laws, discrimination and harassment, safety and health, accuracy of company records and reporting, use of email and internet services, political activities and contributions, illicit payments, payments to officials, directors role in the code of business conduct and ethics, and compliance procedures.

The Resulting Issuer Board shall monitor compliance with the Code by requiring that each of the officers, employees and consultants of the Resulting Issuer affirm in writing when commencing employment his or her agreement to abide by the Code. Compliance shall also be reaffirmed annually by all individuals. In addition, management shall provide reports on compliance with the Code to the Resulting Issuer Board on a regular basis.

In accordance with the OBCA, directors who will be a party to, or will be a director or an officer of a person which will be a party to, a material contract or material transaction or a proposed material contract or proposed material transaction with the Resulting Issuer shall be required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Resulting Issuer Board may be formed to deliberate on such matters in the absence of the interested party.

In addition to the Code, the Resulting Issuer will implement a "Whistleblower Policy" which shall provide employees and consultants of the Resulting Issuer with a mechanism by which they may raise concerns including (but not limited to) falsification of financial records, unethical conduct, harassment and theft in a confidential, anonymous process.

Nomination of Directors

The proposed members of the Corporate Governance and Nominating Committee will be Erin O'Toole, as Chair, Chris Hadfield and Laura Price, each of whom will be independent directors in accordance with NI 52-110.

Pursuant to the Definitive Agreement, for a period of three years following the Completion of the Proposed Qualifying Transaction, a nominee affiliate of the Company will be entitled to nominate two independent directors to the Resulting Issuer Board and NSN will be entitled to nominate two independent directors to the Resulting Issuer Board. Also, it is anticipated that NSN and the Resulting Issuer will enter into an investor rights agreement concurrently with Completion of the Proposed Qualifying Transaction pursuant to which NSN will be granted certain information rights customary of agreements of this nature. The specific terms of such agreement, including the scope of the information rights and any related provisions, will be negotiated and determined by the parties acting reasonably.

During the term of the nomination rights described above, the Corporate Governance and Nominating Committee will consider and make recommendations to the Resulting Issuer Board in respect of director nominations made pursuant to the Definitive Agreement, including reviewing the independence, qualifications and suitability of such nominees. Upon the expiry of such nomination rights, the nomination and election of directors will be conducted in accordance with the Resulting Issuer's governance policies and the mandate of the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee's mandate shall include approving director nominees for election and filling vacancies among the directors. In identifying potential candidates, the Corporate Governance and Nominating Committee considers, among other things, integrity, business and professional experience, independence considerations and other relevant skills, as well as the candidate's ability to devote sufficient time to the role. Potential candidates may be identified through suggestions from members of the Resulting Issuer Board, industry contacts and, where appropriate, professional search firms.

The Corporate Governance and Nominating Committee's mandate also includes reviewing and recommending mandates of the Resulting Issuer Board and its committees, recommending appropriate governance processes, policies and guidelines for the Resulting Issuer.

Compensation

For a description of the process and determination of compensation for the directors and executive officers of the Resulting Issuer, please refer to "*Information Concerning the Resulting Issuer – Executive Compensation – Compensation Governance*".

Board Committees

The Resulting Issuer Board will have three committees, the Audit Committee (see "*Information Concerning the Resulting Issuer – Audit Committee and Corporate Governance of the Resulting Issuer*"), the Compensation Committee (see "*Information Concerning the Resulting Issuer – Executive Compensation – Compensation Discussion and Analysis*" and "*Information Concerning the Resulting Issuer – Executive Compensation – Compensation Governance*"), and the Corporate Governance and Nominating Committee (see "*Information Concerning the Resulting Issuer – Statement of Corporate Governance Practices for the Resulting Issuer – Nomination of Directors*"), which will be constituted on Completion of the Proposed Qualifying Transaction. Going forward, the Resulting Issuer Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Resulting Issuer Board.

Board Assessments

The Resulting Issuer will not have a formal process for assessing the effectiveness of the Resulting Issuer Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant.

Director Term Limits

Fixed term limits or mandatory retirement ages are not in the best interest of the Resulting Issuer. Therefore, the Resulting Issuer will not be adopting term limits or other mechanisms for board renewal.

However, when considering nominees for the Resulting Issuer Board, the Corporate Governance and Nominating Committee will review the skills and experience of the then current directors with the objective of recommending a group of directors that can best perpetuate the Resulting Issuer's success and represent shareholder interests through the exercise of sound judgment and the application of its diversity of experience. The Corporate Governance and Nominating Committee will also consider both the term of service and age of individual directors, the average term of the Resulting Issuer Board as a whole and turnover of directors over the prior years when proposing nominees for election to the Resulting Issuer Board. In addition, the Corporate Governance and Nominating Committee will also assess the knowledge, experience and character of all nominees to the Resulting Issuer Board and other factors such as independence of the directors to ensure that the Resulting Issuer Board is operating effectively and independently of management. The Resulting Issuer Board will consider whether the individual will enhance the diversity of views and experiences available to the Resulting Issuer Board in its deliberations.

Insider Trading and Reporting Policy and Disclosure Policy

On Completion of the Proposed Qualifying Transaction, the Resulting Issuer will implement an Insider Trading and Reporting Policy. The Insider Trading and Reporting Policy will provide for the following:

- (a) trading prohibitions for parties with insider information;
- (b) insider reporting obligations;
- (c) blackout periods, including scheduled blackouts for each quarter and year end, which shall commence on the last day of each fiscal quarter and year end and terminate at the end of the business on the first trading day following the release; and
- (d) trading blackout for unscheduled events.

On Completion of the Proposed Qualifying Transaction, the Resulting Issuer will also implement a Continuous Disclosure Policy.

Interest of Proposed Management and Others in Material Transactions

Other than as disclosed in this Prospectus, none of the proposed directors or executive officers of the Resulting Issuer or persons or companies that are expected to beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding Resulting Issuer Shares, or any Associate or Affiliate of any of the foregoing, has any material interest, direct or indirect, in any transactions in which the Resulting Issuer has participated within the three years before the date of this Prospectus, which has materially affected or is reasonably expected to materially affect the Resulting Issuer.

Escrowed Securities

CPC Escrowed Shares

A total of 4,250,000 Common Shares which were issued prior to the Company's IPO at a price of \$0.05 per Common Share, were deposited with the Escrow Agent under the CPC Escrow Agreement. All Company Options are subject to escrow under the CPC Escrow Agreement. In addition, all Common Shares issued pursuant to the exercise of Company Options are also subject to escrow under the CPC Escrow Agreement.

To the knowledge of the Company as of the date of this Prospectus, an aggregate of 4,250,000 Common Shares representing approximately 45.94% of the presently outstanding Common Shares are held in escrow with the Escrow Agent under the terms of the CPC Escrow Agreement.

The following table sets out, as at the date hereof, the securities which were deposited under the CPC Escrow Agreement:

Name and Municipality of Residence of Securityholder	Number of Common Shares Escrowed ⁽¹⁾	Percentage of Common Shares as at the date of this Prospectus	Percentage of Resulting Issuer Shares after giving effect to the Proposed Qualifying Transaction, the Consolidation and the Subscription Receipt Financing ⁽²⁾	Number of Company Options Escrowed
Jared Bottoms, Squamish, BC	400,000	4.32%	0.26%	138,183
Jonathan Leong, Toronto, ON	200,000	2.16%	0.13%	69,091
Mark Russell, Washington, USA	200,000	2.16%	0.13%	69,091
Tahir Merali, Calgary, AB	200,000	2.16%	0.13%	69,091
Gary Lifshits, Toronto, ON	600,000	6.49%	0.39%	207,272
Marek Lorenc, Toronto, ON	600,000	6.49%	0.39%	207,272
Michal Prywata, ⁽³⁾ Toronto, ON	600,000	6.49%	0.39%	90,000
CTA Advisory Inc., ⁽⁴⁾ Toronto, ON	150,000	1.62%	0.09%	-
Matthew Colucci, Calgary, AB	500,000	5.41%	0.32%	-
Mark Colucci, Calgary, AB	200,000	2.16%	0.13%	-
1987671 Alberta Inc., ⁽⁵⁾ Calgary, AB	200,000	2.16%	0.13%	-
Haywood Securities Inc., Vancouver, BC	400,000	4.32%	0.26%	-
Chris Hadfield Inc., ⁽³⁾ Sarnia, ON	-	-	-	75,000
Total	4,250,000	45.94%	2.75%	925,000

Notes:

- (1) Common Shares shown are on a pre-Consolidation basis.
- (2) Assumes the Gross Proceeds raised under the Subscription Receipt Financing (without exercise of the Agents' Option).
- (3) Technical consultant.
- (4) Held each as to 50% by Craig Armitage and Shannon Leo.
- (5) Controlled as to 100% by Janan Paskaran.

Under the CPC Escrow Agreement:

- (a) all Company Options granted prior to the date of the Final Exchange Bulletin and all Common Shares that were issued pursuant to the exercise of such Company Options prior to the date of the Final Exchange Bulletin will be released from escrow on the date of the Final Exchange Bulletin, other than Company Options that were granted prior to the Company's IPO Prospectus with an exercise price that is less than the issue price of the Common Shares under the IPO Prospectus and any Common Shares that were issued pursuant to the exercise of such Company Options which will be released from escrow in accordance with paragraph (b) below;
- (b) except for the Company Options and Common Shares issued pursuant to the exercise of such Company Options that are released from escrow on the date of the Final Exchange

Bulletin as provided for in paragraph (a) above, all of the securities held in escrow will be released from escrow in accordance with the following schedule:

Release Dates	Percentage to be Released
Date of Final Exchange Bulletin	25%
Date 6 months following Final Exchange Bulletin	25%
Date 12 months following Final Exchange Bulletin	25%
Date 18 months following Final Exchange Bulletin	25%
Total	100%

The Exchange's prior consent must be obtained before a transfer within escrow of Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to existing principals of the Company and/or existing principals in connection with a Proposed Qualifying Transaction.

The Company has applied to the Exchange for approval to terminate the CPC Escrow Agreement on the basis that the Resulting Issuer is expected to have a market capitalization exceeding \$100 million. If granted, all securities currently held under the CPC Escrow Agreement, representing approximately 2.75% of the Resulting Issuer Shares, will be release from escrow. This notwithstanding, in the event the Company receives Exchange approval for the termination of the CPC Escrow Agreement, all of the securities held by the directors and officers of the Company, approximately 713,521 Resulting Issuer Shares (representing approximately 1.42% of outstanding Resulting Issuer Shares) and options to purchase approximately 246,489 Resulting Issuer Shares (representing approximately 0.44% of outstanding Resulting Issuer Shares on a fully-diluted basis) will be subject to a 12 months contractual lock-up restricting the transfer or sale of such securities held. See *"Information Concerning the Resulting Issuer – Escrowed Securities – Contractual Lock-Up"*.

Voluntary Escrow

Pursuant to Section 3.1(b)(i) of Exchange Policy 5.4 – *Capital Structure, Escrow and Resale Restrictions*, the Resulting Issuer is exempt from the application of Exchange mandatory escrow policy. Notwithstanding the foregoing, the following principals of the Resulting Issuer, representing approximately 60.67% of the expected Resulting Issuer Shares (and 14.8% of the Resulting Issuer Options), will enter into a voluntary escrow agreement on terms substantially similar to those of an "established issuer" under National Policy 46-201 - *Escrow For Initial Public Offerings*, with 1/4 of such escrowed shares being released on each of the Closing date, and the 6 month, 12 month and 18 month anniversaries of the Closing Date:

Principal	Number and Percentage of Resulting Issuer Shares held in escrow or that are subject to contractual restrictions on transfer	Number and Percentage of Resulting Issuer Options held in escrow or that are subject to contractual restrictions on transfer
John Dow <i>Chief Executive Officer & Director</i>	2,500,000 (5.00%)	70,000 (3.84%)
Dr. Thierry Klein <i>Chief Technology & Research Officer</i>	2,500,000 (5.00%)	70,000 (3.84%)
Janet Kumpu <i>Chief Operating Officer & Interim Chief Financial Officer</i>	800,000 (1.60%)	65,000 (3.57%)
Zeev Lubenski <i>VP Engineering</i>	1,700,000 (3.40%)	65,000 (3.57%)
Brad Morrison <i>Chief Strategy Officer</i>	2,500,000 (5.00%)	Nil

NSN <i>Control Person</i>	20,333,333 (40.67%)	Nil
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Pursuant to the Resulting Issuer Escrow Agreement to be entered into as of the Closing Date among the Resulting Issuer, the Escrow Agent and the Principals of the Resulting Issuer, the Principals of the Resulting Issuer have agreed to deposit in escrow their Resulting Issuer Shares and Resulting Issuer Options (the “**Resulting Issuer Escrowed Securities**”) with the Escrow Agent pursuant to the Resulting Issuer Escrow Agreement. The Resulting Issuer Escrowed Securities held pursuant to the Resulting Issuer Escrow Agreement may not be sold, assigned, transferred, redeemed, mortgaged, pledged, surrendered or otherwise dealt with in any manner (except to transfer to certain registered plans and funds) without the consent of NSN.

Other than as disclosed above, no other securities of the Resulting Issuer are held in escrow or are anticipated to be held in escrow upon Completion of the Proposed Qualifying Transaction.

Statutory Resale Restrictions

The Payment Shares are being issued on a private placement basis and, therefore, will be subject to a statutory resale restriction of four months from the Closing Date.

Contractual Lock-Up

In connection with the Subscription Receipt Financing and pursuant to the Agency Agreement, the Resulting Issuer, the Company, certain of its directors, officers, significant shareholders and other Insiders, as well as Nokia and certain members of the Modul8 executive management team, will be subject to customary lock-up restrictions. Under the lock-up arrangements, such persons will agree, for periods ranging from 180 days (Company directors and officers) to one year (NSN and Resulting Issuer management) following Completion of the Proposed Qualifying Transaction, not to directly or indirectly sell, offer, pledge, hedge, or otherwise dispose of Resulting Issuer Shares or securities convertible into or exchangeable for Resulting Issuer Shares, or announce any intention to do so, without the prior written consent of the Agents, such consent not to be unreasonably withheld, conditioned or delayed.

The lock-up arrangements will be subject to customary exceptions for the Resulting Issuer, including issuances of securities pursuant to equity incentive plans, the exercise or conversion of securities outstanding as at closing, non-dilutive debt financings, and certain arm’s-length transactions, in each case subject to applicable conditions and, in some cases, the prior consent of the Agents.

The lock-up undertakings will be signed and delivered to the Agents prior to or concurrently with the closing of the Subscription Receipt Financing.

Risk Factors

The current business of Modul8 will be the business of the Resulting Issuer following Completion of the Proposed Qualifying Transaction. Accordingly, the risk factors described below primarily reflect risks applicable to Modul8 and, following Completion of the Proposed Qualifying Transaction, to the Resulting Issuer. Due to the nature of Modul8, the legal and economic climate in which it operates and its proposed operations, Modul8 is subject to significant risks. The future development and actual operating results of Modul8 may be very different from those expected as at the date of this Prospectus. Readers should carefully consider all such risks, which include, but are not limited to, the following.

AN INVESTMENT IN SECURITIES OF THE RESULTING ISSUER SHOULD BE CONSIDERED SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THIS PROSPECTUS, PROSPECTIVE SHAREHOLDERS AND PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN EVALUATING AN INVESTMENT IN THE SECURITIES OF THE RESULTING ISSUER.

Risks Related to the Proposed Qualifying Transaction and the Resulting Issuer

Uncertainty of Completion of the Proposed Qualifying Transaction

Completion of the Proposed Qualifying Transaction is subject to the satisfaction or waiver of a number of conditions, including final acceptance of the Exchange and the completion of the Subscription Receipt Financing. There can be no assurance that such conditions will be completed, satisfied or waived on acceptable terms or at all. If the Proposed Qualifying Transaction, as contemplated by the Definitive Agreement, is not completed or terminated for these, or other reasons, the Company and the Modul8 Parties will have incurred significant costs associated with the failed implementation of the Proposed Qualifying Transaction and may experience adverse effects on liquidity, financing alternatives and market perception.

Even if the Proposed Qualifying Transaction is completed, there can be no assurance that the Resulting Issuer's business operations will be profitable or otherwise beneficial for the Company and its shareholders. Neither the Exchange nor any securities regulatory authority passes on the merits of the Proposed Qualifying Transaction. The Proposed Qualifying Transaction may also result in additional dilution to the Shareholders, increased debt or a change in control of the Company. Any failure to successfully integrate Modul8 or to realize the anticipated benefits of the Proposed Qualifying Transaction could have a Material Adverse Effect on the business, financial condition and results of operations of the Resulting Issuer.

Following Completion of the Proposed Qualifying Transaction, NSN will have a significant influence over the Resulting Issuer

Following Completion of the Proposed Qualifying Transaction, NSN is expected to beneficially own, or exercise control or direction over, directly or indirectly, approximately 41% of the outstanding Resulting Issuer Shares. As a result, NSN will be in a position to exert significant influence over matters requiring shareholder approval and the strategic direction of the Resulting Issuer, even though it may not hold a majority of the outstanding Resulting Issuer Shares. These matters may include the composition of the board of directors, which has the authority to direct the Resulting Issuer's business and to appoint and remove officers; approving or rejecting a merger, consolidation or other business combination; raising future capital; and amending the Resulting Issuer's articles of incorporation and by-laws, which govern the rights attached to the Resulting Issuer Shares. The interests of NSN may differ from or conflict with those of other shareholders, and this concentration of ownership could delay, defer or prevent transactions, including a change of control, that might otherwise be beneficial to the Resulting Issuer or its shareholders. In addition, sales of a substantial number of Resulting Issuer Shares by NSN could adversely affect the market price of the Resulting Issuer Shares.

Significant sales of Resulting Issuer Shares after the expiry of lock-up or escrow restrictions could adversely affect the market price of the Resulting Issuer Shares

Although Common Shares held by existing shareholders of the Company and Resulting Issuer Shares issued in connection with the Completion of the Proposed Qualifying Transaction may, subject to applicable securities laws, be freely tradable, the Resulting Issuer Shares held by certain directors, executive officers and other Control Persons of the Resulting Issuer will be subject to escrow pursuant to Exchange Policies. Sales of a substantial number of Resulting Issuer Shares following the expiry of escrow or other contractual restrictions, or the perception that such sales may occur, could adversely affect the market price and liquidity of the Resulting Issuer Shares, and may make it more difficult for investors to sell Resulting Issuer Shares at a favorable time and price.

There has been no prior public market for the Resulting Issuer Shares, and an active trading market may not develop

Prior to the Proposed Qualifying Transaction, there has been no active public market for the Resulting Issuer Shares. An active trading market for the Resulting Issuer Shares may not develop following

Completion of the Proposed Qualifying Transaction or, if developed, may not be sustained. The lack of an active trading market may impair an investor's ability to sell its Resulting Issuer Shares at a desired time or price and could adversely affect the market value of such Resulting Issuer Shares. An inactive market may also impair an investor's ability to raise capital by selling its Resulting Issuer Shares and may impair the Resulting Issuer's ability to acquire other companies by using its Resulting Issuer Shares as consideration.

The requirements of being a public company may strain the Resulting Issuer's resources

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable securities legislation, the listing requirements of the Exchange and other applicable securities rules and regulations. Compliance with such requirements will increase the Resulting Issuer's legal, financial and compliance costs and may divert management's attention from the operation and growth of Modul8. There can be no assurance that the Resulting Issuer will be able to implement and maintain effective internal controls, disclosure controls and governance practices on a timely basis or without significant cost.

Limited experience managing a public company

Most members of the Modul8 management team have limited experience operating a publicly traded company, interacting with public company investors and analysts, and complying with the legal, regulatory and reporting requirements applicable to reporting issuers. Following Completion of the Proposed Qualifying Transaction, the Resulting Issuer will be subject to extensive and ongoing disclosure, governance and compliance obligations under applicable securities laws and Exchange Policies, as well as increased scrutiny from investors, regulators and market participants.

There can be no assurance that management will be able to manage the transition to becoming a public reporting issuer effectively or efficiently. Compliance with public company obligations will require significant management time, financial resources and internal controls, and may divert the attention of senior management from the day-to-day management and growth of Modul8. Any failure to adapt to these requirements, or any diversion of management attention, could adversely affect the Resulting Issuer's business operations, strategic execution, financial condition and results of operations.

It may be difficult to enforce civil liabilities under Canadian securities laws

Certain of the directors and officers of the Resulting Issuer will be based in the United States, and certain of the Resulting Issuer's operating assets, and assets of the directors and officers of the Resulting Issuer will be located outside of Canada, including in the United States. As a result, a judgment obtained against the Resulting Issuer, or any of these individuals, including a judgment based on the civil liability provisions of the Canadian securities laws, may not be collectible in Canada and may not be enforced by a court in the United States. It also may be difficult to effect service of process on these individuals in Canada or to assert Canadian securities law claims in original actions instituted in the United States. United States courts may refuse to hear a claim based on an alleged violation of Canadian securities laws reasoning that the United States is not the most appropriate forum in which to bring such a claim. In addition, even if court in these jurisdictions agrees to hear a claim, it may determine that United States law and not Canadian law is applicable to the claim. If the Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by local law. As a result, it may be difficult to collect any damages awarded by either a Canadian or a foreign court.

Risks Related to the Business and Industry

Dependence on key personnel could adversely affect the Resulting Issuer

The success of Modul8 and its ability to compete in the highly competitive space and technology industries depend, in part, on the continued services of its senior management, technical specialists and other highly skilled personnel with experience in-space communications, advanced computing and related technologies.

The loss of any member of senior management or other key personnel could impair Modul8's ability to identify and pursue new business opportunities, maintain customer and partner relationships, manage complex development programs or otherwise execute its business strategy.

The identification, recruitment, retention and motivation of qualified employees is critical to the execution of Modul8's strategy and the successful delivery of customer programs. Competition for experienced technical, engineering, research, sales and management personnel in the space and advanced technology sectors is intense. This competition may be further affected by wage inflation, limited availability of qualified personnel and demand from well-capitalized competitors, government agencies and academic institutions, some of which may have greater resources than the Resulting Issuer. As a result, Modul8 may be required to incur increased compensation and related costs to attract and retain qualified personnel.

Certain operations of Modul8 depend on personnel with specialized expertise, training or credentials that may be time-consuming and costly to replace. Significant time and resources are generally required to recruit, onboard and train technical and other personnel. There can be no assurance that Modul8 will be able to attract and retain suitably qualified personnel on a timely basis, or at all, or that it will be able to realize an adequate return on its investments in recruiting and training. In addition, if Modul8 were to hire personnel from competitors, it could become subject to claims or disputes regarding alleged improper solicitation or misuse of proprietary or confidential information, which could result in litigation or reputational harm.

Modul8 may also be affected by evolving workforce practices, including remote or hybrid work arrangements. While such arrangements may offer certain benefits, they may also present operational risks, including challenges related to the ability to recruit, train, manage, and retain employees, collaboration, data security and cybersecurity, consumer privacy, organizational culture, productivity, and availability of key personnel necessary to conduct Modul8. There can be no assurance that Modul8 will be able to effectively manage these workforce dynamics or that such arrangements will not adversely affect operations.

The loss of key personnel, the inability to attract or retain qualified employees, delays in hiring required personnel, or increased compensation and training costs could disrupt operations, delay product development or program execution, increase operating expenses or limit the Modul8's ability to pursue growth opportunities. Any such developments could have a Material Adverse Effect on the business, operations, financial condition and prospects of the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

Modul8's growth strategy may not achieve the anticipated results

Modul8's future success will depend on its ability to grow its business. Growth and innovation strategies require significant commitments of management resources and capital investments and Modul8 may not grow its revenues at the rate it expects or at all. As a result, Modul8 may not be able to recover the costs incurred in developing new projects and initiatives or to realize their intended or projected benefits, which could materially adversely affect its business, financial condition or results of operations.

Modul8's ability to grow its business depends on the successful development of its space-based communications and technology programs, which is subject to many uncertainties, some of which are beyond Modul8's control

Modul8's current objectives focus on the continued development of space-based communications and technology programs. If Modul8 does not continue this development in its anticipated timeframes, Modul8's ability to grow Modul8 will be adversely affected. The successful development of Modul8's communications and technology programs involves many uncertainties, some of which are beyond Modul8's control, including, but not limited to:

- Modul8's ability to obtain applicable approvals, licenses or certifications from regulatory agencies, if required;
- performance of Modul8's facilities despite risks that disrupt productions, such as natural disasters and hazardous materials;
- performance of a limited number of suppliers for certain raw materials and supplied components;
- performance of Modul8's third-party contractors that support future research and development activities;
- Modul8's ability to maintain rights from third parties for intellectual properties critical to future research and development activities; and
- Modul8's ability to fund and maintain future research and development activities.

Dependence on Axiom lunar spacesuit program

The Modul8 Business is currently engaged with Axiom to integrate cellular communications capabilities into the Axiom Extravehicular Mobility Unit (AxEMU) next-generation spacesuit designed for lunar exploration as part of NASA's Artemis program, see "*Information Concerning Modul8 – Material Contracts*". Axiom is currently the sole provider of lunar spacesuits under NASA's Exploration Extravehicular Activity Services (xEVAS) program.

On April 20, 2026, the Office of the Inspector General released a report of its assessment of NASA's efforts to obtain new lunar suits and noted that the Axiom suit is at least a year and a half behind schedule, and suggesting, after extrapolating against historical testing schedule averages, that the spacesuit demonstrations may not occur until 2031.

Any delays, deficiencies, failures to achieve required milestones, or changes in scope affecting Axiom's spacesuit program could adversely affect revenue milestones tied to Modul8's contracting schedule with Axiom, and in turn delay contract performance and receipted revenue. Any material adverse change affecting Axiom's spacesuit program or the Artemis mission timeline could have a Material Adverse Effect on the business, financial condition, results of operations and prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Dependence on a limited number of customers and programs could adversely affect the Resulting Issuer

A limited number of customers currently account for all revenues of Modul8. The loss of, or a significant reduction in business from, any of these customers, whether as a result of contract termination or non-renewal, changes in customer requirements or technical specifications, program reprioritization, budgetary constraints, competitive factors or otherwise, could result in a temporary or permanent decline in revenue and have a Material Adverse Effect on the business, financial condition, results of operations, cash flows and prospects of the Resulting Issuer.

In addition, revenues of Modul8 may be concentrated in a limited number of programs, missions or long-term contracts, including mission-critical or first-of-its-kind deployments. Delays, cancellations, deferrals or scope reductions affecting any such program or mission, whether due to technical issues, launch delays, funding decisions or other factors outside the control of the Resulting Issuer, could have a disproportionate impact on revenues, cash flows and the timing of anticipated growth. Given the long development timelines and customer qualification cycles typical of Modul8, the Resulting Issuer may not be able to replace lost revenue in a timely manner, or at all.

Long and unpredictable sales cycles may adversely affect the financial performance of the Resulting Issuer

Modul8 experiences long and unpredictable sales cycles, and its sales and business development efforts require significant time, expense and management attention. The timing of sales and the recognition of related revenues are therefore difficult to predict and may vary significantly from period to period. As a

result, Modul8's financial performance may be subject to material variability, and the Resulting Issuer may experience fluctuations in revenues, cash flows and operating results.

Sales of Modul8's communications and computing solutions, particularly for mission-critical or government-related applications, often involve significant time and resources spent on educating and familiarizing potential customers with the value proposition of the products and services. Decisions are also often subject to customer budget cycles, internal approval processes, competitive procurement requirements and prolonged negotiations. In particular, government departments and agencies, both in the United States and in other countries, generally evaluate the Modul8's products for critical, strategic applications. As a result, the piloting, testing, and evaluation process can be extensive, and orders are often dependent on the availability of sufficient budgeted funds.

Sales cycles may also vary significantly among customers and jurisdictions. Certain customers, including government entities or government-related counterparties, may be subject to formal procurement processes, funding approvals or policy changes that extend sales timelines and increase uncertainty. Changes in personnel, leadership or priorities within customer organizations may delay decision-making or require Modul8 to re-engage with new decision-makers, further extending the sales process. Because purchases of Modul8's solutions may involve significant financial or operational commitments, customers may require approval at multiple organizational levels, which can further lengthen the sales cycle.

As a result of these factors, it may be difficult to accurately forecast when or if a sale to a potential customer will occur. Modul8 may incur significant sales and development costs without assurance that such efforts will result in completed transactions. Delays in closing anticipated sales, failure to win competitive procurements, or the termination or deferral of expected programs could adversely affect revenues, increase operating expenses and contribute to variability in financial results. Any such outcomes could have a Material Adverse Effect on the business, financial condition and results of operations of the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

Dependence on transitional arrangements and separation from Nokia could adversely affect the Resulting Issuer

Modul8 was developed and historically operated as an integrated venture within Nokia Bell Labs and benefitted from access to shared personnel, facilities, infrastructure, intellectual property, procurement capabilities, technical expertise and internal support functions. Following Completion of the Proposed Qualifying Transaction, Modul8 will operate as an independent public company and will no longer benefit from such integrated support, except to the extent provided under transitional services agreements, licence arrangements or other contractual relationships.

There can be no assurance that any transitional arrangements entered into in connection with the Proposed Qualifying Transaction will be sufficient in scope or duration, or that comparable services can be replicated internally or obtained from third parties on commercially reasonable terms. Operating as a smaller stand-alone organization may result in increased costs, reduced efficiency, operational disruptions, delays in development or commercialization activities, or challenges in meeting customer requirements. In addition, certain customers or partners may have derived confidence from Modul8's historical association with Nokia Bell Labs and the Nokia brand, and may perceive greater execution or financial risk following separation. Any failure to successfully transition to stand-alone operations could have a Material Adverse Effect on the Resulting Issuer.

Dependence on government contracts, policies and funding levels could adversely affect Modul8 and the Resulting Issuer

The activities, revenues and anticipated growth of Modul8 are derived from, or dependent upon, government customers and government-funded programs, including those of the United States government, either directly or as a subcontractor to other government contractors. As a result, Modul8 is subject to risks arising from changes in the policies, priorities, mandates, procurement practices and funding levels of governmental entities in the jurisdictions in which it operates, including the United States.

Government spending priorities, strategic or national security objectives, political leadership, procurement strategies, fiscal constraints and broader macroeconomic conditions may materially affect government funding levels and program support relevant to Modul8. Government policies, mandates and funding levels may change as a result of election cycles, changes in political or strategic priorities, budgetary constraints or disruptions in government operations, including government shutdowns or delays in the enactment of annual appropriations.

In the United States, uncertainty relating to federal budgets, appropriations processes, continuing resolutions or other interim funding measures may result in reduced, delayed or reprioritized funding for space-related, mission-critical or technology programs relevant to Modul8 or its customers and partners. Funding uncertainty or changes in governmental priorities may delay or prevent the initiation of new programs or missions, reduce or defer funding for existing programs, or alter the scope, timing or continuation of customer activities. In such circumstances, government customers or prime contractors may reduce orders, delay or suspend work, defer payments, decline to exercise contract options, modify or cancel planned procurements, or terminate contracts, including for convenience. Government customers typically retain broad contractual rights to modify, reduce or terminate contracts, and amounts recoverable upon termination may not fully compensate Modul8 for costs incurred, resources committed or anticipated margins.

Delays or interruptions in government funding or operations may also affect Modul8's ability to achieve contractual milestones, reduce operational efficiency, require the reallocation of personnel and other resources, and increase uncertainty regarding revenue visibility and backlog. In addition, disruptions in government operations may adversely affect regulatory approvals, oversight processes or guidance relevant to Modul8 or to customer programs in which it participates.

Funding for government-supported space, communications and technology programs remains subject to ongoing appropriations processes, and there can be no assurance that any particular program will be funded at anticipated levels, on anticipated timelines, or at all. Any sustained reduction, delay or shift in governmental support or funding, whether arising from changes in priorities, delays in appropriations, budgetary constraints or disruptions in government operations, could have a Material Adverse Effect on the business, financial condition, results of operations and growth prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Contracts with the United States government and certain international customers may be terminated, modified or adversely affected, causing an adverse effect on the Resulting Issuer

A significant portion of Modul8's current and anticipated revenue is derived from contracts with the United States government and government-related or international customers. Contracts with governmental entities are subject to laws and regulations that impose terms, conditions and risks that differ from those typically found in commercial transactions.

Under applicable United States government laws and regulations, the United States government may, among other things, suspend Modul8 from receiving new contracts based on alleged or actual violations of procurement laws or regulations; terminate existing contracts for convenience or, in certain circumstances, for default; revoke, deny or decline to renew required security clearances; reduce the value or scope of existing contracts; or audit contract-related costs, fees and indirect cost allocations. Prime contractors on government programs may have similar rights under subcontracts related to government contracts. In the event of a termination for default, the United States government may seek to reduce the contract value, recover its procurement costs, impose penalties or pursue other remedies. A termination arising from default could also adversely affect Modul8's ability to compete for future government contracts, options or orders.

Certain United States government programs may operate under Undefined Contract Actions, pursuant to which Modul8 may be required to begin performing work before final agreement is reached on contract terms, specifications or pricing. In such circumstances, the United States government has the authority to unilaterally definitize the contract, which may obligate Modul8 to perform under terms imposed by the

government. Such terms may be less favourable than those anticipated by Modul8 and could adversely affect program profitability, cash flows or risk exposure. In addition, certain government contracts include base periods with one or more option periods. Government customers may elect not to exercise such option periods, resulting in the loss of anticipated revenues or margins. Conversely, government customers may exercise option periods under circumstances in which Modul8's costs exceed the applicable contract price, ceiling or reimbursement limits, potentially resulting in reduced profitability or losses.

The termination, modification or non-renewal of contracts by the United States government or international customers, or the exercise of any of the rights described above, could have a Material Adverse Effect on the business, financial condition, results of operations and cash flows of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Industry and government regulations may impact operations

The operations of Modul8 are subject to complex, evolving and, in certain cases, overlapping regulatory regimes applicable to space communications, space-based computing, mission-critical technologies and related infrastructure in the jurisdictions in which it operates. While, following Completion of the Proposed Qualifying Transaction, Modul8 is expected to conduct substantially all of its operations in the United States, certain current or future operations, customers, partners or activities may be located in, or subject to the laws of, other jurisdictions, including Canada. These regulatory regimes raise numerous risks that could adversely affect operations, including, but not limited to, the following:

- Changes in laws and regulations: The ability of Modul8 to pursue its business activities is subject to regulation by various agencies and departments of the United States government and, in certain circumstances, by governmental authorities in other jurisdictions in which it operates or conducts business. Certain aspects of space-related communications and sensing activities are subject to evolving regulatory oversight, and not all space or space-enabled activities are currently governed by a single, comprehensive regulatory framework. For example, certain radio frequency (“**RF**”) based sensing or communications activities have historically been subject to different or less centralized regulatory treatment than other activities, such as electro-optical satellite remote sensing, which is regulated by the Commercial Remote Sensing Agency of the United States Department of Commerce (“**DOC**”). Statutory or regulatory changes providing new or expanded authority to governmental bodies in the United States or other jurisdictions to regulate space or space-enabled activities could result in the imposition of additional operating requirements, licensing obligations or restrictions that could adversely affect Modul8. A portion of Modul8's current and anticipated activities involves, or may involve, customers, partners or operations outside of the United States, and international activity is expected to increase over time. Accordingly, Modul8 may be adversely affected if it is required to alter its operations to comply with changes in applicable domestic or foreign laws and regulations, tariffs, taxes or other trade barriers that restrict or reduce the ability to sell products and services on a global basis, or as a result of political or economic instability, in jurisdictions in which it conducts business. For example, on June 25, 2025, the European Commission released a proposal for a regulation on the safety, resilience and sustainability of space activities in the European Union, which, if adopted, would significantly reshape the regulatory landscape governing access to the European Union space services market and introduce new requirements in areas such as licensing, environmental compliance, cybersecurity and orbital debris mitigation. The adoption, implementation or interpretation of such measures could impose additional compliance obligations, costs or operational constraints on Modul8. In addition, Modul8 is subject to extensive and evolving local, state and federal laws and regulations in the United States and in other jurisdictions in which it operates or may operate, relating to matters such as employment and labour, taxation, data privacy and security, health and safety, environmental protection and related compliance obligations. Failure to comply with applicable legal or regulatory requirements could subject Modul8 to investigations, penalties, sanctions, contractual remedies or restrictions on operations, any of which could adversely affect its business, financial condition and results of operations.

- Import and export restrictions: The Modul8 Business is subject to stringent trade control and export compliance requirements in the jurisdictions in which it operates. In the ordinary course of its operations, Modul8 imports and exports products, software, technical data and services, and conducts activities in the United States and, in certain circumstances, other jurisdictions that are subject to United States and foreign trade controls. Certain technologies used or developed by Modul8 require the acquisition or implementation of products, components or technologies from third parties, including suppliers, subcontractors or affiliates located in other jurisdictions, and may be required to be transferred, imported, exported or made accessible across national borders. If the use or transfer of such technologies is viewed by the jurisdiction in which a supplier, subcontractor or affiliate resides as being subject to import or export constraints or restrictions for national security or other regulatory reasons, Modul8 may be unable to obtain required components, technologies or services from preferred suppliers, or may be unable to obtain the export or re-export authorizations necessary to transfer its technologies or deliver products and services as contemplated. The inability to obtain or maintain required export approvals, changes to applicable trade control regimes during contract execution, or non-compliance by suppliers, subcontractors or customers with applicable trade control requirements, could adversely affect revenues, margins, contractual performance or growth prospects. In addition, certain data products, services or technical support activities provided by Modul8 may be regulated as “defense services” under United States export control laws. In particular, the export of certain technologies, technical data or services from the United States may be subject to regulation by the United States Department of State Directorate of Defense Trade Controls (“**DDTC**”) under the *International Traffic in Arms Regulations* (“**ITAR**”), which implement the Arms Export Control Act. To the extent that marketing, technical assistance or delivery of data, software or derivative information to foreign customers constitutes a regulated defense service, such activities may require prior authorization from DDTC. Failure to obtain required authorizations, to comply with the terms of any authorizations issued, or changes in United States export control policy, particularly those arising from changes in foreign policy, geopolitical conditions or national security relationships between the United States and other jurisdictions, could result in restrictions on existing or future authorizations, including suspension or revocation, and could materially adversely affect Modul8.
- United States government approval requirements: Certain aspects of Modul8’s operations require the receipt and ongoing maintenance of approvals, licences or authorizations from United States government authorities, or such other governmental authorities in jurisdictions in which it operates or conducts business, and, in certain cases, the entry into agreements with governmental bodies in order to provide technologies, data, services or technical assistance to foreign persons or entities. The delayed receipt of, or failure to obtain, necessary licences, approvals or agreements could prevent Modul8 from entering into, performing under or completing customer contracts, and could result in contract termination, monetary penalties, delays in deployment or other adverse contractual consequences, any of which could materially adversely affect the business, financial condition and results of operations of Modul8. Certain communications and space-related activities that incorporate Modul8 technologies may require approvals or coordination from regulatory authorities such as the Federal Communications Commission (“**FCC**”), including approvals relating to the use of RF spectrum and the coordination of communications links associated with space-based or ground-based systems operated by customers or mission partners. Regulatory requirements relating to spectrum use, coordination and interference mitigation may evolve over time, and changes in FCC policies or interpretations, including restrictions on frequencies used by systems that incorporate Modul8 technologies, could increase costs, limit functionality or adversely affect customer programs. In addition, certain activities relating to space missions that deploy or incorporate Modul8 technologies may be subject to other United States government oversight and approval processes, including frequency coordination processes administered by the International Telecommunication Union, export licensing or approvals from the United States Department of State or the DOC, and, in connection with certain payloads or launch activities, regulatory approvals involving the United States Department of Transportation or the Federal Aviation Administration. Certain government-related programs may also require Modul8 and certain of its personnel to obtain and maintain appropriate security clearances or to comply with additional governmental requirements. Any inability or delay in obtaining, maintaining or renewing required governmental

licences, approvals or authorizations, or any adverse change in applicable approval regimes, could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

- Competitive impact of United States regulations: Export and import control, economic sanctions and trade embargo laws and regulations, including those administered by the DOC's Bureau of Industry and Security, the United States Department of State DDTC's, and the United States Department of the Treasury's Office of Foreign Assets Control, including under the ITAR and the Export Administration Regulations, may limit certain business opportunities or delay, restrict or prohibit Modul8's ability to contract with potential international customers, partners or suppliers. To the extent that competitors based outside the United States are not subject to the same export and import controls, economic sanctions or trade embargo laws, or are subject to less restrictive regimes, such competitors may enjoy a competitive advantage in certain international markets. This disparity could make it more difficult for Modul8 to compete for or retain international customers, partners or programs, recover lost market share or pursue growth opportunities in certain jurisdictions. Any such competitive disadvantage could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.
- Anti-corruption laws: As part of the regulatory and legal environments in which it operates, Modul8 is subject to domestic and international anti-corruption laws that prohibit improper payments, offers or transfers of value, directly or indirectly, to government officials, authorities or other persons identified under applicable anti-corruption legislation in order to obtain, retain or influence business or secure other improper advantages. The Modul8 Business operates in compliance with the applicable anti-corruption laws. However, there can be no assurance that all employees, officers, agents, subcontractors, suppliers, consultants or existing or future business partners will comply with such laws or internal policies. Failure by any such persons to comply with applicable anti-corruption requirements, whether through actions taken on behalf of Modul8 or independently, could expose Modul8 to criminal, civil or administrative investigations, fines, penalties or other legal sanctions.

Failure by Modul8 to comply with applicable laws, regulations or regulatory requirements in any jurisdiction in which Modul8 operates could result in civil penalties, private legal actions, or the suspension, revocation or non-renewal of licences, certificates, authorizations or permits required for its operations. Any such outcome could restrict or prevent Modul8 from conducting certain activities, operating in particular jurisdictions or performing under existing contracts. Moreover, regulatory approaches across jurisdictions may be multi-layered, evolving and, in some cases, inconsistent or conflicting. Compliance with these requirements may require Modul8 to modify operational, technical or manufacturing processes, adjust business practices or incur additional costs, which could adversely affect operational efficiency, timelines or profitability. There can be no assurance that Modul8 will be in full compliance with all applicable requirements at all times, and even where it believes it is in compliance, regulatory authorities may take a different view.

In addition, failures or actions by third parties, including suppliers, subcontractors, partners or customers, may cause or contribute to non-compliance by Modul8 with applicable laws or regulatory obligations. Any failure to obtain or maintain required licences, approvals or authorizations, or delays or difficulties encountered in interactions with regulatory authorities, could impair Modul8's ability to pursue growth opportunities, delay the execution of existing or future customer contracts, or restrict access to certain markets. Any of the foregoing could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Canadian regulatory, national security and foreign investment laws may impose additional compliance obligations and restrictions on the Resulting Issuer

As a Canadian-based reporting issuer, the Resulting Issuer will be subject to Canadian federal and provincial laws and regulatory regimes relating to, among other things, national security, foreign investment, export controls, telecommunications, space activities, privacy, environmental protection and securities regulation. These include, without limitation, the *Investment Canada Act* (including national security review provisions), the *Export and Import Permits Act*, the *Satellite Remote Sensing Act*, Canadian privacy legislation (including the *Personal Information Protection and Electronic Documents Act* and applicable provincial privacy statutes), and applicable Canadian space and telecommunications regulatory frameworks.

Compliance with these regimes may require regulatory approvals, filings, licences or ongoing monitoring and could impose restrictions on ownership, governance, information access, data handling, use of technology or international operations. The interpretation and application of Canadian national security and foreign investment laws are evolving, and transactions involving advanced technologies, space-related capabilities or sensitive data may be subject to enhanced review or mitigation requirements.

Any failure to obtain required approvals, comply with applicable Canadian regulatory requirements or adapt to changes in such regimes could delay or restrict operations, limit strategic flexibility, increase compliance costs or expose the Resulting Issuer to penalties or enforcement action, any of which could have a Material Adverse Effect on the Resulting Issuer.

Reliance on a limited number of a key suppliers and contractors may adversely affect the Resulting Issuer

The Modul8 Business relies on third-party suppliers, manufacturers and subcontractors for the design, development, manufacture and integration of certain components, technologies and services used in its communications and computing solutions. In many cases, Modul8 acts as the prime contractor and is dependent on subcontractors to perform elements of customer contracts. Certain suppliers and subcontractors are selected based on specialized technical capabilities, customer requirements or procurement processes, and may be engaged under fixed-price or negotiated arrangements. As a result, Modul8 is exposed to risks arising from the failure or inability of suppliers or subcontractors to perform as required, including financial distress or insolvency, cost overruns, delays in delivery, quality deficiencies, price increases, labour disruptions or failure to meet evolving technical specifications. In certain cases, alternative suppliers may not be readily available on commercially reasonable terms.

In addition, certain components, materials and services required by Modul8 may be available from only a limited number of qualified suppliers. The loss or non-performance of any such supplier or subcontractor, or the inability to secure suitable alternatives on a timely or cost-effective basis, could result in increased costs, production delays, missed contractual milestones or reduced margins. While alternative sources may exist, they may be difficult or time-consuming to qualify, particularly where systems are highly specialized or integrated. Further, labour disputes, work stoppages or instability at key suppliers or subcontractors, including those involving unionized workforces, could disrupt production or development schedules and strain customer relationships.

Any significant failure or delay by a key supplier or subcontractor, or increased dependence on a limited number of vendors, could impair Modul8's ability to perform under customer contracts and could have a Material Adverse Effect on its business, financial condition and results of operations and, following Completion of the Proposed Qualifying Transaction, on the Resulting Issuer.

Competition and market dynamics could adversely affect the Resulting Issuer

The markets in which Modul8 operates are highly competitive, rapidly evolving and subject to significant technological change. The Modul8 Business products and services compete with satellite and data collection, processing and analytics products and services offered by a range of private and government

providers, including Modul8's customers' existing internal systems. The Modul8 Business expects competition to increase as existing competitors expand their capabilities and as new entrants, including well-capitalized technology, aerospace and communications companies, seek to enter the space communications and computing sectors. Certain competitors may have greater financial resources, longer operating histories, broader customer relationships, greater manufacturing scale, stronger brand recognition or more established market positions than Modul8.

In addition, existing or prospective customers, including government or commercial customers with substantial technical and financial resources, may elect to develop competing technologies, systems or infrastructure internally, or acquire companies offering similar solutions, rather than purchasing products or services from Modul8.

Competitive pressures may adversely affect Modul8's ability to win new contracts, retain existing customers or maintain pricing levels. Competitors that are able to offer alternative solutions with lower pricing, greater scale, broader functionality, faster deployment or more integrated offerings may gain a competitive advantage. Advances by competitors, shifts in customer procurement strategies or changes in market structure could result in pricing pressure, reduced margins, loss of market share or declining demand for certain offerings.

Some competitors may have ready access to capital or alternative financing sources that allow them to invest more heavily in research and development, scale operations, absorb losses for extended periods, engage in aggressive pricing strategies or pursue strategic acquisitions. In addition, consolidation within the space, aerospace or communications industries may result in competitors that can offer more comprehensive or integrated solutions, accelerate technology development or devote greater resources to sales, marketing and customer support than Modul8.

To remain competitive, Modul8 may be required to make substantial ongoing investments in research and development, manufacturing capacity, services, marketing or sales, which could increase costs and divert management attention from other priorities. There can be no assurance that such investments will be successful or that Modul8 will be able to compete effectively or maintain its market position. Any failure to compete successfully, or any requirement to take costly actions in response to competitive pressures, could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Customer contracts, including government contracts, may be terminated, suspended or not awarded following competitive procurement processes

The Modul8 Business derives its revenues from customer contracts that may be suspended, reduced in scope or terminated, including for convenience and, in certain cases, without cause. In particular, contracts with government customers are subject to heightened oversight, audit and regulatory compliance requirements, and may permit termination, suspension or modification where funding is unavailable, governmental priorities change, or contractual performance or compliance standards are not met.

Certain government contracts may be terminated for convenience at any time and, upon termination for convenience of a fixed-price contract, Modul8 would generally be entitled to payment for delivered items or completed work. If Modul8 were to enter into cost-reimbursable contracts in the future, termination for convenience would typically entitle it to reimbursement of allowable costs incurred and, in certain cases, a portion of the applicable fee. However, certain government programs do not always have sufficient funds appropriated to cover termination liabilities, and may assert that it is not required to appropriate additional funding to cover termination costs, which could adversely affect expected profits and cash flows.

Government contracts and programs are frequently awarded through formal competitive procurement processes that can be lengthy, complex and resource-intensive. The Modul8 Business may compete directly with other suppliers or participate as a subcontractor or team member, and contract awards may depend on pricing, technical capability, delivery approach, compliance posture or other factors beyond the control of Modul8. Competitive bidding processes require the commitment of significant management time

and resources, and there can be no assurance that bids submitted by Modul8 will be successful. Even where contracts are awarded, performance or commencement may be delayed, limited or cancelled due to bid protests, funding constraints, changes in governmental priorities, or other circumstances. In addition, certain government procurement regimes impose organizational conflict-of-interest, eligibility or other regulatory restrictions that may limit Modul8's ability to pursue related, follow-on or replacement opportunities.

Government contracts are also subject to strict requirements relating to procurement rules, export controls, security clearances, and the handling of classified or sensitive information. Failure to comply with such requirements could result in contractual remedies, suspension of payments, contract termination, forfeiture of profits, civil or criminal penalties, fines, or suspension or debarment from future government contracting.

Any suspension, termination or non-award of significant customer contracts, or any inability to successfully compete for or maintain government-related programs, could have a Material Adverse Effect on the revenues, cash flows, financial condition, results of operations and growth prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

United States government contract awards or contract options involving Modul8 may be subject to bid protests or challenges

Procurements by the United States government are governed by laws and regulations that permit other bidders or interested parties to challenge or protest the award of a government contract or the exercise of a contract option. Such protests or challenges may be filed with the United States Government Accountability Office or in United States federal courts. Contract awards or contract options involving Modul8, whether directly or through prime contractors with whom it is engaged, may be subject to bid protests or other legal challenges, even where Modul8 believes that the award was made in accordance with applicable procurement requirements.

If a bid protest or legal challenge is filed, the relevant government agency may elect, or be required, to suspend performance under the challenged contract or contract option while the protest is under review. Any such suspension could delay contract performance, program milestones or payments, reduce revenue visibility, and require Modul8 to devote significant management time and resources to support the defense of the award. The Modul8 Business may also incur legal, advisory or other costs in connection with responding to or participating in such proceedings. If a protest or challenge is successful, the government agency may be ordered, or may determine in its discretion, to terminate the contract or contract option, cancel or modify the award, re-evaluate proposals, resolicit bids or award the contract to a different bidder. In certain circumstances, a government agency may also elect to take corrective action to resolve a pending protest, which could result in delays, re-competition of the contract or a reduction or loss of the work scope originally awarded.

Any bid protest, legal challenge or corrective action affecting a contract or contract option involving Modul8, whether successful or not, could result in delays, increased costs, loss of anticipated revenues or business opportunities, disruption to customer programs or damage to customer relationships, and could materially adversely affect the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

The Modul8 Business is subject to audits and reviews in connection with government contracts, which could adversely affect its business and results of operations

United States government agencies, including the Defense Contract Audit Agency, the Defense Contract Management Agency and Offices of Inspectors General, routinely conduct audits, reviews and investigations of government contractors. Such audits and reviews may examine Modul8's performance under applicable contracts, cost structures, internal control and business systems, accounting practices, and compliance with applicable laws, regulations, contractual requirements and technical standards.

If government authorities determine that systems, processes or controls subject to review do not meet applicable requirements or standards, they may reduce, withhold or delay payments while deficiencies are addressed. In addition, costs identified during audits or reviews as improperly classified, unallowable or inadequately supported may be subject to repayment. From time to time, Modul8 may have disagreements with government auditors regarding cost allowability, classification or compliance determinations, which could result in payment delays, even where Modul8 believes its positions are appropriate. In certain circumstances, unresolved audits, investigations or unsettled cost claims relating to prior periods may delay final billings, restrict the close-out of completed contracts or limit the recovery of amounts associated with authorized or appropriated funds that may be subject to expiration. Such delays or uncertainties may adversely affect cash flows, revenue recognition and financial planning.

If an audit, investigation or review were to identify actual or alleged improper or unlawful conduct, non-compliance with applicable requirements, or deficiencies in systems or controls, Modul8 could be subject to civil or criminal penalties or administrative sanctions. Such consequences may include reductions in contract values, contract modifications or terminations, forfeiture of funds or profits, monetary penalties or fines, suspension or withholding of payments, or suspension or exclusion from future government contracting. In addition, adverse audit findings or allegations of impropriety could result in reputational harm, which may impair relationships with customers, partners or regulators. Similar audit, oversight and enforcement risks may exist in other jurisdictions in which Modul8 conducts business with government or government-related customers. Any of the foregoing could have a Material Adverse Effect on the business, reputation, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Changes in United States government policy regarding the use of commercial space and data providers could adversely affect Modul8

The Modul8 Business may be considered by the United States government to be a commercial provider of space-related technologies, services or data. United States government policies and procurement strategies are subject to change, and any shift away from supporting or prioritizing the use of commercial data or space infrastructure providers to meet United States government space-based intelligence, surveillance, reconnaissance or infrastructure needs, or any material delay, reduction or cancellation of related government programs, could adversely affect revenues, program participation and the ability of Modul8 to achieve its growth objectives.

The Modul8 Business may depend on the ability of its personnel and facilities to obtain and maintain required security clearances

Certain customer engagements of Modul8, particularly those involving government or government-related programs in sensitive or mission-critical areas, may require employees to obtain and maintain specified levels of security clearance. In addition, Modul8 may be required to obtain and maintain security clearances for certain facilities in which work on classified or sensitive programs is performed, in accordance with applicable contractual and regulatory requirements. Government agencies impose stringent requirements and oversight with respect to personnel and facility security clearances, and there can be no assurance that such clearances will be obtained or maintained on a timely basis, or at all.

The process of obtaining security clearances for personnel can be lengthy, unpredictable and subject to factors beyond the control of Modul8. It may be difficult to identify, recruit and retain employees who already hold the required security clearances, and employees who are granted security clearances may subsequently lose or fail to maintain such clearances, or may terminate their employment. If Modul8 is unable to obtain or maintain required security clearances for personnel in a timely manner, or if employees with the necessary clearances become unavailable, customers requiring classified or sensitive work may terminate applicable contracts, decline to renew existing contracts, delay work or refrain from awarding new contracts or tasks.

In addition, certain existing contracts, and contracts for which Modul8 may seek to bid in the future, may require demonstration of the ability to obtain and maintain appropriate facility security clearances and to

employ personnel with specified types or levels of security clearance. If Modul8 is unable to obtain or maintain required facility security clearances, or to engage sufficient personnel with the necessary security clearances, it may be unable to bid on or win new contracts, or to successfully rebid on expiring contracts. Any such limitations could adversely affect revenues, operating results and growth prospects and could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Failure to comply with National Industrial Security Program Operating Manual could adversely affect Modul8

Certain contracts or programs involving Modul8 and the United States government may require the issuance of facility security clearances issued under the National Industrial Security Program (“NISP”). The NISP requires that an entity holding a facility security clearance be appropriately insulated from foreign ownership, control or influence (“FOCI”). If Modul8 is required to maintain a facility security clearance and fails to enter into, maintain or comply with an agreement with the United States Defense Counterintelligence and Security Agency regarding an appropriate FOCI mitigation arrangement, such failure could result in the suspension, invalidation or termination of applicable facility security clearances. The loss or suspension of required facility security clearances could interrupt or delay performance under existing contracts, limit Modul8’s ability to complete work on classified or sensitive programs, and restrict its ability to bid on or enter into future contracts that require such clearances.

Any inability to obtain, maintain or renew required facility security clearances, or to comply with applicable NISP requirements, could result in the loss of current or future business opportunities with the United States government and could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

The Modul8 Business may not be successful in developing, commercializing or achieving customer adoption of new technologies

The development and commercialization of space-based communications and computing technologies involve significant cost, technical complexity and extended development timelines. There can be no assurance that investments in research and development will result in commercially viable technologies, achieve anticipated performance characteristics or gain market acceptance. Certain technologies developed or deployed by Modul8 may be novel, have limited operating history or have not been deployed in comparable mission environments, and may present performance limitations, integration challenges or operational risks that are not fully identified through testing or simulation.

Even where new technologies are successfully developed, customers, particularly those operating in mission-critical, regulated or government systems, may require extended evaluation, qualification or certification periods before adoption, or may elect not to adopt such technologies at all. In addition, evolving industry standards, rapid technological change or the emergence of alternative solutions may require Modul8 to devote substantial additional resources to upgrades or new development efforts. The adoption of new technologies may also involve increased research and development expenditures, regulatory delays, data security considerations or the need to attract specialized personnel.

If Modul8 is unable to accurately anticipate customer requirements, respond effectively to technological developments, or successfully commercialize new or enhanced solutions in a timely and cost-effective manner, it may experience reduced demand, delayed revenues, increased costs or pressure on margins. Any such outcomes could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Errors, defects or performance failures in technology could adversely affect the Resulting Issuer

Many of the solutions of Modul8 rely on complex and highly specialized hardware and software, including embedded and third-party software, that may contain errors, defects, security vulnerabilities or performance limitations that are difficult to identify, isolate or remediate on a timely basis. Defects or performance issues may arise from the design, manufacture or integration of systems and components sourced from third parties, as well as from internally developed software and systems.

Errors, defects, vulnerabilities or performance failures may result in service interruptions, operational failures, delays in deployment, reduced performance or system unavailability, which could impair Modul8's ability to meet contractual requirements or customer expectations. In certain customer environments, including mission-critical or space-based deployments, the ability to diagnose or correct defects may be limited or delayed, and remediation efforts may be costly, time-consuming or impracticable. Any such errors, defects or performance failures could result in contractual penalties, customer claims or disputes, lost or delayed revenues, increased service, warranty or remediation costs, reputational harm, or a reduced ability to secure future business. In addition, delays in identifying or correcting defects may divert management and technical resources from other development, commercialization or operational activities.

Any failure of a system deployed in a customer environment, including a satellite or related infrastructure incorporating Modul8 technologies, could negatively affect customer confidence and have a Material Adverse Effect on the business, financial condition and results of operations of the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

The Modul8 Business may be subject to contractual liability arising from errors, defects or performance failures in its products or systems

As described above, there is a risk that Modul8 products, systems and services may contain errors, defects, vulnerabilities or performance limitations, or may fail to operate as intended in certain circumstances. Such issues may arise from the design, development, manufacture, integration, testing, deployment or operation of hardware, software or systems incorporated into solutions provided by Modul8 or its third-party suppliers. If errors, defects or performance failures occur, Modul8 may be exposed to contractual claims, warranty obligations, performance credits, indemnification requirements or other liabilities.

While Modul8 seeks to include limitations of liability, warranty disclaimers and other risk-allocation provisions in its customer contracts, such provisions may not be included in all contracts, may be subject to negotiated exceptions, or may not be enforceable in all circumstances or jurisdictions. In certain cases, liability exposure may exceed agreed contractual caps or may not be fully mitigated by available insurance coverage. In addition, defects or performance failures could result in disputes, litigation or regulatory inquiries, which may be costly to defend, divert management attention and resources, or cause reputational harm. Any material contractual liability, uninsured loss, or series of claims arising from errors, defects or performance failures could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Customized hardware and software may be difficult or costly to service, upgrade or replace

The communications and computing solutions developed by Modul8 for space-based and mission-specific applications are highly customized and designed to meet specialized technical, operational and performance requirements. As a result, certain hardware and software components may be difficult, time-consuming or expensive to service, upgrade or replace. Replacement components manufactured to specialized specifications may be available only from a limited number of suppliers, or not available at all, and maintaining inventories of spare parts may not fully mitigate these risks. In addition, as technologies evolve, Modul8 may need to upgrade, modify or replace existing hardware or software to meet changing customer requirements, maintain compatibility with evolving standards or support new deployments. The specialized and integrated nature of its systems may complicate or increase the cost and complexity of such upgrades or replacements, particularly where systems are deployed in constrained or space-based

environments. Technologies deployed in orbit or in other mission-critical settings may not be serviceable once operational, and remediation of defects or performance issues may be limited, impractical or impossible.

If Modul8 is unable to service, upgrade or replace its customized systems in a timely or cost-effective manner, it could experience increased operating costs, reduced scalability, delays in deployment, diminished system performance or an inability to support future customer requirements. Any such limitations could adversely affect customer satisfaction, competitiveness and the ability to secure future contracts, and could have a Material Adverse Effect on the business, financial condition and results of operations of the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

First-of-its-kind and limited deployment history risks

Certain Modul8 technologies are first-of-its-kind or have limited operational history in comparable mission environments. Performance under actual operating conditions may differ materially from testing, simulation or demonstration results. Unanticipated technical issues, integration challenges or environmental effects may arise, which could result in delays, increased costs, reduced performance, or failure to meet customer requirements, and could have a Material Adverse Effect on the business, financial condition and results of operations of the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

Firm fixed price contracts may increase the risk of cost overruns and contractual terminations for default

Many contracts entered into by Modul8 are firm fixed-price contracts that require the delivery of specified satellite systems, software, hardware or related services for a predetermined price. Under such contracts, Modul8 generally bears the risk of cost overruns arising from design complexity, manufacturing challenges, supply-chain or integration issues, changes in technical requirements, scheduling delays, or other execution-related risks. The development, integration and delivery of advanced space communications systems involve significant technical and operational complexity, and there can be no assurance that contractual obligations will be completed within anticipated timeframes or at costs that remain within fixed contract pricing.

Although firm fixed-price contracts may permit amendments through agreed change-management or contract-modification processes, there can be no assurance that customers will agree to pricing adjustments, additional funding or delivery extensions sufficient to offset increased costs or delays. In the absence of such amendments, cost overruns may reduce margins or result in losses on individual contracts, and customers may be entitled to impose penalties or liquidated damages, require the repayment of amounts previously received, or terminate contracts for default. Certain customer contracts also provide for milestone-based or contingent payments, including payments that depend on the successful delivery, deployment or operation of a system or product, including in-orbit performance. Failure to achieve such milestones or performance criteria may delay or eliminate anticipated revenues or incentive payments. While Modul8 may obtain insurance coverage for certain performance-related risks, such coverage may not be available on commercially reasonable terms, may be subject to exclusions or limits, or may be obtained selectively for commercial or risk-management reasons.

Any material cost overrun, failure to meet delivery or performance milestones, loss of contingent or incentive payments, or requirement to refund amounts previously received could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Discretion in the use of proceeds from the Subscription Receipt Financing

Management of the Resulting Issuer will have discretion concerning the use proceeds from the Subscription Receipt Financing as well as the timing of their expenditure. Management of the Resulting Issuer may use the net proceeds of the Subscription Receipt Financing other than as described under the heading “*Information Concerning the Resulting Issuer - Available Funds and Principal Uses*” if they believe it would

be in the Resulting Issuer's best interest to do so and in ways that a prospective investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Resulting Issuer's results of operations may suffer.

Uncertainty of future revenues and need for additional financing

The future success of Modul8 will depend on management's ability to effectively execute its business strategy, expand operations and generate future revenue. The Modul8 Business operates in a capital-intensive sector with long development timelines and milestone-based or program-specific revenue, which may result in variability or unpredictability in revenues from period to period. There can be no assurance that Modul8 will achieve its anticipated growth objectives, that customer programs or deployments will result in recurring revenues, or that the business will be profitable.

The Resulting Issuer may require additional financing to fund operations, support research and development, scale commercialization efforts or pursue growth opportunities. The ability of the Resulting Issuer to obtain additional capital will depend on a number of factors, including its operating performance, market conditions, investor and lender appetite, and general conditions in the capital markets. There can be no assurance that financing will be available when required, on acceptable terms, or at all. If the Resulting Issuer is unable to generate sufficient cash flows from operations or secure additional financing on a timely basis, its ability to continue operations, execute its business plan or support future growth could be materially adversely affected. In such circumstances, the Resulting Issuer may be required to delay, reduce or curtail planned activities, or pursue financing alternatives that may result in dilution or other adverse consequences for shareholders.

Classified contracts may limit investor insight into portions of Modul8

Certain contracts and programs of Modul8 are subject to government security, confidentiality and classification restrictions, including restrictions imposed for national security or related reasons. These requirements limit the ability of Modul8 to publicly disclose information regarding certain programs, including details relating to their scope, performance, associated risks, timelines, or any disputes, claims or performance issues arising in connection with such programs.

As a result, investors and other stakeholders may have reduced visibility into the classified or restricted aspects of Modul8 compared to its non-classified operations. Such limitations may restrict the ability of investors to fully assess the risks, financial performance, operating results and prospects associated with these activities. Disclosure restrictions applicable to classified or sensitive programs may also affect the timing, level of detail or completeness of the Resulting Issuer's public disclosure, including in periodic filings, press releases or investor communications, and may result in information asymmetry relative to other portions of the business or to competitors that do not conduct classified or similarly restricted operations. Any such limitations could have a Material Adverse Effect on investor understanding of Modul8 and, indirectly, on market perception of the Resulting Issuer.

Concentration of operations at a single facility could adversely affect the Resulting Issuer

The Modul8 Business' operations are currently concentrated at its facility in Plano, Texas, and Modul8 depends on the continued operation and accessibility of this facility for its ongoing activities. Modul8 does not maintain alternative facilities capable of supporting its operations on a timely basis.

Any significant disruption affecting the Plano, Texas facility could impair or halt Modul8's operations in whole or in part. Such disruptions may arise from a range of factors, including natural disasters, fire, power outages, telecommunications or network failures, cybersecurity incidents affecting facility infrastructure, equipment failures, environmental hazards, labour disruptions, or other events beyond Modul8's control. In addition, certain specialized equipment, systems, or controlled environments required for the development, integration, or testing of Modul8's technologies may not be readily relocatable or replaceable within a reasonable timeframe.

Given this concentration of operations, any interruption, damage to, or loss of access to the principal facility, whether temporary or prolonged, could result in delays in development programs, missed contractual milestones, increased operating costs, an inability to perform obligations under customer contracts, and adverse effects on customer relationships. Modul8 may also incur significant costs to repair, replace, or re-establish operations, and any available insurance coverage may be insufficient to fully offset such losses. The occurrence of any such disruption could have a Material Adverse Effect on the business, financial condition, and results of operations of Modul8 and, following completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Uncertainty of contract conversion, backlog and revenue realization may adversely affect the Resulting Issuer

A portion of Modul8's anticipated future revenues is expected to be derived from existing contracts, awarded programs, and its backlog. However, backlog is not a reliable indicator of future revenue, operating results or cash flows. Contracts included in backlog may be subject to amendment, delay, reduction in scope, suspension or termination, including termination for convenience or without cause, and there can be no assurance that such contracts will result in revenue in the amounts or within the timeframes anticipated, or at all. The realization of revenue from backlog is subject to a number of risks and uncertainties, including delays in program initiation or execution, changes in customer requirements or technical specifications, failure to achieve contractual milestones or performance criteria, regulatory or procurement delays, and the availability of customer funding or budget approvals. In addition, contracts may be modified through change orders or other variations that may increase or decrease the amounts ultimately realized, and certain contracts may extend over multi-year periods, during which time customer priorities, funding allocations or counterparty circumstances may change.

Revenue recognition for many of Modul8's contracts is contingent upon the achievement of specified milestones, performance obligations or delivery events, which may be subject to technical, operational or external risks beyond Modul8's control. As a result, the timing of revenue recognition may be uncertain or delayed, and the amounts ultimately recognized may differ materially from those initially anticipated when contracts are awarded or included in backlog.

In addition to backlog, Modul8 may track potential opportunities in its sales pipeline that are at various stages of development or negotiation. Such opportunities are not contractually committed and may not be awarded, may not proceed as expected, or may require significant time and resources to pursue without assurance of success. Even where contracts are awarded, delays in execution, changes in customer requirements, program reprioritization or adjustments to funding levels may affect the timing and extent to which such opportunities are converted into revenue.

Accordingly, there can be no assurance that backlog or pipeline will be converted into revenue in a timely manner, at expected levels or at all. Any failure to realize anticipated revenues, delays in contract execution or performance, or reductions in contract value could result in revenue shortfalls, increased costs and variability in financial results, any of which could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Future acquisitions, investments and joint ventures may pose operational, financial and execution risks

The Resulting Issuer may, from time to time, seek to acquire or invest in businesses, products, technologies or intellectual property, or to enter into joint ventures or other strategic collaborations, in order to expand, complement or otherwise support the current or future business of Modul8. The evaluation and pursuit of such opportunities may require significant management time and resources and may involve substantial transaction-related costs, whether or not any transaction is ultimately completed.

If completed, acquisitions, investments or joint ventures may expose the Resulting Issuer to a number of risks, including difficulties in integrating acquired businesses, technologies, intellectual property or personnel with the existing operations of Modul8; increased demands on management, systems, internal

controls and operational processes; diversion of management attention from existing programs and customer commitments; disruption of ongoing operations; adverse effects on relationships with customers, partners or suppliers; and the potential loss of key personnel. As a result, the anticipated benefits of such transactions may take longer to realize, may not be fully realized, or may cost more than expected, which could materially adversely affect Modul8, its results of operations or financial condition.

In addition, transactions of this nature may require significant financial commitments, including capital expenditures, research and development investment, technology transfer costs or ongoing funding obligations, and may be financed through the issuance of equity or debt securities or the assumption of liabilities. Such transactions could result in dilution to existing shareholders, increased leverage or constraints imposed by financing arrangements. The Resulting Issuer may also incur one-time charges, integration costs or restructuring expenses, and there can be no assurance that any acquisition, investment or collaboration will generate anticipated revenues, achieve strategic objectives or deliver a return on investment.

Limited control over analyst coverage, public perception and media or social-media commentary could adversely affect market price, liquidity and business prospectus for the Resulting Issuer

The success of Modul8 depends in part on its reputation as a trusted provider of mission-critical space communications and computing technologies to government, commercial and institutional customers in the United States and internationally. The ability of Modul8 to promote its products and services, secure new contracts and maintain existing customer relationships depends on its continued delivery of high-quality, reliable solutions, the maintenance of strong customer and partner relationships, and its ability to differentiate its platform from those of competitors.

Unfavourable media coverage, industry commentary or social-media attention may adversely affect the brand, reputation and perceived reliability of Modul8. The Modul8 Business is exposed to the risk of adverse publicity arising from public incidents involving Modul8, its employees, customers, partners or competitors, or from broader events affecting the space, aerospace or communications industries. Even isolated incidents, or the aggregate effect of individually insignificant events, may erode trust and confidence, particularly if such events result in adverse publicity, governmental inquiries, litigation or regulatory scrutiny. In addition, publicly available information regarding Modul8 has historically been limited, in part due to the sensitive nature of certain customer relationships, mission-critical applications or contractual and confidentiality obligations that restrict public disclosure. As the business grows and attracts increased attention from investors, media and other stakeholders, it may be subject to heightened scrutiny, including unfavourable or critical coverage by news or social-media outlets, political or social activists, or industry commentators. Such coverage may present or rely on inaccurate, misleading or incomplete information regarding Modul8, its leadership or its activities. Due to confidentiality obligations, legal constraints or the sensitive nature of certain programs, Modul8 may be limited in its ability to publicly respond to or correct inaccurate or damaging information. Actions taken to address adverse publicity, heightened scrutiny or security-related concerns may divert management attention and resources, increase operating costs or further affect public perception.

Any material harm to the reputation or brand of Modul8 could cause customers to delay, reconsider or terminate existing or prospective engagements, impair Modul8's ability to attract new customers or partners, hinder its ability to recruit, hire or retain skilled personnel, or otherwise adversely affect business development efforts. Any of these outcomes could have a Material Adverse Effect on the business, financial condition, results of operations and growth prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Catastrophic space events, unique environmental risks and other significant disruptions could materially adversely affect the Resulting Issuer

The Modul8 Business is exposed to a range of risks arising from catastrophic space events, extreme environmental conditions and other significant disruptions that are beyond its control. Technologies developed and deployed by Modul8 operate in harsh and unpredictable space environments and may be

adversely affected by events such as collisions with space debris or other spacecraft, meteor showers, or other catastrophic space incidents. Any such events could damage or disable deployed systems, disrupt operations or result in the loss of deployed assets, which could have a Material Adverse Effect on the business, results of operations and financial condition of the Resulting Issuer.

In addition, space weather events, including solar flares, coronal mass ejections and other forms of radiation or electromagnetic interference, may disrupt or degrade communications systems or impair the performance, reliability or controllability of Modul8's technologies. Such events may render systems temporarily or permanently inoperable and could adversely affect mission outcomes, customer confidence and future deployment opportunities.

Objects operating in orbit face an ongoing risk of collision with space debris. Although collision-avoidance measures may be available in limited circumstances, their effectiveness depends on the accuracy and completeness of available orbital data and conjunction predictions, including those based on debris tracking information maintained by governmental authorities. Additionally, a significant portion of space debris is too small to be tracked and therefore its orbital location is unknown; nevertheless, this debris is still large enough to potentially cause severe damage, should a collision occur.

The result of any such space-related events could be compounded by terrestrial natural disasters and other significant disruptions, including earthquakes, floods, fires, extreme weather events, power outages, telecommunications failures, supply-chain disruptions or other infrastructure failures affecting Modul8, its suppliers, subcontractors, partners or customers. In addition, geopolitical events, including acts or threats of war (including the ongoing conflicts between Russia and Ukraine, and in the Middle East), international conflicts, terrorism, political instability or government actions, may disrupt business operations or customer programs.

The availability and performance of certain products and services of Modul8 also depend on the continued operation of supporting infrastructure, including information technology, communications and mission-support systems. Any prolonged downtime, damage to or failure of such systems could result in service interruptions, contractual exposure, reputational harm or increased costs, any of which could result in a Material Adverse Effect on the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

Aerospace industry and market risks could adversely affect the Resulting Issuer

The Modul8 Business derives a significant portion of its current and anticipated activities from the aerospace and space communications sectors. As a result, its business, revenues and growth prospects are directly influenced by industry-specific conditions, including the timing, scope, funding and execution of civil, defence and commercial space programs.

Demand for Modul8's technologies may be adversely affected by factors beyond its control, including the financial condition of commercial aerospace and space communications customers; changes in government priorities, policies or budgets affecting civil, defence or space programs; reductions or delays in government spending; changes in import, export or trade restrictions; limitations on government support for export sales; evolving world trade policies; and increased competition from established operators and new market entrants in the space communications and technology markets. Adverse developments affecting any of these factors could result in delayed or cancelled programs, reduced customer spending or pricing pressure, which could have a Material Adverse Effect on the revenues, results of operations and prospects of Modul8.

More broadly, the aerospace industry is subject to risks arising from macroeconomic and geopolitical conditions, including acts of terrorism, natural disasters, global health risks such as pandemics, political instability, and the outbreak or escalation of armed conflicts in various regions. Such events may disrupt global supply chains, delay aerospace or space-related programs, restrict cross-border activity or otherwise adversely affect customer demand and operational execution. Any such developments could have a

Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Technology or hardware intended for use in-space are subject to launch and operational risk that could adversely affect Modul8

Technologies and hardware developed or supplied by Modul8 for use in space are subject to launch, deployment and operational risks that are inherent in-space missions. The design, development, manufacture, integration, launch, deployment and operation of space-based systems involve significant technical and logistical complexity and may be affected by factors beyond the control of Modul8. Launch delays, launch failures, mission disruptions or underperformance may occur for a variety of reasons, including adverse weather conditions, supply-chain constraints, regulatory delays, changes in mission priorities, or failures or scheduling issues involving third-party launch service providers, spacecraft operators or other mission partners. Incorrect orbital placement, deployment issues or other mission execution issues may prevent or delay the successful operation of technologies incorporating Modul8 systems or components.

Damage or destruction of hardware during pre-launch activities, launch or deployment, delays in the manufacture or delivery of space infrastructure technology, or failures occurring after deployment could result in the loss of deployed assets or render systems temporarily or permanently inoperable. In addition, technologies deployed in-space may be difficult, impracticable or impossible to repair, replace or service once operational.

Any launch delay, launch failure or operational anomaly affecting missions that incorporate Modul8 technologies could result in mission delays or failures, contractual exposure, loss of anticipated revenues or reputational harm, and could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Interference with space-based or terrestrial communications systems could materially and adversely affect Modul8

The operations of Modul8, and those of its customers and mission partners, depend on the reliable performance of space-based and terrestrial communications systems that incorporate or support Modul8 technologies. Any intentional or unintentional electromagnetic, RF interference or other forms of interference that impair the performance, reliability or availability of such systems could materially and adversely affect Modul8. Interference affecting space-based systems, spacecraft, payloads or terrestrial communications links used in connection with missions that deploy Modul8 technologies may result in degraded performance, service interruptions or operational failures. Such interference, whether caused by technical anomalies, congestion, interference from other spectrum users or the actions of third parties, including nation-state actors or their agents, could impair the ability of customers or partners to operate systems that rely on Modul8 technologies, delay missions or programs, or reduce customer confidence.

In addition, adverse actions directed at the space environment or space infrastructure, including actions that degrade orbital conditions or interfere with mission-critical communications, could impair the operation of systems incorporating Modul8 technologies on a temporary or permanent basis. Similarly, disruptions to terrestrial ground infrastructure, communications networks or other supporting systems used by customers, partners or suppliers in connection with Modul8-enabled missions could adversely affect operations, delay deployments or reduce anticipated revenues.

Any such interference or disruption, whether intentional or unintentional, could result in contractual exposure, increased costs, reputational harm or the loss or deferral of business opportunities, and could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Increased congestion from the proliferation of low Earth orbit constellations could materially increase the risks of potential collision with space debris or other space technology

Recent years have seen a significant increase in the number of spacecraft deployed to low Earth orbits, and publicly announced plans call for many thousands of additional spacecraft deployments over the coming years. The proliferation of these low Earth orbit constellations may materially increase congestion in orbital environments relevant to Modul8. This could heighten the risk of collision with space debris or other spacecraft and may complicate mission planning, deployment schedules, or operational flexibility for space-based systems that incorporate or rely on the communications and computing solutions developed by Modul8.

Any such increased collision risk, operational constraint or limitation on access to orbital environments could adversely affect the performance, reliability or deployment of Modul8's technologies and, following Completion of the Proposed Qualifying Transaction, the business, results of operations and financial condition of the Resulting Issuer.

Setbacks in-space exploration missions and industry-wide failures could adversely affect the Resulting Issuer

The Modul8 Business operates in the space exploration and space communications sector, in which missions, technology demonstrations and system deployments are complex and subject to a high degree of technical, operational and execution risk. Publicly reported incidents, accidents, anomalies or failures involving space missions, whether involving Modul8, its customers or partners, its mission-support counterparties, or other participants in the space industry, may generate adverse publicity and negatively affect public, customer or partner perceptions of space-based technologies and services generally. Widely publicized delays, technical challenges or setbacks experienced in connection with high-profile space exploration programs, such as NASA's Artemis program, illustrate the inherent risks and uncertainties associated with complex space missions and may contribute to heightened scrutiny of the sector as a whole.

Highly visible incidents or industry-wide failures, even if unrelated to Modul8 or outside its control, could result in reputational harm to the space industry, increased regulatory, customer or partner scrutiny, delays in program approvals, changes in funding priorities, or a reduced willingness by customers or partners to pursue new projects or adopt emerging technologies. Such events may also adversely affect perceptions regarding the reliability, safety or readiness of technologies similar to those developed or deployed by Modul8.

Any resulting loss of confidence, adverse publicity or reputational harm affecting the space exploration or space communications sectors could reduce demand for Modul8's communications and computing solutions, lead customers or partners to delay, modify or cancel existing or planned engagements, and impair Modul8's ability to secure future contracts or opportunities. Any such developments could have a Material Adverse Effect on the business, financial condition and results of operations of the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

Exposure to changes in defence spending could adversely affect the Resulting Issuer's revenue

The revenue of Modul8 is derived from customers, programs or end-markets associated with government and civil programs. Government budgets and spending priorities are subject to change based on political developments, fiscal constraints, policy decisions and geopolitical conditions. Reductions, delays or reallocations in defence spending, or the cancellation, scaling back or reprioritization of significant programs in which Modul8 participates, could adversely affect revenues, cash flows and earnings.

In addition, changes in government policies, procurement practices or eligibility requirements, including restrictions affecting the participation of Canadian or foreign-owned companies in certain defence programs, could limit Modul8's ability to compete for, win or perform contracts. While Modul8 seeks to

diversify its customer base and end markets, including through commercial and non-defence applications, there can be no assurance that such diversification will sufficiently offset the impact of reduced defence-related spending or adverse changes in procurement structures or funding priorities.

Any sustained decline in defence or national security expenditures, or adverse changes in program eligibility, contracting models or government spending priorities, could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Conflicts of interest could adversely affect the Resulting Issuer

Certain directors and officers of the Resulting Issuer are, and may continue to be, involved in the space communications solutions markets through their direct and indirect participation in corporations, partnerships or joint ventures, which are potential competitors of the Resulting Issuer. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Resulting Issuer, potentially affecting its business, operations, or financial performance. Although certain conflicts may be addressed through applicable fiduciary duties and governance practices, there can be no assurance that such measures will be sufficient to mitigate all conflicts.

Changes in tax laws or adverse tax assessments could negatively affect Modul8

The Resulting Issuer will be subject to income and other taxes in Canada and in foreign jurisdictions in which it operates. The interpretation and application of tax laws and regulations in these jurisdictions may be uncertain, and changes in applicable tax legislation, administrative policies, or interpretations could adversely affect the Resulting Issuer's effective tax rates, cash tax obligations or the value of its deferred tax assets.

The Resulting Issuer will also be subject to examination and audit by tax authorities, including the Canada Revenue Agency and foreign tax authorities, with respect to its tax filings and positions. In preparing its tax returns, the Resulting Issuer will be required to make judgments and estimates regarding the application of tax laws to complex transactions and cross-border arrangements, where the ultimate tax treatment may not be free from doubt. If tax authorities successfully challenge these positions, the Resulting Issuer may be required to pay additional taxes, interest or penalties, which could adversely affect its results of operations, cash flows and financial condition.

Any material changes in tax laws, or adverse outcomes resulting from tax audits or assessments, could have a Material Adverse Effect on the business, financial condition and results of operations of the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

Litigation and regulatory proceedings could adversely affect the Resulting Issuer

From time to time, Modul8 may become subject to claims, lawsuits, arbitration proceedings, government investigations or regulatory enforcement actions arising from the conduct of its business. Such matters may include disputes or proceedings relating to intellectual property, data protection and cybersecurity, labour and employment, competition, securities, tax, commercial arrangements, marketing practices, or compliance with applicable laws and regulations. These matters may involve customers, technology partners, subcontractors, suppliers, employees, investors or other third parties, and Modul8 may also be subject to investigations or proceedings initiated by governmental or regulatory authorities.

The outcome of actual or threatened litigation, arbitration, investigations or regulatory proceedings is inherently uncertain and difficult to predict. An unfavourable resolution could require Modul8 to pay substantial damages, fines or penalties, enter into settlements, implement remedial measures, modify business practices, discontinue certain activities, or, in the case of intellectual property disputes, cease using or licensing certain technologies or pay ongoing royalties. Even where claims are without merit,

defending or resolving such matters may be costly, time-consuming and disruptive, and may divert management attention from operating the business. Insurance coverage may be insufficient or unavailable to cover all costs, liabilities or losses arising from such proceedings.

Any significant litigation, investigation or regulatory action, or the cumulative effect of multiple such matters, could result in reputational harm and could have a Material Adverse Effect on the business, financial condition, results of operations or prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

The Modul8 Business involves significant risks and uncertainties that may not be covered by insurance

The Modul8 Business is engaged in the design, development and deployment of advanced communications and computing technologies intended for use in mission-critical and, in some cases, space-based environments. Certain aspects of these technologies may be novel, untested or deployed in operating environments where failures could result in damage to property, loss of functionality, contractual liability or other claims. As a result, Modul8 may be exposed to risks and liabilities that are unique to its products and services.

The Modul8 Business maintains insurance coverage in the ordinary course of business that management believes is consistent with industry practice. However, there can be no assurance that such insurance will remain available on commercially reasonable terms or that coverage will be adequate to cover all potential losses or liabilities. Certain risks associated with space-based or in-orbit operations may be uninsurable, subject to exclusions or limitations, or available only at elevated premiums. Any determination that Modul8 makes as to whether to obtain insurance coverage will depend on a variety of factors, including the availability of insurance in the market, the cost of available insurance, and nature of the technologies deployed and the risk profile of the relevant mission or application. Insurance market conditions or factors outside Modul8's control at the time Modul8 is in the market for the required insurance, including failures of space systems utilizing similar technologies, could cause premiums to be significantly higher than current estimates and could reduce amounts of available coverage. The cost of the insurance of Modul8 may increase in the future. Higher premiums on insurance policies will reduce Modul8's operating income by the amount of such increased premiums. If the terms of insurance policies applicable to Modul8 become less favorable than those currently available, there may be limits on the amount of coverage that Modul8 can obtain or Modul8 may not be able to obtain insurance on acceptable terms, or at all.

If Modul8 is unable to obtain or maintain appropriate insurance coverage, or if insurance coverage proves inadequate for a particular claim, it may be required to bear significant costs or liabilities directly. Higher insurance premiums, reduced coverage limits, exclusions or the absence of coverage could adversely affect operating results and financial condition. Any material uninsured or under-insured loss could have a Material Adverse Effect on the business, results of operations and financial condition of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Foreign operations and foreign exchange risk could adversely affect the Resulting Issuer

The Resulting Issuer will be headquartered in Canada and will conduct a significant portion of its operations through Modul8 in the United States, and may engage in activities involving customers, suppliers, partners or counterparties in other jurisdictions. As a result, the Resulting Issuer is subject to political, economic, legal and regulatory risks associated with operating across multiple jurisdictions, including changes in laws or regulatory regimes, trade or tariff policies, tax rules, sanctions, restrictions on currency exchange or repatriation of funds, and increased compliance obligations under anti-corruption and similar legislation. Geopolitical events or instability in jurisdictions in which Modul8 or its customers and partners operate could also disrupt operations, delay contracts or increase costs. In addition, the Resulting Issuer's structure as a Canadian-controlled company with primary operations in the United States may increase regulatory, tax and compliance complexity and, in certain circumstances, could affect eligibility for, or perceptions by, United States government customers, prime contractors or other strategic partners.

Although the Resulting Issuer expects to report its financial results in United States dollars, it is exposed to foreign exchange risk. Certain operating costs, tax liabilities, equity-based compensation arrangements, future distributions or other obligations may be denominated in currencies other than United States dollars, including Canadian dollars. In addition, fluctuations in exchange rates may affect cash flows, margins, competitiveness and the economic returns realized by shareholders whose investment or functional currency differs from the Resulting Issuer's reporting currency. The Resulting Issuer may, from time to time, seek to manage foreign currency exposure through hedging or other risk-management strategies. However, there can be no assurance that such strategies will be available, effective or economical, or that counterparties will perform as expected. Adverse movements in foreign currency exchange rates, including movements between the United States dollar and the Canadian dollar, could adversely affect operating results, financial condition and the value of an investment in the Resulting Issuer. Any of the foregoing factors could have a Material Adverse Effect on the business, financial condition, results of operations and prospects of the Resulting Issuer.

Foreign investment regulations in the United States could restrict ownership or investment in the Resulting Issuer and adversely affect Modul8

Investments in the Resulting Issuer that confer interests in Modul8 may be subject to United States foreign investment laws and regulations, which could impose conditions on, delay or restrict certain investments by non-United States persons. In addition, investments made by the Resulting Issuer or its subsidiaries in United States entities may also be subject to similar regulations. These requirements could limit the pool of potential investors, complicate strategic transactions or impose additional compliance obligations.

Under the Exon-Florio Amendment to the United States Defense Production Act of 1950, as amended, the President of the United States has the authority to review, suspend or prohibit certain foreign investments in United States businesses if it is determined that such transactions could threaten United States national security. The Committee on Foreign Investment in the United States (“CFIUS”) has been delegated authority to conduct national security reviews of certain foreign investments in United States businesses and may impose mitigation conditions or restrictions as a condition to approving a transaction.

The Foreign Investment Risk Review Modernization Act, enacted in 2018, expanded CFIUS's jurisdiction beyond transactions involving control of United States businesses to include certain non-controlling foreign investments in United States businesses that are involved with critical technologies, critical infrastructure, or the collection or maintenance of sensitive personal data of United States persons, where the foreign investor obtains specified rights. The Modul8 Business develops and designs advanced technologies that may be considered “critical technologies” for purposes of United States foreign investment review. As a result, certain foreign investments involving Modul8 may be subject to mandatory or voluntary filings with CFIUS and enhanced regulatory scrutiny. CFIUS reviews may delay or prevent the completion of investments, result in mitigation agreements that impose ongoing operational, governance, ownership or information-access restrictions, or require divestment of certain interests. Restrictions on foreign ownership or investment could limit the Resulting Issuer's ability to raise capital from certain investors, pursue strategic transactions (including joint ventures, financings or potential change-of-control transactions), or realize the full value of its equity.

Any actual or perceived increase in foreign investment regulatory risk, expanded interpretation or enforcement of CFIUS jurisdiction, or changes in United States national security policy could adversely affect investment activity relating to the Resulting Issuer and could have a Material Adverse Effect on the business, financial condition, results of operations and prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Market outlook, investor sentiment and valuation of space-related equities may be disproportionality influenced by the performance of large industry participants

Market sentiment, investor demand, valuation and trading activity in the space sector may be disproportionately influenced by a limited number of large, strategically significant issuers, including SpaceX and other dominant industry participants. Due to the relative size, visibility and perceived

importance of such issuers compared to other publicly traded space-focused companies, a significant portion of investor attention, media coverage, analyst research and sector-focused capital may become concentrated in a small number equities. As a result, developments affecting any of these large issuers, including weaker-than-expected financial performance, operational setbacks, regulatory scrutiny, delays in execution, reputational harm, or a decline in investor confidence following any public offering or other liquidity event, could have a significant impact on overall investor sentiment toward the space sector as a whole.

In addition, actual or anticipated public market transactions involving dominant industry participants, including initial public offerings or other significant liquidity events, may materially influence capital allocation and investor behaviour across the space sector. In periods surrounding such events, investor demand, institutional capital deployment, analyst attention and media focus may become highly concentrated, which could limit the willingness or capacity of investors to evaluate or invest in other space-related issuers. If any such public offering or liquidity event is delayed, cancelled, receives an unfavourable market reception, or is followed by trading volatility or underperformance, investor sentiment toward space-related equities more broadly may deteriorate. This could result in reduced market valuations, diminished liquidity, increased share-price volatility or reduced investor appetite for other publicly traded space companies, including the Resulting Issuer, irrespective of the Resulting Issuer's actual business performance, financial condition or prospects.

A lack of investor interest or negative sentiment toward the space sector could also adversely affect the Company's ability to complete the Proposed Qualifying Transaction on the anticipated terms, maintain an active and liquid trading market following Completion of the Proposed Qualifying Transaction, or access equity or debt financing on acceptable terms, or at all. In addition, broader market sentiment toward the space sector may influence the willingness of customers, partners or counterparties to commit to new programs, deployments or long-term contracts, which could indirectly affect demand for Modul8's products or services.

The forward-looking information contained herein may prove to be incorrect

This Prospectus includes forward-looking information relating to, among other things, the anticipated future results, performance, prospects, growth opportunities and objectives of Modul8. Such forward-looking information is based on management's current expectations, assumptions and estimates in light of its experience, historical trends, current conditions and expected future developments, as well as other factors it considers reasonable in the circumstances. Forward-looking information is inherently subject to significant risks, uncertainties and assumptions, many of which are outside the control of Modul8.

Actual results, performance or achievements of Modul8 may differ materially from those expressed or implied by such forward-looking information, and there can be no assurance that the assumptions underlying such information will prove to be accurate. Accordingly, undue reliance should not be placed on forward-looking information. The Resulting Issuer does not undertake any obligation to revise or update forward-looking information except as required by applicable securities laws. Readers are encouraged to refer to the section entitled "*Introduction – Forward-Looking Information*" for additional discussion of the risks and assumptions applicable to such information.

Decisions not to enter into certain customer or partner relationships could adversely affect the Resulting Issuer

In the ordinary course of business, Modul8 may determine not to enter into business with customers or governments whose positions or actions are considered inconsistent with the mission and values of Modul8. Decisions not to enter into these relationships may be based on a number of factors including, but not limited to, applicable laws and regulations, national security or export control requirements, sanctions or trade restrictions, internal compliance policies, or assessments of alignment with Modul8's strategic objectives, risk tolerance or corporate values.

In addition, the activities, ownership, governance, affiliations or perceived conduct of customers, partners or end users may evolve over time in ways that were not anticipated at the outset of a relationship. Such changes could give rise to additional legal, regulatory or reputational risks, or could require Modul8 to reassess or terminate existing or prospective engagements. Any decision to forgo, limit, restructure or exit relationships for these reasons could adversely affect revenues, operating results, strategic positioning, or growth prospectus.

Environmental laws and regulations could expose Modul8 to significant costs and liabilities

The operations of Modul8 are subject to, and affected by, various federal, state, local and foreign environmental laws and regulations relating to, among other things, the discharge, handling, storage, treatment, transportation, disposal and remediation of hazardous substances and waste, which can frequently be expanded, changed, or enforced differently over time. Compliance with existing and evolving environmental laws and regulations requires, and is expected to continue to require, the incurrence of operating and capital expenditures, which may be significant. The Modul8 Business could incur substantial costs, including investigation and remediation expenses, fines, penalties or civil or criminal sanctions, as well as third-party claims for property damage or personal injury, if it is found to be in violation of, or liable under, applicable environmental laws or regulations. In addition, the adoption of new environmental laws or regulations, more stringent enforcement or interpretation of existing requirements, or the discovery of previously unknown contamination could result in material obligations, liabilities or costs. Certain environmental permits, licences or approvals may be required in connection with Modul8's operations or the operations of key suppliers, subcontractors or partners. These permits may be subject to renewal, modification, restriction or revocation, and any failure to obtain or maintain required permits could adversely affect operations.

Under certain environmental laws, a current or former owner or operator of a property may be held liable, regardless of fault or knowledge, for the costs of removing or remediating hazardous substances or contamination located on, under or migrating from that property, as well as for contamination at adjacent or nearby properties or off-site disposal locations. As a result, Modul8 could be subject to future liabilities under environmental laws with respect to its current or former facilities, neighboring properties or third-party disposal sites if such properties are found to be contaminated. Any of the foregoing environmental risks or liabilities could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Risks Related to Global Economic, Political and Geopolitical Conditions

Uncertain global economic, political and geopolitical conditions could adversely affect the Resulting Issuer

The business, results of operations, financial condition and prospects of the Resulting Issuer may be adversely affected by uncertain or changing global economic, political and geopolitical conditions. Demand for the technologies and services of Modul8 may be influenced by factors beyond the control of the Resulting Issuer, including changes in interest rates, inflation, foreign exchange rates, access to credit, volatility in global financial markets, and the level and timing of governmental or institutional spending on space-related programs.

Many customers and partners of Modul8, including governmental and quasi-governmental entities, establish spending priorities based on broader macroeconomic conditions, fiscal constraints and political considerations. Periods of economic uncertainty or instability, including heightened geopolitical tension or conflict, may cause governments and customers to delay, reduce, restructure or cancel anticipated programs, technology deployments or missions, resulting in delayed revenues, reduced cash flows or increased uncertainty regarding revenue visibility.

Geopolitical developments, including armed conflicts, sanctions regimes, export restrictions and heightened political instability, may also disrupt global markets and operating conditions. In particular, ongoing and emerging armed conflicts and geopolitical tensions, including conflicts involving Russia and Ukraine, heightened instability in the Middle East, rising tensions in the South China Sea, and broader strategic

competition among nation states, may lead governments to reallocate budgetary resources toward defense, security or emergency priorities. Such reallocations may occur at the expense of civil, commercial or scientific space initiatives, including space communications, exploration or technology development programs in which Modul8 participates or expects to participate. Any reduction, deferral or reprioritization of funding for such programs could adversely affect customer demand, program timing or the scope of anticipated opportunities.

Economic volatility and geopolitical uncertainty may also adversely affect the Resulting Issuer's ability to raise additional capital, refinance existing obligations or access equity or debt financing on acceptable terms, or at all, which could constrain growth initiatives, capital investments or working-capital resources.

The nature, timing and duration of geopolitical conflicts, changes in political leadership or policy, and their combined impact on global economic conditions and government spending priorities are inherently difficult to predict. Any sustained deterioration in global economic or geopolitical conditions, or the perception that such deterioration may occur, could have a Material Adverse Effect on the business, results of operations, financial condition and prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Climate change and climate-related regulations could adversely affect Modul8

The Modul8 Business may be adversely affected by global climate change and by legal, regulatory, market or policy responses to climate-related risks. The impacts of climate change on the global economy and on industries relevant to Modul8 are evolving, and Modul8 has been, and may continue to be, subject to increased regulation, reporting requirements, standards or stakeholder expectations relating to environmental impacts and sustainability. In addition, Modul8 may face physical and transition risks associated with climate change, any of which could affect market conditions, operating costs, reputation, access to capital, supply chains or operational continuity.

Changes in environmental or climate-related laws, regulations or policies may impose additional operational restrictions or compliance obligations on Modul8, its products or its key suppliers. Such changes could require modifications to product designs or manufacturing processes, increased investment in compliance measures, the purchase of carbon offsets, or other actions that could negatively affect costs, margins or competitive position. Physical impacts of climate change, including increased frequency or severity of extreme weather events, water scarcity, drought conditions, or disruptions to transportation and infrastructure, as well as expanded chemical restrictions, waste management requirements or environmental permitting obligations, may increase costs or disrupt operations for Modul8 and its suppliers.

In addition, actual or perceived failures to achieve, maintain or accurately report on environmental objectives or commitments could result in adverse publicity, reputational harm or reduced confidence among customers, partners, investors or other stakeholders. Any such impacts could adversely affect Modul8's business, financial condition and results of operations and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Changes in trade policy, tariffs and cross-border restrictions could adversely affect the Resulting Issuer

The Modul8 Business relies, and is expected to increasingly rely, on cross-border supply chains, international suppliers and customers, and the global deployment of its communications and computing technologies. As a result, Modul8 is exposed to risks arising from changes in international trade policies, including the imposition or increase of tariffs, customs duties, trade restrictions, sanctions, embargoes, retaliatory measures or other protectionist actions in jurisdictions relevant to its operations, including Canada, the United States and other foreign markets. Any such developments could increase costs, disrupt supply chains, limit the availability of specialized components or technologies, or adversely affect margins and operational flexibility.

Trade policy uncertainty, including changes to international trade agreements, the introduction of new restrictions on cross-border commerce or investment, or increased regulatory scrutiny of cross-border transactions, may also influence customer purchasing decisions, delay procurement processes, or reduce funding or approval availability for customer programs or missions. Where Modul8 enters into fixed-price contracts or undertakes projects with long development or deployment timelines, increased input costs, supply chain disruptions or delays resulting from tariffs, sanctions or other trade restrictions may not be recoverable through pricing adjustments, which could adversely affect profitability.

In addition, actions by governmental authorities to implement further trade protection measures, such as limiting foreign investment, imposing quotas or supply limitations, adopting retaliatory measures, or expanding sanctions regimes, could adversely affect Modul8's operations, suppliers, customers or partners in affected jurisdictions. Such measures may also negatively affect the financial condition or long-term viability of key suppliers or subcontractors, increasing the risk of supply disruptions, delivery delays or the need to qualify alternative vendors at additional cost. Delays in delivering products or services, or the need to increase prices in response to cost pressures, could harm customer relationships, reduce demand or damage the reputation of Modul8.

The complexity and evolving nature of trade regulations may also increase compliance risk. The Modul8 Business, or its suppliers, customers or partners, could be subject to civil or criminal enforcement actions in the United States or foreign jurisdictions related to compliance with trade regulations. In addition, retaliatory trade policies or anti-United States sentiment in certain regions, including with allies, whether driven by trade tensions, political disagreements, or regulatory concerns may make customers, foreign governments, and investors more hesitant to engage with, purchase from or invest in United States firms. This may lead to increased preference for local competitors, changes to government procurement policies, heightened regulatory scrutiny, decreased intellectual property protections, delays in regulatory approvals or other retaliatory regulatory non-tariff policies, which may result in heightened international legal and operational risks and difficulties in attracting and retaining non-United States customers, suppliers, employees, partners, and investors, all of which could disadvantage Modul8.

Ongoing uncertainty regarding trade policies and cross-border restrictions may complicate Modul8's strategic planning and that of its customers and partners, including decisions regarding supply chain design, sourcing, pricing, geographic expansion and capital allocation. Any prolonged escalation in trade tensions, expansion of sanctions regimes, deterioration in cross-border trade relationships or resulting adverse macroeconomic conditions could materially adversely affect the business, results of operations, financial condition and prospects of the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

Risks Related to Information Technology, Cybersecurity, Data Privacy and Intellectual Property

Concentration of licensed technology from a control person of the Resulting Issuer could adversely affect the Resulting Issuer

A significant portion of the technology used in Modul8 is licensed from NSN and its Affiliate entities (collectively, the "**Licensors**"). NSN is expected to be a control person of the Resulting Issuer holding approximately 41% of the Resulting Issuer Shares immediately following the Completion of the Proposed Transaction. As a result, Modul8 is highly dependent on a single Licensor that will have the ability to exercise significant influence over the Resulting Issuer, creating concentration and dependency risks, including risks arising from reliance on a related-party licensor.

The Resulting Issuer's business will be dependent on the continued availability, scope and terms of the licences granted by the Licensor for its operations, development and commercialization strategy. Any termination, non-renewal, narrowing of scope, adverse interpretation, or inability to maintain such licences on commercially reasonable terms could require Modul8 to renegotiate its arrangements with the Licensor on less favourable terms, make significant unplanned investments, seek alternative technologies that may not be available on acceptable terms (or at all), or materially delay or impair its operations, commercialization efforts or competitive position.

Because the licensed technology is owned or controlled by the Licensor, Modul8 is dependent on the Licensor's ongoing compliance with its contractual and intellectual property obligations and may have limited practical ability to independently address infringement of, or other issues relating to, the licensed intellectual property. In addition, under the applicable licence arrangements, the Licensor is not obligated to prosecute, maintain, renew or enforce the licensed intellectual property, and Modul8 does not have the contractual right to require that such actions be taken. As a result, licensed intellectual property may lapse or remain unenforced, which could reduce its value, scope or enforceability and adversely affect Modul8. The Licensor's strategic, commercial or financial interests may not be aligned with those of the Resulting Issuer, and the Licensor may determine, for its own reasons, not to pursue, prioritize or fund the maintenance, defence or enforcement of licensed intellectual property, or may disagree with Modul8 regarding strategies relating to such matters. The Licensor may elect to engage in business activities that could compete with Modul8.

Disputes may arise between Modul8 and the Licensor regarding, among other things, the scope of licensed rights, compliance with ongoing obligations, sublicensing rights, or the interpretation of contractual provisions. The resolution of any such dispute could narrow the scope of Modul8's rights or increase its financial or other obligations, either of which could materially adversely affect Modul8.

The relationship between Modul8 and the Licensor may also give rise to perceived or actual conflicts of interest. The Licensor may have the ability, as licensor and a control person of the Resulting Issuer, to exert influence over decisions affecting the licensed technology, including decisions relating to amendments to licence terms, enforcement actions, sublicensing, or the allocation of resources. There can be no assurance that the Licensor will act in a manner that is favourable to the Resulting Issuer or its minority shareholders, or that disputes arising in connection with the licensed technology would be resolved on terms favourable to the Resulting Issuer.

Any interruption, loss or impairment of Modul8's rights to the licensed technology, any failure by the Licensor to maintain or enforce such intellectual property, or any adverse change in the relationship between Modul8 and the Licensor could have a Material Adverse Effect on the business, financial condition, results of operations, prospects and value of the Resulting Issuer. In certain circumstances, termination of the licence arrangements could result in the reversion to the Licensor of rights in technology, data or other intellectual property that Modul8 considers material to its operations.

Licensor's position as both licensor and control person of the Resulting Issuer may adversely affect the Resulting Issuer

NSN is expected to be a controlling shareholder of the Resulting Issuer, holding an estimated 41% of the outstanding Resulting Issuer Shares. As a result, the Licensor occupies a dual role as both a key technology licensor and a direct control person of the Resulting Issuer. This relationship may enable the Licensor, directly or indirectly with its Affiliates, to exert significant influence over the Resulting Issuer's strategic, operational and commercial decisions, including decisions relating to corporate strategy, capital allocation, governance matters and the oversight of related-party arrangements, including those involving licensed technology. Such influence could be exercised in a manner that benefits the Licensor but is not aligned with the interests of the Resulting Issuer or its minority shareholders.

The Licensor's interests as a licensor, including with respect to the interpretation, amendment, enforcement or termination of licence arrangements, may differ from the interests of the Resulting Issuer. These circumstances may give rise to actual or perceived conflicts of interest, and there can be no assurance that any such conflicts will be resolved in a manner favourable to the Resulting Issuer or its minority shareholders. Any such conflicts or exercise of influence could have a Material Adverse Effect on the business, financial condition, results of operations or prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Reliance on licensed third-party technology could adversely affect the Resulting Issuer

In addition to licences obtained from the Licensor, Modul8 relies on certain technologies that are licensed from third parties on a non-exclusive basis for use in its operations, products and infrastructure. Licensing arrangements with third parties are of critical importance to Modul8 and involve complex legal, commercial and technical considerations. These third-party licences may be subject to termination, non-renewal, modification, dispute or other restrictions in accordance with their terms, including as a result of a breach, failure to satisfy ongoing obligations, changes in the licensor's business or strategic priorities, insolvency events affecting the licensor, or disagreements between the parties regarding the interpretation or scope of licensed rights. In addition, many of these licences are non-exclusive, which may permit licensors to grant similar rights to competitors of Modul8, potentially reducing Modul8's competitive advantage.

The termination or loss of access to licensed third-party technology, any material restriction on its permitted use, or a failure by licensors to adequately maintain, support, update or enforce such technology or related intellectual property could disrupt operations, delay product development or deployments, impair system performance or scalability, or otherwise adversely affect the quality, reliability or competitiveness of Modul8's solutions. In such circumstances, Modul8 may be required to identify, license or internally develop alternative technologies. The identification, licensing or implementation of replacement technologies may require significant time, expense and management attention and could involve unplanned investments, modifications to existing systems, changes to products, or the retraining of personnel. There can be no assurance that suitable alternatives would be available on commercially reasonable terms, in a timely manner, or at all. Even if alternative technologies are available, their implementation could result in delays, increased costs, reduced functionality or performance, customer dissatisfaction, or disruptions to existing customer relationships.

As Modul8 develops new capabilities, enhances existing offerings or enters new markets, it may be necessary or desirable to obtain additional third-party technology licences. There can be no assurance that such licences will be available when needed, on commercially reasonable terms, without material limitations or restrictions, or without exposing Modul8 to increased costs, royalties or other ongoing obligations.

Any inability to maintain existing third-party licences, to enforce rights thereunder, or to obtain required third-party technology licences on acceptable terms could have a Material Adverse Effect on the business, financial condition, results of operations and prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

The ability to protect intellectual property is essential to Modul8, and failure to do so could adversely affect its competitive position.

The success of Modul8 depends on its ability to establish, maintain, protect and enforce the intellectual property underlying its technologies, systems and infrastructure. This intellectual property includes patented and unpatented proprietary technologies, software, processes, trade secrets and know-how, as well as trademarks and other proprietary rights. The Modul8 Business relies on a combination of statutory intellectual property protections, contractual arrangements and internal practices to safeguard these assets, including confidentiality, non-disclosure and invention assignment agreements with employees, consultants, advisors and business partners. There can be no assurance that these measures will be effective in preventing unauthorized use, disclosure or misappropriation of proprietary information, particularly in jurisdictions where intellectual property protections are less developed or more difficult to enforce than in Canada or the United States.

Competitors or other third parties or even the Licensor may independently develop technologies or processes that are similar to, or superior to, those of Modul8 without infringing its intellectual property rights, which could erode its competitive advantage. In addition, trade secrets and other confidential information may be disclosed or misappropriated despite the presence of contractual, legal and technical safeguards, whether through breach, error, theft, insider misconduct, cybersecurity incidents, or other unauthorized means. Legal remedies for unauthorized disclosure or misuse may be inadequate or insufficient to fully protect Modul8's interests or compensate for resulting losses.

Certain intellectual property rights relied upon by Modul8 may be subject to challenge, invalidation, unenforceability or narrowing in scope, whether through litigation, administrative proceedings or other disputes. Protecting and enforcing intellectual property rights may require Modul8 to devote significant financial and managerial resources, including monitoring for infringement, prosecuting applications, responding to challenges, or pursuing litigation, any of which may be costly, time-consuming, unpredictable and disruptive to management and operations. Enforcement actions may also expose Modul8 to counterclaims challenging the ownership, validity or scope of its intellectual property, or require the disclosure of proprietary or confidential information in the course of legal proceedings.

The Modul8 Business relies in part on trade secrets, proprietary know-how and confidential information to maintain its competitive position. Trade secret protection is inherently uncertain, and once information is publicly disclosed or independently developed by third parties, proprietary rights may be difficult or impossible to re-establish. Although Modul8 seeks to limit access to sensitive information and to implement policies and procedures designed to protect confidentiality, no assurance can be given that such measures will prevent unauthorized access, disclosure or misuse. In addition, the increasing use of advanced development tools, collaboration platforms or AI technologies may pose additional risks of inadvertent disclosure or loss of control over proprietary or confidential information.

The Modul8 Business also relies on trademarks, trade names and branding to distinguish its technologies and offerings. If these trademarks are not adequately protected, or if third parties succeed in challenging or adopting confusingly similar marks, Modul8 may be required to rebrand its products or services, incur additional marketing and legal costs, or experience loss of brand recognition or customer goodwill.

In addition, Modul8 relies, and may continue to rely, on intellectual property licensed from third parties. Such licences may be non-exclusive, limited in scope, subject to territorial or field-of-use restrictions, or subject to termination or non-renewal in accordance with their terms. Failure to maintain or renew material licence agreements, or the inability to obtain additional licences on commercially reasonable terms, could require Modul8 to redesign products, substitute less effective or more costly technologies, delay commercialization efforts or limit its ability to compete. In certain cases, customers or government counterparties may impose contractual requirements relating to intellectual property or data rights in connection with the performance of work, which could restrict Modul8's ability to retain or fully exploit intellectual property developed in the course of such engagements.

Intellectual property rights are not be protected to the same extent in all jurisdictions in which Modul8 operates or seeks to operate, increasing the risk of infringement or misappropriation. Enforcing intellectual property rights in certain foreign jurisdictions may be difficult, uncertain or prohibitively expensive. If it became necessary to resort to litigation to protect these rights, any proceedings could be burdensome, costly and divert the attention of management, and Modul8 may not prevail. Any repeal or weakening of intellectual property laws or diminishment of procedures available for the enforcement of intellectual property rights in Canada, the United States, or internationally could make it more difficult for Modul8 to adequately protect its intellectual property rights, negatively impacting their value and increasing the cost of enforcing its rights. Any inability to adequately protect, enforce or maintain Modul8's intellectual property, or any requirement to rely on alternative or more costly technologies or third-party rights, could reduce barriers to entry, impair customer relationships, delay or limit commercialization of new technologies, or otherwise materially adversely affect the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Intellectual property developed through government-funded programs may be subject to United States government rights and regulatory requirements that could limit Modul8's intellectual property rights

The Modul8 Business may develop, acquire or license intellectual property rights that are generated, in whole or in part, through programs, contracts or grants funded by the United States government. Pursuant to the Bayh-Dole Act of 1980, the United States government may retain certain rights in inventions conceived or first reduced to practice using United States government funding. These rights may include a non-exclusive, non-transferable, irrevocable, worldwide licence to use such inventions for United States government purposes.

In addition, under certain limited circumstances, the United States government may have the right to require the owner of such inventions to grant exclusive, partially exclusive or non-exclusive licences to third parties if the United States government determines that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs; or (iii) government action is necessary to meet requirements for public use specified by federal regulations (commonly referred to as “march-in” rights). These march-in rights generally apply only to subject matter arising from the use of United States government funding and do not extend to pre-existing intellectual property or subject matter developed without such funding. If the United States government were to exercise march-in rights with respect to intellectual property used or developed by Modul8, Modul8 could be required to license or sublicense such intellectual property on terms that may be unfavorable, and there can be no assurance that compensation would be payable in connection with the exercise of such rights.

The United States government may also have the right to take title to inventions developed using government funding if a funding recipient fails to disclose such inventions to the government or does not file or prosecute patent applications within specified time limits. Intellectual property developed under government-funded programs is also subject to various reporting, disclosure and compliance requirements, compliance with which may require Modul8 to devote significant administrative, technical and financial resources.

In addition, United States government generally prohibits the granting of exclusive rights to use or sell inventions developed with government funding in the United States unless the licence requires that products embodying or produced using such inventions be manufactured substantially in the United States. Although this preference for United States industry may be waived by the relevant federal agency if certain conditions are met, including a showing that reasonable but unsuccessful efforts have been made to grant licences on similar terms to potential licensees likely to manufacture substantially in the United States or that domestic manufacture is not commercially feasible under the circumstances, there can be no assurance that such a waiver would be granted. This requirement may limit Modul8’s ability to contract with non-United States manufacturers or partners for products or systems incorporating such intellectual property.

To the extent that any future intellectual property owned or licensed by Modul8 is developed using United States government funding, similar rights and obligations under the Bayh-Dole Act or other applicable government regulations may apply. The existence or exercise of such rights, or the costs and constraints associated with complying with these requirements, could limit Modul8’s ability to fully commercialize its technologies, restrict strategic or manufacturing flexibility, or otherwise adversely affect the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Cybersecurity breaches or information technology failures may materially affect the Resulting Issuer

The Modul8 Business relies on the availability, reliability and security of its information technology systems and networks, as well as those of customers, partners and third-party service providers, to support the design, development, deployment and operation of its communications and computing solutions for mission-critical space applications. These systems process, transmit and store sensitive technical data, proprietary information and, in certain cases, confidential customer or partner information. Any failure, disruption or compromise of such systems could adversely affect the operations of Modul8.

The Modul8 Business is exposed to cybersecurity and information technology risks in the ordinary course of its operations, including system failures, unauthorized access, cyberattacks, malware, ransomware, insider threats, phishing, denial-of-service attacks and other malicious activity. Given the nature of Modul8 and its involvement in advanced space, communications and government-related technologies, its systems and networks may be attractive targets for sophisticated or well-resourced threat actors, including nation-state actors or those targeting government or defence-related infrastructure. Cybersecurity incidents may occur intentionally or unintentionally and may be difficult to detect or remediate in a timely manner.

The Modul8 Business also relies on third-party service providers, suppliers and partners for certain information technology infrastructure and services, including cloud-based systems, communications

networks and other critical support functions. Cybersecurity incidents or information technology failures affecting such third parties could disrupt the operations of Modul8 or result in the loss, compromise or unauthorized disclosure of sensitive information, even where such incidents originate outside of Modul8's own systems.

Cybersecurity breaches or information technology failures could result in business interruptions, delays in development or deployment activities, loss or corruption of data, reputational harm, increased costs, regulatory scrutiny, contractual claims, limitations on the ability to perform under certain contracts, or reduced demand for Modul8's products and services. In particular, a cybersecurity incident involving sensitive or controlled information, or affecting systems used in connection with government or mission-critical programs, could result in loss of customer confidence, contract termination, heightened oversight, or restrictions on future participation in certain programs.

While the Licensor has, and the Resulting Issuer will, implemented technical and organizational safeguards intended to protect its information systems in accordance with industry-accepted practices, no security measures are infallible and threats continue to evolve in sophistication, frequency and scale. In addition, insurance coverage for cybersecurity risks may be unavailable or insufficient to fully compensate for losses incurred. Any significant cybersecurity incident or information technology failure could have a Material Adverse Effect on the business, financial condition and results of operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

The use of artificial intelligence and machine learning technologies could adversely affect Modul8 and expose the Resulting Issuer to compliance, operational and liability risks

The Modul8 Business uses internally developed, and may in the future use third-party developed, artificial intelligence ("AI") and machine learning (together with AI, "AI/ML") technologies in various aspects of its operations, products and technology development. The Modul8 Business is devoting resources to the development and integration of AI-enabled computing and analytical capabilities, including in connection with mission-critical, government-related and commercial applications. The development, deployment and use of AI/ML technologies involve significant technical, operational, legal and regulatory risks, and there can be no assurance that the use of such technologies will enhance Modul8's products or services, improve performance or result in operational efficiencies or commercial benefits.

AI/ML systems developed, integrated or used by Modul8 rely on complex algorithms, data pipelines and machine-learning models. Although such systems may not incorporate generative large language model functionality, they remain subject to risks relating to design, implementation, data quality, performance limitations, system integration and operational reliability. If the AI/ML systems or models used by Modul8 are, or are perceived to be: (i) incorrectly designed, trained or implemented; (ii) trained on incomplete, inaccurate, biased or otherwise deficient data, or data for which sufficient usage rights, safeguards or compliance processes have not been established; (iii) deployed without adequate oversight, governance or controls to ensure responsible and lawful use; or (iv) adversely affected by defects, technical limitations, cybersecurity incidents or performance failures, the performance, reliability or usefulness of Modul8's products and services could be compromised.

AI-assisted outputs may prove to be inaccurate, incomplete, misleading or unpredictable, and errors or deficiencies in such outputs could adversely affect decision-making, system performance, mission outcomes or customer confidence. Any actual or perceived shortcomings in AI-enabled systems could result in contractual disputes, customer claims, regulatory scrutiny, civil liability or reputational harm to Modul8, its customers or its partners.

The use of AI/ML technologies also presents risks relating to data privacy, information security and the handling of sensitive or regulated data. AI-enabled systems may result in the unintended disclosure, leakage or unauthorized exposure of confidential business information, personal data, technical data or other sensitive information. Such outcomes could give rise to legal claims, regulatory enforcement actions, contractual liabilities, loss of customer confidence or reputational harm.

In addition, the use of AI/ML technologies is subject to increasing and evolving legal, regulatory and contractual oversight. AI may be regulated directly or indirectly through data protection, cybersecurity, consumer protection, communications and other legal regimes, and is the subject of rapidly developing regulatory frameworks in multiple jurisdictions. For example, the European Union Artificial Intelligence Act establishes obligations based on the classification and risk profile of AI systems, while various United States federal and state initiatives, including measures such as the California Bot Disclosure Law, the Utah Artificial Intelligence Policy Act and the Colorado Artificial Intelligence Act, address aspects of AI use, transparency, accountability and risk management. The interpretation, implementation and enforcement of existing and future AI-related laws and standards remain uncertain. Compliance may require Modul8 to expend significant resources, modify products or services, adopt new controls or governance measures, provide additional disclosures or reporting, or limit the availability or functionality of AI-enabled offerings in certain jurisdictions.

Certain customer contracts, particularly government or government-related contracts, may impose restrictions on the use of AI technologies or the processing of controlled, classified or sensitive information, or may require the use of specific tools, controls or certifications. Such restrictions could limit or condition Modul8's ability to develop or deploy AI-enabled solutions, require changes to technical architecture or business practices, increase operational complexity or costs, or reduce competitiveness.

The increasing adoption of AI across the technology and space communications sectors also presents competitive risks. Competitors or third parties may be able to develop or deploy AI-enabled capabilities more rapidly, efficiently or effectively than Modul8, or may obtain access to superior data, tools or models, which could impair Modul8's competitive position. The integration of AI into existing systems, data architectures and business processes may also be complex, costly or disruptive, and may divert management attention and resources from other priorities.

Any actual or perceived failure by Modul8 to responsibly develop, deploy or manage AI/ML technologies, to comply with applicable laws, regulations, standards or contractual obligations, or to effectively address the technical, operational, competitive or compliance risks associated with AI, could result in increased costs, operational constraints, contractual liability, regulatory action, reputational harm or customer loss, and could have a Material Adverse Effect on the business, financial condition, results of operations and prospects of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Assertions by third parties of intellectual property infringement could adversely affect Modul8

Third parties may in the future assert claims that the technologies, systems, software or services of Modul8 infringe, misappropriate or otherwise violate their intellectual property rights. The space-communications and advanced technology sectors are characterized by a large number of patents, pending applications and proprietary technologies, some of which may grant very broad protection to the owners of the patents. As a result, there can be no assurance that existing or future third-party intellectual property rights will not be asserted against Modul8, including in respect of internally developed technologies or licensed or third-party software and components incorporated into its solutions.

Any claim of infringement or misappropriation, whether or not ultimately successful, could result in significant costs, diversion of management attention and disruption to operations. An adverse outcome could require Modul8 to pay substantial damages or royalties, enter into costly or unfavourable licensing arrangements, indemnify customers, redesign or replace affected technologies, discontinue the use of certain components or methods, or be subject to injunctions restricting its ability to provide products or services. In addition, the need to replace or redesign third-party software or components may be time-consuming, expensive or impractical, particularly where systems are highly integrated or deployed in mission-critical environments.

The resolution of intellectual property disputes is often complex, costly and uncertain, and may negatively affect customer relationships, delay deployments or impair Modul8's ability to compete effectively. Any such claims or disputes could have a Material Adverse Effect on the business, financial condition and results of

operations of Modul8 and, following Completion of the Proposed Qualifying Transaction, the Resulting Issuer.

Indemnity provisions in various agreements potentially expose Modul8 to substantial liability for intellectual property infringement and other losses

Certain agreements entered into by Modul8 include indemnification provisions, under which Modul8 may be required to indemnify customers, partners or other counterparties against losses arising from specified claims. These claims may include, among other things, allegations of intellectual property infringement and, in some cases, losses resulting from damage to property or injury to persons attributable to Modul8 or its technologies. Some of these indemnification obligations may survive the termination or expiration of the applicable agreement. As a result, Modul8 may be exposed to liabilities that are difficult to predict or quantify. If claims are asserted against Modul8 that give rise to indemnification obligations, and such obligations are significant, the payment of indemnity amounts could adversely affect the business, results of operations and financial condition of the Resulting Issuer.

Reliance on open-source software may create operational or legal risks

The Modul8 Business may incorporate, from time to time, the use of so-called “open-source” software components. These components are developed by third parties that Modul8 does not have control over. Modul8 has no assurances that those components do not infringe on the intellectual property rights of others. In addition to risks related to license requirements, usage of open-source software can lead to greater risks, including potential cybersecurity vulnerabilities, than use of third-party commercial software, as some open-source licensors do not provide warranties or controls on the origin of the software. Additionally, open-source licenses typically require that source code subject to the license be made available to the public and that any modifications or derivative works to open-source software continue to be licensed under open-source licenses. These open-source licenses typically mandate that proprietary software, when combined in specific ways with open-source software, become subject to the open-source license. If Modul8 combines its proprietary software with open-source software, it could be required to release the source code of its proprietary software, including to competitors.

The Modul8 Business could be exposed to infringement claims and liability regarding the use of those open-source software components, and may be forced to replace those components with internally developed software or software obtained from another supplier, which may increase Modul8’s expenses. The developers of open-source software are usually under no obligation to maintain or update that software, and, as a result, Modul8 may be forced to maintain or update such software internally or replace such software with internally developed software or software obtained from another supplier, which may increase expenses. Making replacements could also delay enhancements to services and solutions.

There is little or no legal precedent governing the interpretation of many of the terms of these licenses. An incorrect determination as to whether a combination is governed by these provisions will result in non-compliance with the terms of the open-source license. Such non-compliance could result in the termination of a license to use, modify and distribute copies of the affected open-source software. The occurrence of any of the foregoing could have a Material Adverse Effect on Modul8, or its financial condition, and results of operations, and consequently on the Resulting Issuer following Completion of the Proposed Qualifying Transaction.

The Resulting Issuer will depend on a wholly-owned subsidiary to hold the Modul8 IP Assets

Following Completion of the Proposed Qualifying Transaction, substantially all registered Modul8 IP Assets relating to Modul8 will be held by a wholly-owned subsidiary of the Resulting Issuer. A substantial portion of the business, operations and future growth of the Resulting Issuer will depend on its continued access to, and ability to use, the Modul8 IP Assets held by such subsidiary.

The Resulting Issuer and its subsidiaries are separate and distinct legal entities. As a result, the subsidiary that holds the Modul8 IP Assets may incur liabilities or become subject to legal, regulatory or contractual restrictions that could limit or delay its ability to make such assets available to the Resulting Issuer, or otherwise impair the Resulting Issuer's effective use of such assets. Any insolvency, financial distress, regulatory action or other adverse development affecting the subsidiary could restrict the Resulting Issuer's access to the Modul8 IP Assets and could have a Material Adverse Effect on the business, financial condition, results of operations and prospects of the Resulting Issuer.

In addition, the Resulting Issuer's access to the Modul8 IP Assets will be subject to applicable laws and regulations, including those relating to national security, export controls or other regulatory regimes, as well as the terms of any intercompany arrangements between the Resulting Issuer and its subsidiaries. Changes in applicable laws or regulations, or the amendment, termination or unenforceability of such intercompany arrangements, could restrict, delay or condition access to the Modul8 IP Assets, which could have a Material Adverse Effect on the business and operations of the Resulting Issuer.

Auditor, Transfer Agent and Registrar

The auditor of the Resulting Issuer will continue to be MNP LLP, Chartered Professional Accountants, located at 330 - 340 King Street East, Toronto, Ontario M5A 1K8.

The transfer agent and registrar of the Resulting Issuer Shares will continue to be Odyssey Trust Company located at 1230 – 300 5th Avenue SW, Calgary Alberta T2P 3C4.

Material Contracts of the Resulting Issuer

The Modul8 Business is conducted pursuant to, and is subject to, certain contracts that are material to its business and operations and, following Completion of the Proposed Qualifying Transaction, will be material to the business and operations of the Resulting Issuer. Due to the nature of the Modul8 Business and the industries in which it operates, certain of these contracts involve sensitive information, including matters relating to national security, government programs or other confidential arrangements, the public disclosure or filing of which is restricted or not permitted.

Except as described below, no contracts that are material to the Company or the Modul8 Business and are outside the ordinary course of business have been entered into since January 1, 2025, or prior thereto if such material contracts remain in effect, other than:

1. The Transfer Agent Agreement.
2. The Definitive Agreement, see *"The Proposed Qualifying Transaction – Definitive Agreement"*.
3. The CPC Escrow Agreement, see *"Escrowed Securities"*.
4. The Resulting Issuer Escrow Agreement, see *"Information Concerning the Resulting Issuer – Escrowed Securities"*.
5. The Axiom Agreement, see *"Information Concerning the Modul8 Business – Description of the Modul8 Business - Operating Characteristics and Material Contracts"*.
6. The SideLink Mesh Agreement, see *"Information Concerning the Modul8 Business – Description of the Modul8 Business - Operating Characteristics and Material Contracts"*.

Copies of these agreements will be available for inspection at the registered office of the Resulting Issuer located at Suite 1800, 181 Bay Street, Toronto, Ontario M5J 2T9, during ordinary business hours from the date hereof until the Completion of the Proposed Qualifying Transaction.

Experts

Opinions

The following persons or companies are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

- MNP LLP, Chartered Professional Accountants, prepared the audit report for the Company relating to the financial statements of the Company for the financial years ended September 30, 2025 and 2024. MNP LLP has informed the Company that it is independent within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.
- Deloitte Oy, Audit Firm, prepared the audit reports for the Modul8 Business relating to the carve-out financial statements of the Modul8 Business for the financial years ended December 31, 2025 and 2024.

Interest of Experts

As at the date of this Prospectus, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus, including MNP LLP, Chartered Professional Accountants, and Deloitte Oy, Audit Firm holds any beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such person is a Promoter of the Resulting Issuer or an Associate or Affiliate of the Resulting Issuer.

Statutory Rights of Withdrawal and Rescission

Securities legislation in the province of Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. In the province of Ontario, the securities legislation further provides a purchaser with remedies of rescission or damages, if this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory, provided that the remedies for rescission, revisions of purchase price or damages are exercised by the purchaser within the time limit prescribed for by the securities legislation of the purchaser's province. However, in light of the fact that this is a non-offering prospectus and no securities are being purchased under this Prospectus, these rights and their associated remedies are not available to holders of Common Shares prior to Completion of the Proposed Qualifying Transaction, or holders of Resulting Issuer Shares after Completion of the Proposed Qualifying Transaction.

Other Material Facts

To the knowledge of the Company, there are no other material facts relating to the Company, the Resulting Issuer, or the Proposed Qualifying Transaction that are not disclosed elsewhere in this Prospectus and are necessary in order for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Resulting Issuer or Transaction.

Board Approval

The contents of this Prospectus have been approved by the Board.

**SCHEDULE A
FINANCIAL STATEMENTS OF THE COMPANY**

Celestial Acquisition Corp.
(A Capital Pool Company)

Financial Statements

For the years ended September 30, 2025 and 2024

(In Canadian Dollars)

To the Shareholders of Celestial Acquisition Corp.:

Opinion

We have audited the financial statements of Celestial Acquisition Corp. (the "Corporation"), which comprise the statements of financial position as at September 30, 2025 and September 30, 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at September 30, 2025 and September 30, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Toronto, Ontario
December 3, 2025

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Celestial Acquisition Corp.
Statements of Financial Position
(in Canadian Dollars)

As at	September 30, 2025	September 30, 2024
Assets		
Cash and cash equivalents	\$ 472,874	\$ 503,251
Total Assets	\$ 472,874	\$ 503,251
Liabilities		
Payables and accrued liabilities	\$ 14,707	\$ 14,658
Shareholders' Equity		
Share capital (Note 3)	588,890	588,890
Contributed surplus (Note 4)	97,696	97,696
Accumulated deficit	(228,419)	(197,993)
Total shareholders' equity	458,167	488,593
Total liabilities and shareholders' equity	\$ 472,874	\$ 503,251

Approved by the Board Jonathan Leong
Director (Signed)

Marek Lorenc
Director (Signed)

The accompanying notes are an integral part of these financial statements.

Celestial Acquisition Corp.
Statements of Loss and Comprehensive Loss
(in Canadian Dollars)
For the years ended September 30,

	2025	2024
Revenue		
Interest income	\$ 12,040	\$ 14,346
Expenses		
Professional fees	20,238	25,560
Filing fees	13,514	18,623
General and administrative expenses	8,714	3,550
Share-based compensation (Note 4)	-	6,000
Net loss and comprehensive loss for the year	(30,426)	(39,387)
Net loss per share – basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding - basic and diluted	9,250,000	9,250,000

The accompanying notes are an integral part of these financial statements.

Celestial Acquisition Corp.
Statements of Changes in Cash Flows
(in Canadian Dollars)
For the years ended September 30,

	2025	2024
Cash provided by (used in)		
Operating activities		
Net loss for the year	\$ (30,426)	\$ (39,387)
Adjustments for non-cash items:		
Share-based compensation	-	6,000
Changes in non-cash working capital item:		
Payables and accrued liabilities	49	6,128
Cash used in operating activities	(30,377)	(27,259)
Net change in cash	(30,377)	(27,259)
Cash and cash equivalents, beginning of year	503,251	530,510
Cash and cash equivalents, end of year	\$ 472,874	\$ 503,251

The accompanying notes are an integral part of these financial statements.

Celestial Acquisition Corp.
Statements of Changes in Shareholders' Equity
(in Canadian Dollars)
For the years ended September 30, 2025 and 2024

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, September 30, 2023	9,250,000	\$ 588,890	\$ 91,696	\$ (158,606)	\$ 521,980
Share-based compensation	-	-	6,000	-	6,000
Net loss for the year	-	-	-	(39,387)	(39,387)
Balance, September 30, 2024	9,250,000	\$ 588,890	\$ 97,696	\$ (197,993)	\$ 488,593
Net loss for the year	-	-	-	(30,426)	(30,426)
Balance, September 30, 2025	9,250,000	\$ 588,890	\$ 97,696	\$ (228,419)	\$ 458,167

The accompanying notes are an integral part of these financial statements.

1. INCORPORATION AND NATURE OF BUSINESS

Celestial Acquisition Corp. (the "**Corporation**") was incorporated under the *Business Corporations Act* (Ontario) on June 10, 2022 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). The head and registered office of the Corporation is located at 181 Bay Street, Suite 1800, Toronto, Ontario, Canada, M5J 2T9. The common shares in the capital of the Corporation (the "**Common Shares**") commenced trading on the Exchange under the trading symbol "CES.P" on December 22, 2022.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as defined under the policies of the Exchange) (the "**QT**"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of assets or businesses which would constitute a QT, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholder approval.

On December 22, 2022, the Corporation completed its initial public offering ("**IPO**") of 5,000,000 Common Shares at a purchase price of \$0.10 per share for aggregate gross proceeds of \$500,000. Haywood Securities Inc. (the "**Agent**") acted as agent in connection with the IPO. For its services, the Agent received an administrative fee, a cash commission of \$50,000 as well as options ("**Agent's Options**") to purchase up to 500,000 Common Shares at an exercise price of \$0.10 per Common Share until the earlier of December 22, 2027 and the date that is 12 months from the completion of the QT. The value attributed to the 500,000 Agent's Options was \$40,000.

The proceeds raised from the issuance of share capital, including the proceeds from the IPO, may only be used to identify and evaluate assets or businesses which would constitute a QT, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

On December 3, 2025 the Board of Directors approved these financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The financial statements have been prepared in accordance with the IFRS® Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of Presentation

The financial statements are presented in Canadian dollars, which is the Corporation’s functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss (“FVTPL”), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Use of Estimates and Judgements

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Information about significant areas of estimation uncertainty and judgment considered by management in preparing the financial statements includes:

Valuation of Share-based Payments:

When valuing stock options, estimates are required to be made by management when determining the inputs to the Black-Scholes option pricing model including the expected plan lives, underlying share price volatility and forfeiture rates. Volatility is estimated by considering peer companies historic share price volatility over similar periods to the expected life of the awards under consideration. Changes in these assumptions will impact the calculation of fair value and the amount of share-based compensation recognized in the statement of loss and comprehensive loss.

Income Taxes:

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Cash and cash equivalents

Cash consists of funds held in trust. Cash equivalents include short-term investments that are readily convertible to known amounts of cash and have an insignificant risk of change in value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition).

For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications:

Cash and cash equivalents are classified as an asset at fair value and any period change in fair value is recorded in profit or loss.

Accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash and cash equivalents are a level 1 financial instrument measured at fair value on the statements of financial position.

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Corporation intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Share-Based Payments

The Corporation follows the fair-value method for valuing stock options and other dilutive instruments granted to employees and directors. Under this method, the compensation cost is measured at the grant date using the Black-Scholes option pricing model and expensed over the vesting period of the instrument granted as share-based compensation expense with a corresponding increase to contributed surplus. The contributed surplus balance is reduced as stock options and other dilutive instruments are exercised with the amount previously recognized plus any consideration received credited to share capital.

3. SHARE CAPITAL

Authorized - Unlimited Common Shares

Issued	#	\$
Balance, September 30, 2024 and 2025	9,250,000	588,890

Initial Public Offering

In connection with the IPO, the Corporation issued an aggregate of 5,000,000 Common Shares at a price of \$0.10 per share for total gross proceeds to the Corporation of \$500,000. As compensation to the Agent, the Corporation paid a cash commission of \$50,000, a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses. Cash issuance costs for the IPO totalled \$83,610. The value attributed to the 500,000 Agent's Options issued as part of the IPO was \$40,000.

Celestial Acquisition Corp.
Notes to the Financial Statements
For the Years Ended September 30, 2025 and 2024
(in Canadian Dollars)

4. CONTRIBUTED SURPLUS

The directors of the Corporation approved a stock option plan pursuant to which the Corporation may grant directors, officers, employees and consultants of the Corporation non-transferable stock options (“**Options**”). The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding Common Shares. A summary of the Option activities is as follows:

	Number of Options		Weighted Average Exercise Price
Balance, September 30, 2023	870,000	\$	0.08
Granted	75,000		0.10
Expired	(20,000)		0.10
Balance, September 30, 2024 & 2025	925,000	\$	0.08

In December 2023, 20,000 options for a consultant expired unexercised due to an accelerated expiration provision.

In February 2024, the Corporation granted 75,000 options to a consultant of the Corporation at an exercise price of \$0.10 per share for a period of five (5) years from the date of grant. The Options were valued at \$6,000 under the Black-Scholes model with the following assumptions: share price of \$0.10, life of five (5) years, risk free rate of 3.46%, volatility of 100%, and nil dividend yield. A summary of the Options outstanding and exercisable at September 30, 2025 is as follows:

Expiry date	Options Outstanding and Exercisable		Exercise Price
September 30, 2027	425,000	\$	0.05
December 22, 2027	425,000		0.10
February 7, 2029	75,000		0.10
	925,000	\$	0.08

The weighted average life of the outstanding Options is 2.21 years.

On December 22, 2022, the Corporation issued 500,000 Agent’s Options to the Agents. Each Agent’s Option is exercisable at a price of \$0.10 per share until the earlier of December 22, 2027 and the date that is 12 months from the completion of the QT. The value attributed to the 500,000 Agent’s Options issued as part of the IPO was \$40,000, which was added to contributed surplus.

The Agent’s Options were valued using the Black-Scholes pricing model with the following assumptions: share price of \$0.10, estimated life of five (5) years, risk free interest rate of 3.05%, volatility of 100%, and nil forecasted dividend yields.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

Risk Disclosures and Fair Values

The Corporation's financial instruments carried at amortized cost, consists of accrued liabilities which approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

6. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2025, the Corporation incurred legal fees of \$8,203 (2024 - \$8,320) for services provided by a law firm whose partner is a director of the Corporation.

There was no other remuneration paid to key management personnel during the year ended September 30, 2025 (2024 – \$nil).

Celestial Acquisition Corp.
Notes to the Financial Statements
For the Years Ended September 30, 2025 and 2024
(in Canadian Dollars)

7. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 26.5% (2024 – 26.5%) and the Corporation's effective income tax expense is as follows:

	September 30, 2025	September 30, 2024
Net loss for the year	\$ (30,426)	\$ (39,387)
Expected income tax recovery	(8,063)	(10,438)
Share-based compensation	-	1,590
Share issuance costs booked directly to equity	-	-
Change in tax benefits not recognized	8,063	8,848
Income taxes recovery	\$ -	\$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	September 30, 2025	September 30, 2024
Share issuance costs	\$ 54,930	\$ 79,652
Operating tax losses carried forward	239,403	184,256
	\$ 294,333	\$ 263,908

The Canadian operating tax loss carry forwards expire as noted in the table below. Share issuance costs will be fully amortized in 2028. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the company can utilize the benefits therefrom.

The Company's Canadian operating tax losses expire as follows:

2042 - \$8,025; 2043 - \$118,121; 2044 - \$58,110; 2045 - \$55,147 Total - \$239,403

Celestial Acquisition Corp.
(A Capital Pool Company)

**Unaudited Condensed Interim Financial
Statements**

For the three and six months ended March 31, 2026

(In Canadian Dollars)

Celestial Acquisition Corp.
Unaudited Condensed Interim Statement of Financial Position
(in Canadian Dollars)

As at	March 31, 2026		September 30, 2025
Assets			
Cash and cash equivalents	\$	435,559	\$ 472,874
Total Assets	\$	435,559	\$ 472,874
Liabilities			
Payables and accrued liabilities	\$	161,252	\$ 14,707
Shareholders' Equity			
Share capital (Note 3)		588,890	588,890
Contributed surplus (Note 4)		97,696	97,696
Accumulated deficit		(412,279)	(228,419)
Total shareholders' equity		274,307	458,167
Total liabilities and shareholders' equity	\$	435,559	\$ 472,874

Approved by the Board Jonathan Leong
Director (Signed)

Marek Lorenc
Director (Signed)

The accompanying notes are an integral part of these unaudited condensed financial statements.

Celestial Acquisition Corp.
Unaudited Condensed Interim Statement of Loss and Comprehensive Loss
(in Canadian Dollars)

	Three months ended Mar 31, 2026	Three months ended Mar 31, 2025	Six months ended Mar 31, 2026	Six months ended Mar 31, 2025
Revenue				
Interest income	\$ 1,919	\$ 3,174	\$ 4,189	\$ 7,356
Expenses				
Professional fees	164,375	1,262	175,064	8,637
Filing fees	6,723	6,655	9,082	9,840
General and administrative expenses	97	-	3,903	4,854
Net loss and comprehensive loss for the period	(169,276)	(4,743)	(183,860)	(15,975)
Net loss per share – basic and diluted	\$ (0.02)	\$ (0.00)	\$ (0.02)	\$ (0.00)
Weighted average shares outstanding - basic and diluted	9,250,000	9,250,000	9,250,000	9,250,000

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Celestial Acquisition Corp.
Unaudited Condensed Interim Statement of Changes in Cash Flows
(in Canadian Dollars)

	Six months ended March 31, 2026	Six months ended March 31, 2025
Cash provided by (used in)		
Operating activities		
Net loss for the period	\$ (183,860)	\$ (15,975)
Changes in non-cash working capital item:		
Payables and accrued liabilities	146,545	(6,535)
Cash used in operating activities	(37,315)	(22,510)
Net change in cash	(37,315)	(22,510)
Cash and cash equivalents, beginning of period	472,874	503,251
Cash and cash equivalents, end of period	\$ 435,559	\$ 480,741

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Celestial Acquisition Corp.
Unaudited Condensed Interim Statement of Changes in Shareholders' Equity
(in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, September 30, 2024	9,250,000	\$ 588,890	\$ 97,696	\$ (197,993)	\$ 488,593
Net loss for the period	-	-	-	(15,975)	(15,975)
Balance, March 31, 2025	9,250,000	\$ 588,890	\$ 97,696	\$ (213,968)	\$ 472,618

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, September 30, 2025	9,250,000	\$ 588,890	\$ 97,696	\$ (228,419)	\$ 458,167
Net loss for the period	-	-	-	(183,860)	(183,860)
Balance, March 31, 2026	9,250,000	\$ 588,890	\$ 97,696	\$ (412,279)	\$ 274,307

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Celestial Acquisition Corp.
Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Six Months Ended March 31, 2026
(in Canadian Dollars)

1. INCORPORATION AND NATURE OF BUSINESS

Celestial Acquisition Corp. (the "**Corporation**") was incorporated under the *Business Corporations Act* (Ontario) on June 10, 2022 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). The head and registered office of the Corporation is located at 181 Bay Street, Suite 1800, Toronto, Ontario, Canada, M5J 2T9. The common shares in the capital of the Corporation (the "**Common Shares**") commenced trading on the Exchange under the trading symbol "CES.P" on December 22, 2022.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as defined under the policies of the Exchange) (the "**QT**"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of assets or businesses which would constitute a QT, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholder approval.

On December 22, 2022, the Corporation completed its initial public offering ("**IPO**") of 5,000,000 Common Shares at a purchase price of \$0.10 per share for aggregate gross proceeds of \$500,000. Haywood Securities Inc. (the "**Agent**") acted as agent in connection with the IPO. For its services, the Agent received an administrative fee, a cash commission of \$50,000 as well as options ("**Agent's Options**") to purchase up to 500,000 Common Shares at an exercise price of \$0.10 per Common Share until the earlier of December 22, 2027 and the date that is 12 months from the completion of the QT. The value attributed to the 500,000 Agent's Options was \$40,000.

The proceeds raised from the issuance of share capital, including the proceeds from the IPO, may only be used to identify and evaluate assets or businesses which would constitute a QT, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

On May 28, 2026 the Board of Directors approved these unaudited condensed interim financial statements.

Celestial Acquisition Corp.
Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Six Months Ended March 31, 2026
(in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

These unaudited interim condensed financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, and with interpretations of the International Financial Reporting Interpretations Committee which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Chartered Professional Accountants of Canada Handbook – Accounting, as applicable to the preparation of condensed interim financial statements, including International Accounting Standard 34, “Condensed Interim Financial Reporting”.

The accounting policies applied by the Corporation in these unaudited condensed interim financial statements are the same as those applied by the Corporation in the audited financial statements for the year ended September 30, 2025.

Basis of Presentation

The financial statements are presented in Canadian dollars, which is the Corporation’s functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss, which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

3. SHARE CAPITAL

Authorized - Unlimited Common Shares

Issued	#	\$
Balance, September 30, 2024 through March 31, 2026	9,250,000	588,890

Celestial Acquisition Corp.
Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Six Months Ended March 31, 2026
(in Canadian Dollars)

4. CONTRIBUTED SURPLUS

The directors of the Corporation approved a stock option plan pursuant to which the Corporation may grant directors, officers, employees and consultants of the Corporation non-transferable stock options (“**Options**”). The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding Common Shares. A summary of the Option activities is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2024 through March 31, 2026	925,000	\$ 0.08

A summary of the Options outstanding and exercisable at March 31, 2026 is as follows:

Expiry date	Options Outstanding and Exercisable	Exercise Price
September 30, 2027	425,000	\$ 0.05
December 22, 2027	425,000	0.10
February 7, 2029	75,000	0.10
	925,000	\$ 0.08

The weighted average life of the outstanding Options is 1.72 years.

On December 22, 2022, the Corporation issued 500,000 Agent’s Options to the Agents. Each Agent’s Option is exercisable at a price of \$0.10 per share until the earlier of December 22, 2027 and the date that is 12 months from the completion of the QT. The value attributed to the 500,000 Agent’s Options issued as part of the IPO was \$40,000, which was added to contributed surplus.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

Risk Disclosures and Fair Values

The Corporation's financial instruments carried at amortized cost, consists of accrued liabilities which approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

6. RELATED PARTY TRANSACTIONS

During the three and six months ended March 31, 2026, the Corporation incurred legal fees of \$161,625 and \$167,264 (2025 - \$1,262 and \$7,602) for services provided by a law firm whose partner is a director of the Corporation.

There was no other remuneration paid to key management personnel during the three and six months ended March 31, 2026 (2025 – \$nil).

7. SUBSEQUENT EVENTS

The Corporation entered into a Business Combination Agreement dated April 15, 2026 (the "Definitive Agreement") with Nokia Solutions and Networks Oy ("NSN"), Nokia of America Corporation ("NOAC") and Modulate Space Corporation ("MSC US"), pursuant to which the parties intend to complete a transaction resulting in a reverse takeover of the Corporation by Nokia Oyj's (HEL: NOKIA) ("Nokia") Space Communication Solutions business ("Modul8"), which operates as part of Nokia's research and development organization, Nokia Bell Labs (the "Proposed Transaction"). Following completion of the Proposed Transaction, the Corporation will continue the business of Modul8 under the name "Modul8 Corporation" (the "Resulting Issuer").

Pursuant to the terms and conditions of the Definitive Agreement, the Corporation intends to issue 20,333,333 Resulting Issuer Shares to NSN and 10,000,000 Resulting Issuer Shares to shareholders of MSC US.

In connection with the Proposed Transaction, the parties intend to complete a brokered financing of subscription receipts (the "Subscription Receipts") for gross proceeds of US\$40,000,000 (the "Financing").

Completion of the Proposed Transaction is subject to conditions customary of a transaction of this nature including, among others, receipt of all regulatory and Exchange approvals, completion of the Financing, the Consolidation and the Name Change.

SCHEDULE B
CARVE-OUT FINANCIAL STATEMENTS OF THE MODUL8 BUSINESS

MODUL8

(A Carve-Out Business of Nokia Corporation)

CARVE-OUT FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

Presented in thousands of United States dollars

Prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards")

Independent Auditor's Report

To the Management of Nokia Corporation

Opinion

We have audited the carve-out financial statements of the Modul8 Business of Nokia Corporation (the "Business"), which comprise the carve-out statements of financial position as at December 31, 2025 and 2024, and the carve-out income statement, statements of comprehensive income, changes in net parent investment and cash flows for the years then ended, and notes to the carve-out financial statements, including material accounting policy information (collectively referred to as the "carve-out financial statements").

In our opinion, the accompanying carve-out financial statements present fairly, in all material respects, the financial position of the Business as at December 31, 2024 and 2025, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards").

Basis for Opinion

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

Emphasis of Matter - Basis of Preparation

We draw attention to Note 1 to the carve-out financial statements, which describes the basis of preparation including the approach to and the purpose of the carve-out financial statements. The carve-out financial statements have been prepared on a carve-out basis and present the financial position, results of operations and cash flows of the Business as if it had operated as a standalone entity for the periods presented. Accordingly, the carve-out financial statements may not be indicative of the results that would have been achieved had the Business operated independently during the financial years presented, nor of the Businesses' future results of operations, financial position or cash flows. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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

Responsibilities of Management for the Carve-out Financial Statements

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with IFRS as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Carve-out Financial Statements

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

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

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Business' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Business' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Business to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

●

Helsinki, Finland

●, 2026

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Carve-Out Income Statement

For the year ended December 31

USDk	Note	Dec 31, 2025	Dec 31, 2024
Revenue	Note 3	\$ 12,066	\$ 3,552
Cost of revenue	Note 5	<u>(8,090)</u>	<u>(2,011)</u>
Gross profit (loss)		3,976	1,541
Research and development expenses	Note 5	(314)	(470)
General and administrative expenses	Note 5	<u>(4,927)</u>	<u>(1,858)</u>
Profit (loss) before tax		(1,265)	(787)
Income tax benefit (expense)	Note 9	<u>-</u>	<u>-</u>
Net profit (loss)		<u>\$ (1,265)</u>	<u>\$ (787)</u>

The notes are an integral part of these carve-out financial statements.

Carve-Out Statement of Comprehensive Income (Loss)

For the year ended December 31

USDk	Dec 31, 2025	Dec 31, 2024
Net profit (loss)	\$ (1,265)	\$ (787)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	\$ (1,265)	\$ (787)

The notes are an integral part of these carve-out financial statements.

Carve-Out Statement of Financial Position

As at December 31

USDk	Note	Dec 31, 2025	Dec 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	Note 12	\$ 4,034	\$ 80
Intangible assets	Note 13	1,112	-
Right-of-use assets	Note 14	4,031	-
Other assets	Note 11	413	-
Total non-current assets		9,590	80
Current assets			
Trade receivables	Note 10	3,000	-
Contract assets	Note 4	146	2,629
Prepaid expenses and other assets	Note 11	546	649
Total current assets		3,692	3,278
Total assets		\$ 13,282	\$ 3,358
Equity and Liabilities			
Equity			
Net parent investment	Note 15	\$ 4,931	\$ 2,645
Total Net parent investment		4,931	2,645
Liabilities			
Non-current liabilities			
Long-term lease liabilities	Note 14	3,712	-
Total non-current liabilities		3,712	-
Current liabilities			
Trade payables		2,204	213
Contract liabilities	Note 4	1,354	-
Accrued expenses and other liabilities		802	500
Short-term lease liabilities	Note 14	279	-
Total current liabilities		4,639	713
Total liabilities		8,351	713
Total equity and liabilities		\$ 13,282	\$ 3,358

The notes are an integral part of these carve-out financial statements.

Carve-Out Statement of Changes in Net parent investment

For the year ended December 31

USDk	Note	Net parent investment
At January 1, 2024		\$ (135)
Net profit (loss)		(787)
Net transfers from Nokia	Note 15	3,335
Share-based payments	Note 7	146
Pension and post-employment benefit allocation	Note 8	86
At December 31, 2024		\$ 2,645
Net profit (loss)		\$ (1,265)
Net transfers from Nokia	Note 15	3,206
Share-based payments	Note 7	123
Pension and post-employment benefit allocation	Note 8	222
At December 31, 2025		\$ 4,931

The notes are an integral part of these carve-out financial statements.

Carve-Out Statement of Cash Flows

For the year ended December 31

USDk	Note	Dec 31, 2025	Dec 31, 2024
Cash flows from operating activities			
Net profit (loss)		\$ (1,265)	\$ (787)
Adjustments:			
Depreciation	Note 12	178	-
Share-based payments	Note 7	123	146
Pension and post-employment benefit allocation	Note 8	222	86
Changes in net working capital:			
Trade receivables	Note 10	(3,000)	250
Contract assets	Note 4	2,483	(2,419)
Prepaid expenses and other receivables	Note 11	440	(649)
Trade payables		325	213
Contract liabilities	Note 4	1,354	(55)
Accrued expenses and other liabilities		302	(40)
Net cash from/(used in) operating activities		1,162	(3,255)
Cash flows from investing activities			
Purchase of Property, plant and equipment	Note 12	(3,670)	(80)
Additions to capitalized development costs	Note 13	(658)	-
Initial direct costs on leases	Note 14	(40)	-
Net cash used in investing activities		(4,368)	(80)
Cash flows from financing activities			
Net transfers from (to) Nokia	Note 15	3,206	3,335
Net cash from financing activities		3,206	3,335
Net increase (decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		\$ -	\$ -

The notes are an integral part of these carve-out financial statements.

Note 1. Basis of Preparation and Accounting Policies

General Company Information

Modul8 (the "Company") is the space communications and computing business historically operated as a venture within Nokia Bell Labs, the industrial research organization of Nokia Corporation ("Nokia" or the "Parent"). The Company is not a separate legal entity, division or reportable segment of Nokia. The ultimate parent of the Company is Nokia, a public limited liability company incorporated in Finland, which prepares consolidated financial statements available to the public.

The Company's operations have historically been conducted through Nokia Solutions and Networks Oy, Nokia of America Corporation, and their related affiliates (collectively, the "Legal Entities"), which are wholly owned by Nokia. The Company does not maintain its own registered office, and the carve-out financial statements (the "Financial Statements") have been derived from the accounting records of the Legal Entities.

On April 15, 2026, Nokia entered into an agreement ("the Definitive Agreement") to transfer the Company into a new, independent public company (the "Transaction") to be listed on the TSX Venture Exchange ("TSXV"). As part of the Transaction, Modulate Space Corporation ("MSC US") will receive the Modul8 operating assets and subsequently be acquired by the resulting public company. The Financial Statements have been prepared on a carve-out basis in connection with the Transaction.

Basis of preparation and statement of compliance

These Financial Statements present the historical financial position, results of operations, and cash flows of the Company as if it had operated as a standalone entity for the periods presented. The Company did not historically prepare standalone financial statements.

The Financial Statements have been prepared in accordance with IFRS as issued by the IASB.

The Financial Statements are derived from Nokia's consolidated financial statements and underlying accounting records using the carve-out methodology described below. The accounting policies applied in these Financial Statements are consistent with those applied by Nokia in its IFRS consolidated financial statements, adjusted where necessary to reflect the carve-out basis of preparation. As the underlying accounting records were maintained in accordance with IFRS, no adjustments have been made to convert from a previous GAAP, and these Financial Statements do not represent a transition from a previous GAAP.

The Financial Statements are presented in United States dollars ("USD"). All of the Company's revenue, customer contracts and operations are conducted with U.S. customers and are denominated in USD.

The carve-out has been derived from the accounting records of multiple legal entities within the Nokia group, certain of which maintain records in currencies other than USD (principally EUR). Where costs and corporate allocations attributable to the Company were originally denominated in EUR, such amounts have been translated into USD at the rates prevailing at the dates of the underlying transactions (or at average rates where these approximate actual rates). Any exchange differences arising on translation of these amounts are recognized in the carve-out income statement. The Company does not hold non-USD net assets or operations that would give rise to a foreign currency translation reserve, and accordingly, no cumulative translation adjustment is recognized.

Basis of combination and carve-out methodology

The Financial Statements have been prepared on a carve-out basis from Nokia's consolidated financial statements and underlying accounting records and include those assets, liabilities, revenues, and expenses that are directly attributable to the Company, as well as allocations that management considers reasonable and supportable. These amounts have been identified from the accounting records of the Legal Entities using specific identification where directly attributable and allocation methodologies where not directly attributable.

Directly attributable amounts include: customer contracts, contract balances, trade receivables, dedicated personnel costs, program-specific research and development expenditures, space-qualified hardware and test equipment, and directly incurred third-party costs, identified based on specific identification from the accounting records of the Legal Entities, including project codes, cost centers, and personnel rosters associated with the Modul8 venture within the Legal Entities.

Where amounts are not directly attributable to the Company, they have been allocated using methodologies that management considers reasonable, including:

- costs related to shared research and engineering infrastructure, allocated based on direct labour hours and project time tracking;

- expenses related to shared facilities, information technology, and laboratory resources, allocated based on headcount and usage metrics;
- corporate overhead from the Legal Entities and Nokia, including finance, legal, human resources, treasury, and other administrative functions, allocated based on headcount; and
- share-based payments and pension and other post-employment benefit costs, allocated based on the expense recorded by Nokia for employees attributable to the Company.

Management believes the allocation methodologies applied are reasonable and that the allocations reflect, on a consistent and rational basis, the costs incurred by Nokia and the Legal Entities on behalf of the Company. However, because the Company was operated as a venture within a larger research organization rather than as a standalone business, the allocations may not reflect the expenses that would have been incurred had the Company operated as a separate standalone entity, and the Financial Statements may not be indicative of the Company's future results of operations, financial position or cash flows.

There are no intercompany balances between the operations comprising the Company and Nokia that require elimination in the Financial Statements. Transactions with Nokia entities are presented as related party transactions (see Note 18).

Historically, cash management and financing activities for the Company were managed by Nokia's central treasury function, and the Company did not hold dedicated bank accounts or external financing arrangements other than those held by the Legal Entities on behalf of the Modul8 venture. Cash flows generated by the Company were remitted to Nokia, and the Company's working capital and capital expenditure requirements were funded by Nokia. Accordingly, financing activities presented in the carve-out statement of cash flows reflect net transfers to or from Nokia, which are presented within Net parent investment.

Because the Company is not a separate legal entity, equity attributable to the Company is presented as "Net parent investment" and represents Nokia's historical net investment in the Company, including accumulated earnings or losses, accumulated other comprehensive income or loss, and net transfers to and from Nokia.

Capital management

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern in order to meet its obligations;
- maintain sufficient liquidity to fund ongoing operations, research and development, and capital expenditures; and
- support the transition to standalone operations following completion of the proposed Transaction.

Historically, the Company did not maintain an independent capital structure. Capital management decisions, including the funding of working capital and capital expenditures, were made by Nokia's central treasury function as described under the "Basis of combination and carve-out methodology". Accordingly, the Company defines capital as Net parent investment, which was \$4,931 as at December 31, 2025 (2024: \$2,645).

The Company is not subject to any externally imposed capital requirements and has no debt covenants.

Going concern

These Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for a period of at least twelve months from the date of authorization of these Financial Statements.

Historically, the Company has been dependent on Nokia's central treasury function for its working capital and capital expenditure requirements. The Company has not historically generated consistent operating profits and reported a net loss of \$1,265 for the year ended December 31, 2025 (2024: net loss of \$787) and positive cash flows from operating activities of \$1,162 (2024: negative cash flows from operating activities of \$3,255).

In assessing whether the going concern assumption is appropriate, management has considered:

- the continued funding support of Nokia through the expected closing of the proposed Transaction;
- the Company's existing customer contracts and contracted order backlog of \$23,157 as at December 31, 2025;
- the expected capital structure of the Company following completion of the proposed Transaction;

- the expected transitional service arrangements with Nokia to support the transition to standalone operations.

Based on this assessment, management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly, the going concern basis of preparation remains appropriate.

New and amended IFRS Standards

Standards adopted during the year

The Company adopted the following new and amended standards effective January 1, 2025, none of which had a material effect on the Financial Statements:

- Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*;
- Amendments to IFRS 16 – *Lease Liability in a Sale and Leaseback*;
- Amendments to IAS 7 and IFRS 7 – *Supplier Finance Arrangements*; and
- Amendments to IAS 21 – *Lack of Exchangeability*.

Standards issued but not yet effective

The following new and amended IFRS standards have been issued but are not yet effective for the year ended December 31, 2025, and have not been early adopted:

IFRS 18 – Presentation and disclosure in financial statements (effective January 1, 2027)

IFRS 18 replaces IAS 1 and introduces new requirements for the presentation of the income statement (including defined categories and subtotals), management-defined performance measures, and the aggregation and disaggregation of information. Management is currently assessing the impact of IFRS 18 on the Financial Statements. The adoption of IFRS 18 is expected to result in changes to the presentation of the income statement and additional disclosures, but is not expected to have a material impact on the recognition or measurement of assets, liabilities, income, or expenses.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective January 1, 2027)

IFRS 19 is not expected to be applicable to the Company following completion of the proposed transaction, as the Company will have public accountability.

Other amendments

The Company does not expect the adoption of other issued but not yet effective amendments to have a material impact on the Financial Statements.

Material accounting policies

The material accounting policies applied by the Company in the preparation of these Financial Statements are disclosed below and, where relevant, within the related topical notes. The Company has applied the amendments to IAS 1 - *Presentation of Financial Statements* regarding the disclosure of material accounting policies. Only accounting policies that are material to an understanding of the Financial Statements are disclosed; policies that summarize the requirements of IFRS without entity-specific judgment or elections have been omitted.

The accounting policies set out below have been consistently applied to all periods presented.

Revenue

Revenue is recognized when (or as) control of the promised goods or services is transferred to the customer. The determination of whether a performance obligation is satisfied over time or at a point in time requires judgment and depends on the specific contractual terms.

For most contracts, the Company's performance obligation is satisfied over time because the Company's performance creates or enhances an asset that the customer controls as it is created, or because the assets being created are highly customized with no alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations satisfied over time, the Company measures progress using an input method based on costs incurred relative to total estimated costs (cost-to-cost), as this method best depicts the transfer of control to the customer. Milestone billings under these contracts are generally structured as payment terms and do not, by themselves, determine the timing of revenue recognition.

In limited circumstances, revenue is recognized at a point in time, typically upon delivery, installation (as applicable), or customer acceptance, when the performance obligation is not satisfied over time (for example, where the Company does not have an enforceable right to payment for performance completed to date and/or the delivered asset has alternative use to the Company).

Significant judgments

Significant judgments in applying IFRS 15 include:

- identification of performance obligations within complex customer arrangements;
- determination of whether performance obligations are satisfied over time or at a point in time;
- estimating total contract costs to measure progress under the cost-to-cost method;
- estimating variable consideration, including milestone bonuses and performance incentives; and
- assessing whether contract modifications should be accounted for as separate contracts or modifications to existing contracts.

The Company has applied the practical expedient in IFRS 15 and does not disclose the amount of the transaction price allocated to performance obligations for contracts with an original expected duration of one year or less. The Company has also applied the practical expedient not to disclose the estimated, variable consideration allocated to remaining performance obligations where that variable consideration is allocated entirely to a wholly unsatisfied performance obligation or to a distinct good or service that forms part of a series.

Contracts with customers

The Company accounts for a contract with a customer when the contract has been approved by both parties, each party's rights and payment terms can be identified, the contract has commercial substance, and it is probable that consideration will be collected. Certain customer arrangements may be governed by prime or sub-contract agreements; however, revenue is recognized only when legally enforceable purchase orders, task orders, or other enforceable contract documents are issued.

Contracts generally include a single performance obligation comprising an integrated bundle of goods and services, including system design and engineering, delivery of space-qualified hardware and software, integration, testing and validation, lab demonstrations, and mission deployment and support. These components are not distinct within the context of the contract because they are highly interdependent, and the Company provides a significant integration service to deliver a combined output.

The transaction price is typically fixed and is based on contractual milestone payments. Variable consideration is not significant, but may arise in certain arrangements (for example, performance-based milestones). Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Fixed-price contracts and estimates

Fixed-price contracts require significant judgment to estimate total contract revenue and total contract costs, including estimates of engineering labour hours, subcontractor and supplier costs, testing and qualification outcomes, productivity assumptions, schedule performance, and the impacts of technical changes, rework, and integration complexity. Due to the technical uncertainty inherent in space-qualified systems and the nature of certain contracts, changes in cost estimates may result in material impacts to revenue and profit recognized in the period in which the estimates are revised, as revenue is recognized on a cost-to-cost basis.

The Company assesses, at each reporting date, whether any contract is expected to result in an overall loss. If a contract is expected to be loss-making, the Company recognizes a provision for the expected loss in accordance with IAS 37.

Contract modifications

Contract modifications, including changes in scope or additional mission requirements, are assessed to determine whether they should be accounted for as a separate contract or as part of the existing contract. Contract modifications are accounted for either prospectively or through a cumulative catch-up adjustment, depending on whether the additional goods or services are distinct and whether the modification is priced at standalone selling prices.

Operating expenses

The Company presents expenses in the carve-out income statement within Cost of revenue, Research and development and General and administrative expenses, by function (see Note 5), as this presentation provides more relevant information about financial performance.

Cost of revenue

Cost of revenue comprises costs directly attributable to the execution of customer contracts, including employee-related costs for personnel engaged in project delivery, materials and supplies and subcontractor and professional service costs. Cost of revenue reflects the highly customized and non-recurring nature of the Company's contracts, with individual program economics driven by engineering labour intensity, qualification testing, and integration complexity rather than standardized production.

Research and development expenses

Research and development ("R&D") expenses comprise costs incurred in developing space-qualified communications systems and related technologies, including employee-related costs for engineering and technical personnel, subcontractor and consulting costs, materials and supplies used in development activities, and an allocation of costs related to shared research and engineering infrastructure from Nokia Bell Labs.

General and administrative expenses

General and administrative ("G&A") expenses comprise of personnel-related costs for management and administrative functions, professional fees, and other general operating expenses.

Depreciation

Depreciation of Property, plant and equipment is recognized on a systematic basis over the estimated useful lives of the related assets, and is recorded within G&A.

Share-based payments

Historically, employees of the Company have participated in share-based payment plans sponsored by Nokia Corporation, including performance share plans, restricted share plans, and employee share purchase plans. These arrangements are accounted for as equity-settled share-based payment transactions, as Nokia is the grantor of the awards and retains the obligation to settle them.

The cost of share-based payments is recognized in the Financial Statements based on an allocation of the expense recorded by Nokia for employees attributable to the Company. The expense is recognized over the relevant service period, with a corresponding credit recognized as a contribution from the parent within equity.

The expense is measured based on the grant-date fair value of the awards, as determined by Nokia, and excludes the impact of non-market vesting conditions. Vesting conditions, including continued employment and performance conditions, are reflected in the recognition of expense over the service period.

For awards with graded vesting features, the expense is recognized on a graded vesting basis.

Pensions and other post-employment benefits

Employees of the Company participate in pension and other post-employment benefit plans sponsored and administered by Nokia or its affiliates (the "Nokia Plans").

The Nokia Plans are defined benefit plans that share risks between entities under common control within the meaning of IAS 19.40. Nokia Corporation, or its relevant affiliate, is the legal sponsor of each plan and retains the ultimate obligation to fund the benefits. There is no contractual agreement or stated policy under which the net defined benefit cost of the Nokia Plans is charged to the Legal Entities through which the Company's activities are conducted.

Therefore, in accordance with IAS 19.41, the net defined benefit cost of the Nokia Plans is recognized in the consolidated financial statements of the sponsoring Nokia entity, and the Company, as a participating employer, recognizes as an expense in profit or loss the cost allocated to it by Nokia in respect of its employees' participation in the plans for the period. The allocation is determined on a systematic and rational basis consistent with the other allocation methodologies described above under "Basis of combination and carve-out methodology." The allocated amount does not constitute a contractual charging arrangement for net defined benefit cost within the meaning of IAS 19.41 and does not result in the Company recognizing a share of the defined benefit obligation or plan assets of the Nokia Plans.

Consistent with this treatment, no defined benefit obligation, plan assets, or related remeasurement gains or losses are recognized in the Financial Statements. Information about the defined benefit nature of the Nokia Plans, the Company's participation and the associated actuarial risks is presented in Note 8.

Income taxes

For purposes of the carve-out Financial Statements, income tax expense and deferred tax balances have been computed as if the Company filed income tax returns on a stand-alone basis separate from Nokia.

Current income taxes deemed payable to or receivable from tax authorities are settled through Net Parent Investment in the period incurred, with corresponding deferred tax balances recognized through Net Parent Investment (Note 9).

Income tax expense comprises current and deferred tax. Tax is recognized in profit or loss except to the extent that it relates to items recognized in Other comprehensive income or directly in equity, in which case the related tax is recognized in Other comprehensive income or equity, respectively.

Current tax is determined based on the taxable results of the relevant Legal Entities in accordance with applicable tax laws and using tax rates enacted or substantively enacted at the reporting date. Corporate taxes withheld at sources are recognized as Income taxes when determined to represent a tax on net income.

Deferred tax is recognized using the balance sheet liability method for temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets are recognized to the extent it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses, and unused tax credits can be utilized. Deferred tax assets are reassessed at each reporting date and adjusted when it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates enacted or substantively enacted at the reporting date that are expected to apply when the related asset is realized, or the liability is settled. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax balances, and the taxes relate to the same taxation authority.

Judgment is required in determining current tax expense, uncertain tax positions, deferred tax assets and deferred tax liabilities; and the extent to which deferred tax assets can be recognized.

Estimates related to the recoverability of deferred tax assets are based on forecast future taxable income and tax planning strategies.

The utilization of deferred tax assets is dependent on future taxable profit in excess of the profit arising from the reversal of existing taxable temporary differences. The recognition of deferred tax assets is based on the assessment of whether it is probable that sufficient taxable profit will be available in the future to utilize the unused tax losses, unused tax credits and deductible temporary differences before the unused tax losses and unused tax credits expire. Recognition of deferred tax assets involves judgment regarding the future financial performance of the particular legal entity or tax group that has recognized the deferred tax asset.

Intangible assets

Intangible assets acquired separately are initially measured at cost. Internally generated intangible assets are recognized only when the relevant recognition criteria under IAS 38 Intangible Assets are met.

The Company incurs expenditures related to research, prototyping, mission-specific activities and the development of space communications technologies. Research expenditures are recognized as an expense as incurred. Development costs are capitalized only when the Company can demonstrate the following:

- technical feasibility of completing the asset,
- intention and ability to complete and use or sell the asset,

- ability to generate probable future economic benefits,
- availability of adequate technical, financial and other resources, and
- ability to reliably measure the expenditure attributable to the asset.

The assessment of whether expenditure qualifies for capitalization involves significant judgment, particularly in distinguishing research activities from development activities, assessing technical feasibility, and determining whether probable future economic benefits are expected to arise.

Intangible assets with finite useful lives are carried at cost less accumulated amortization and impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives of the assets, which generally range from three to twelve years. Amortization begins when the asset is available for use. Intangible assets not yet available for use are not amortized and are tested for impairment annually, or more frequently when indicators of impairment exist. Useful lives and amortization methods are reviewed at least annually.

The Company assesses Intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Given the early-stage and evolving nature of the business and its technologies, impairment indicators may include changes in commercialization timelines, customer demand or mission activity, technological feasibility, and broader industry or economic conditions.

Impairment testing is performed by comparing the carrying amount of the asset, or cash-generating unit to which the asset belongs, with its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. Impairment losses are recognized in profit or loss within the relevant functional expense category.

The Company uses certain intellectual property in its operations, including patents, technical information, software and licenses related to extraterrestrial communication, applications and computing products and services. Pursuant to the IP Transfer and License Agreement and Patent Purchase Agreement, both of which form part of the Definitive Agreement, the Company obtained or was granted access to certain intellectual property rights, including:

- two patents acquired outright from Nokia (US 12271252 and US 9148463);
- assigned technical information and software (Appendices B and C of the IP Transfer and License Agreement) covering lunar RF propagation, optical communications, and mission-specific solutions;
- licensed software, including FWEA3, FW2EHB platforms, with defined end-of-maintenance dates in 2030;
- a patent license under approximately 50 patent families for licensed products within the defined Field of Use; and
- a perpetual, royalty-free, non-exclusive license-back to assigned materials for research and non-Field-of-Use commercial purposes.

The "Field of Use" is defined as the development and commercialization of extraterrestrial communications, applications and computing products and services.

The Company assessed the rights obtained, acquired, or made available under these agreements and determined that no separate intangible asset was recognized for the broader intellectual property portfolio.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses and primarily comprise:

- laboratory and testing equipment (useful life: 5 years), and
- leasehold improvements (the lesser of 8-year useful life or the lease term)

Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets, reflecting the pattern in which future economic benefits are expected to be consumed. Useful lives, residual values and depreciation methods are reviewed at least annually and adjusted prospectively if appropriate.

Assets under construction represent costs incurred for assets that are not yet available for use, including facility build-outs and mission-related infrastructure. These assets are transferred to the appropriate asset category and depreciation commences when the asset is ready for its intended use.

Maintenance and repairs are expensed as incurred. Expenditures that increase the future economic benefits of an asset beyond its originally assessed standard of performance are capitalized and depreciated over the remaining useful life of the related asset.

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Given the early-stage nature of the Company and its reliance on evolving technologies and mission-based activities, indicators of impairment may include changes in expected utilization of mission-specific equipment, infrastructure or specialized assets.

Where indicators of impairment exist, the recoverable amount is determined as the higher of fair value less costs of disposal and value in use. An impairment loss is recognized where the carrying amount exceeds the recoverable amount. Gains or losses arising from the derecognition of Property, plant, and equipment are recognized in profit or loss within other operating profit or expense.

Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company is a lessee in all material lease arrangements. The Company's leased assets comprise commercial and industrial properties, including research and development facilities, production facilities, and office premises.

Recognition and Initial Measurement

At the commencement date of a lease, the Company recognizes a Right-of-use asset and a corresponding Lease liability. The Right-of-use asset is initially measured at cost, comprising:

- the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Company (i.e., incremental costs of obtaining the lease that would not have been incurred had the lease not been obtained, such as legal fees directly attributable to negotiating and arranging the lease).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. As the interest rate implicit in the lease is generally not readily determinable, Modul8 uses its incremental borrowing rate at the commencement date to discount future lease payments.

Lease Term

The lease term comprises the non-cancellable period of the lease, together with periods covered by an extension option if the Company is reasonably certain to exercise that option, and periods covered by a termination option if the Company is reasonably certain not to exercise that option. In assessing whether it is reasonably certain to exercise an extension option, the Company considers all relevant facts and circumstances that create an economic incentive to extend, including the significance of leasehold improvements, the importance of the underlying asset to the Company's operations, costs of termination or relocation, and whether renewal terms are at or below market rates.

Subsequent Measurement - Right-of-use assets

After initial recognition, the Company measures Right-of-use assets using the cost model, at cost less accumulated depreciation and accumulated impairment losses, adjusted for any remeasurement of the associated lease liability.

Right-of-use assets (buildings) are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset, the Company is reasonably certain to exercise a purchase option, in which case the Right-of-use asset is depreciated over the useful life of the underlying asset.

Subsequent Measurement - Lease liabilities

After initial recognition, Lease liabilities are measured at amortized cost using the effective interest method. At each reporting date, the carrying amount of the Lease liability is increased to reflect interest accrued and reduced by lease payments made.

The Lease liability is remeasured (with a corresponding adjustment to the Right-of-use asset) when:

- there is a change in the lease term (e.g., reassessment of the exercise of an extension or termination option);
- there is a change in future lease payments resulting from a change in an index or rate used to determine those payments; or

- there is a lease modification that is not accounted for as a separate lease.

The interest component of lease payments is recognized within finance costs in the income statement.

Practical Expedients and Exemptions

The Company has elected to apply the following practical expedients permitted under IFRS 16:

- *Short-term leases*: Leases with a term of 12 months or less (with no purchase option) are not recognized on the balance sheet. Payments are recognized as an expense on a straight-line basis over the lease term.
- *Low-value assets*: Leases of assets with a low underlying value are not capitalized. Payments are recognized as an expense on a straight-line basis over the lease term.

The Company has elected the recognition exemptions where applicable, but had no leases classified as short-term or low-value under IFRS 16 during the periods presented.

Foreign currency

Transactions denominated in currencies other than USD are translated into USD at the exchange rates prevailing at the transaction dates. If monetary assets and liabilities were denominated in foreign currencies, they would be retranslated into USD at the exchange rates prevailing at the reporting date. Non-monetary items measured at historical cost are translated using the exchange rates at the transaction dates.

Foreign exchange gains and losses arising on remeasurement and settlement are recognized in profit or loss.

The Company does not have any foreign operations as defined in IAS 21 and accordingly no cumulative translation adjustment has been recognized in the carve-out statement of changes in Net parent investment.

Trade receivables and other customer-related balances

Customer contracts

The timing of revenue recognition, billings and cash collections on long-term contracts results in balances presented as Trade receivables, Contract assets, and Contract liabilities. The Company presents these balances on a net basis at the individual contract level, presenting a net contract asset or a net contract liability for each contract at period end.

A Contract asset arises when revenue is recognized in advance of the Company's unconditional right to invoice. When the right to consideration becomes unconditional, the balance is reclassified from Contract assets to Trade receivables. A contract liability arises when customer billings or cash advances (including progress payments or performance-based payments) exceed revenue recognized. Revenue is subsequently recognized as performance obligations are satisfied. Contract assets are generally classified as current as they are expected to be realized within the Company's normal operating cycle, while Contract liabilities are classified based on the expected timing of satisfaction of the related performance obligations.

Trade receivables represent unconditional rights to consideration and are subsequently measured at amortized cost.

Expected credit losses

The Company recognizes a loss allowance for expected credit losses ("ECL") on financial assets measured at amortized cost, including Trade receivables and Contract assets.

The Company applies the simplified approach to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses. Expected credit losses are assessed on a forward-looking basis, taking into account historical loss experience, current conditions and reasonable and supportable forecasts of future economic conditions.

In assessing expected credit losses, the Company considers both quantitative and qualitative factors, including historical loss rates, the aging of receivables, customer-specific credit risk and broader economic and industry conditions. Changes in the loss allowance are recognized in profit or loss.

Legal matters and provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Where it is not probable that an outflow of resources will be required, or where the amount cannot be reliably estimated, the obligation is disclosed as a contingent liability unless the possibility of an outflow of resources is remote.

Use of estimates and critical accounting judgments

The preparation of the Financial Statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Estimates and assumptions are based on historical experience and other factors considered reasonable under the circumstances and are reviewed on an ongoing basis. Actual results may differ from these estimates.

The following accounting matters involve significant judgment or estimation uncertainty and may have a material effect on the Financial Statements:

- Measurement of revenue recognition – For certain contracts, revenue is recognized over time using the cost-to-cost method. Estimating total contract costs to measure progress toward completion impacts the amount of revenue recognized in each period. Changes in estimated costs may result in adjustments to revenue in the current and future periods. Further details of the significant judgments applied in recognizing revenue are included in the revenue section above.
- Management is required to make certain estimates to achieve a reasonable allocation to the Company of costs incurred centrally by Nokia, as described in the Basis of Preparation above.

Note 2. Segment Information

The Company operates as a single operating segment. The President and CEO is the chief operating decision maker monitoring the operating results of segments for the purpose of assessing performance and making decisions about resource allocation.

As the Company has a single operating segment, the information regarding segment profit or loss, assets, and liabilities required by IFRS 8.23–24 is equivalent to the amounts presented in the carve-out income statement and carve-out statement of financial position, and no separate reconciliations are required.

All revenue for the years ended December 31, 2025, and 2024 was generated from space communications and computer solutions delivered to governmental and space industry customers under fixed-price contract arrangements. Additional information regarding revenue disaggregation is provided in Note 3.

Revenue from external customers by customer location

Revenue is attributed to geographic areas based on customer location. Because the Company is not a separate legal entity, a single country of domicile is not applicable. All revenue for the years ended December 31, 2025, and 2024 was generated from customers located in the United States.

Non-current assets by asset location

All non-current assets of the Company as at December 31, 2025, and 2024 were located in the United States. For purposes of this disclosure, non-current assets include Property, plant and equipment, Right-of-use assets, and Intangible assets and exclude financial instruments. The carrying amount of these non-current assets as at December 31, 2025 was \$9,590 (2024: \$80).

Major customers

For the years ended December 31, 2025 and 2024, revenue from individual customers representing 10% or more of the Company's total revenue was as follows:

USDk	Dec 31, 2025	Dec 31, 2024
Customer A	\$ 10,026	\$ 1,702
Customer B	1,646	-
Customer C	243	716
All other customers	151	1,134
Total revenue from major customers	\$ 12,066	\$ 3,552

Customers that represent 10% or more of revenue consist primarily of space program partners and prime contractors. For the purposes of this disclosure, agencies and instrumentalities of the United States federal government are treated as a single customer

in accordance with IFRS 8.34. Revenue from these major customers is reported within the Company's single operating segment and is included in the customer-type categories disclosed in Note 3.

Note 3. Revenue

The Company's revenue recognition policies are described in Note 1. All of the Company's revenue is derived from contracts with customers within the scope of IFRS 15. The following disclosures provide additional information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Disaggregation of Revenue

Revenue for the years ended December 31, 2025 and 2024 was primarily recognized over time and was generated from customers located in the United States.

The following table presents the Company's Revenue disaggregated by customer type for the years ended:

USDk	Dec 31, 2025	Dec 31, 2024
Governmental agencies	\$ 243	\$ 1,444
Space program partners and prime contractors	11,823	2,108
Total Revenue	\$ 12,066	\$ 3,552

Remaining performance obligations

As at December 31, 2025, the aggregate amount of the transaction price allocated to performance obligations that were unsatisfied (or partially unsatisfied) was \$23,157 (2024: \$28,049). The Company expects to recognize this revenue as follows:

USDk	Dec 31, 2025	Dec 31, 2024
Within 1 year	\$ 14,801	\$ 12,517
1-3 years	8,356	15,532
More than 3 years	-	-
Remaining performance obligations	\$ 23,157	\$ 28,049

In February 2026, the Company was notified that the contract related to Axiom Space lunar spacesuit integration program had been temporarily suspended. The remaining performance obligations disclosed above include \$14,804 related to the temporarily suspended contract (see Note 20).

Note 4. Contract Balances

The Company's contract balances as at the years December 31, 2025 and 2024, were as follows:

USDk	Dec 31, 2025	Dec 31, 2024
Trade receivables ¹	\$ 3,000	\$ -
Contract assets	\$ 146	\$ 2,629
Contract liabilities	\$ 1,354	\$ -

¹ Further detail on Trade receivables is provided in Note 10.

No revenue was recognized during the year ended December 31, 2025 from amounts included in the contract liability balance at the beginning of the year (2024: \$55).

Note 5. Operating expenses

Operating expenses by nature for the years ended December 31, 2025 and 2024 were as follows:

USDk	Dec 31, 2025	Dec 31, 2024
Employee costs	\$ 5,108	\$ 2,473
Technology, materials and equipment	4,928	391
Other operating expenses	1,777	675
Professional fees and outside services	1,026	330
Depreciation	178	-

R&D expense	314	470
Total Operating expenses	\$ 13,331	\$ 4,339

Note 6. Employee costs

Employee costs represent amounts recognized in profit or loss in respect of services rendered by employees of the Company, including employees of the Legal Entities who are dedicated to the Company's operations and whose costs are directly attributable to the Company, together with allocations of costs for Nokia personnel providing shared services to the Company. The classification of allocated personnel costs is consistent with the allocation methodology described in Note 1. Employee costs are classified across Cost of revenue, Research and development expenses, and General and administrative expenses in the carve-out income statement based on the function performed (see Note 5). Employee costs recognized in profit or loss for the years ended December 31, 2025 and 2024 were as follows:

USDk	Dec 31, 2025	Dec 31, 2024
Wages and salaries	\$ 4,142	\$ 2,008
Social security and other statutory employee costs	553	173
Pension costs	222	86
Share-based payments expense	123	146
Other employee-related costs	68	60
Total employee costs	\$ 5,108	\$ 2,473

Note 7. Share-based payments

The Company participates in share-based payments arrangements under which employees and other eligible individuals receive equity-settled awards granted by Nokia and settled in Nokia shares. The Company does not have an obligation to settle these awards. These awards generally vest over service periods subject to continued employment and, where applicable, the achievement of specified performance conditions.

The grant-date fair value of RSUs and PSUs without market-based performance conditions is determined by Nokia by reference to the closing market price of Nokia ordinary shares at the grant date. Share options and awards with market-based performance conditions are valued by Nokia at the grant date using the Black-Scholes option-pricing model.

Share-based payments expense recognized for the years ended December 31, 2025 and 2024 were as follows:

Expense recognized

USDk	Dec 31, 2025	Dec 31, 2024
Restricted share units	\$ 80	\$ 108
Performance share units	42	37
Other equity-settled awards	1	1
Total Share-based payments expense	\$ 123	\$ 146

Unvested performance share units awards outstanding during the years ended December 31, 2025 and 2024 were as follows:

Performance share units	Number of Awards	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2024	79,300	\$ 4.29
Granted	27,667	3.57
Vested	(2,640)	6.83
Forfeited / cancelled	(19,360)	6.83
Unvested at December 31, 2024	84,967	3.39
Granted	7,550	4.68
Vested	-	-
Forfeited / cancelled	(23,100)	3.66
Unvested at December 31, 2025	69,417	\$ 3.45

There was no vesting of performance-based awards during the year ended December 31, 2025, as the requisite performance conditions had not been achieved.

Unvested restricted share units outstanding during the years ended December 31, 2025 and 2024 were as follows:

Restricted share units	Number of Awards	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2024	65,067	\$ 3.48
Granted	50,633	3.61
Vested	(31,633)	3.63
Unvested at December 31, 2024	84,067	3.50
Granted	7,550	3.99
Vested	(45,834)	3.51
Unvested at December 31, 2025	45,783	\$ 3.57

Effect of the proposed transaction

Following completion of the proposed transaction with Celestial Acquisition Corp., the treatment of outstanding Nokia awards held by Company employees will be determined in accordance with the terms of the Definitive Agreement.

Note 8. Pensions and Other Post-Employment Benefits

Certain employees of the Company participate in defined benefit pension and other post-employment benefit plans sponsored and administered by Nokia (the "Nokia Plans"). The accounting for the Company's participation in the Nokia Plans is described in Note 1.

No defined benefit obligation, plan assets, or related remeasurement gains or losses are recognized in the carve-out statement of financial position or the carve-out statement of comprehensive income (loss). The expense recognized in profit or loss represents the Company's allocated share of the cost of Nokia Plan benefits in respect of its employees for the period. For the years ended December 31, 2025 and 2024, the Company incurred \$222 and \$86 in defined benefit pension expenses, respectively.

The Nokia Plans are funded in accordance with applicable local regulations and funding arrangements established at the Nokia group level. The Company is not party to any contractual agreement or stated policy for charging the net defined benefit cost of the Nokia Plans to individual group entities beyond the allocation methodology described above, and there is no agreed basis for allocating a surplus to, or a deficit from, the Nokia Plans to the Company on wind-up of the Company's participation. The total estimated employer contribution expected to be paid to the plans in the year ending December 31, 2026, is \$284.

Information about the Nokia Plans

Nokia publishes information about the Nokia Plans, including the aggregate funded status, principal actuarial assumptions and the sensitivity of the defined benefit obligation to changes in those assumptions, in its consolidated financial statements, which are publicly available. The Company is a participating employer in the Nokia Plans but does not have access to entity-specific information that would allow it to separately present these disclosures at the Modul8 level.

Risks associated with participation

The Company's participation in the Nokia Plans exposes it, in common with other Nokia group entities, to the actuarial risks associated with the Nokia Plans, including investment risk, interest rate risk, longevity risk and salary risk. These risks are borne at the Nokia group level and are not allocated to the Company on a measurable basis under the current arrangement.

Effect of the proposed transaction

The treatment of the Company's ongoing participation in the Nokia Plans following completion of the proposed transaction with Celestial Acquisition Corp. has been determined in connection with the transitional service arrangements described in Note 20. Any pension assets or liabilities relating to periods prior to the carve-out will be retained by Nokia.

Note 9. Income Taxes

Income tax expense

This note provides an analysis of the Income tax expense, and shows what amounts are recognized directly in Net parent investment and how the tax expense is affected by not taxable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

Current tax

USDk	Dec 31, 2025	Dec 31, 2024
Corporation tax on profits for the period	\$ -	\$ -
Adjustment in respect of previous periods	-	-
Total current tax charge (credit)	\$ -	\$ -

Deferred tax

USDk	Dec 31, 2025	Dec 31, 2024
Origination and reversal of temporary differences	\$ -	\$ -
Adjustment in respect of previous periods	-	-
Total deferred tax charge (credit)	\$ -	\$ -
Total tax charge (credit)	\$ -	\$ -

Income tax reconciliation

Reconciliation of the difference between income tax computed at the federal tax rate in the US of 21% and income tax recognized in the income statement:

USDk	Dec 31, 2025	Dec 31, 2024
Profit/(loss) before tax for the period	\$ (1,265)	\$ (787)
Tax on profit/(loss) at US federal rate of 21% (2024:21%)	(266)	(165)
Effects of:		
Permanent items	9	-
Movement on unrecognized deferred tax	257	165
Total tax charge (credit) for the period	\$ -	\$ -

Deferred tax assets and liabilities

Deferred tax assets generated during the period relating to tax losses have not been recognized due to uncertainty regarding their utilization. Modul8 continually evaluates the probability of utilizing its deferred tax assets and considers both positive and negative evidence in its assessment. Modul8 has considered the following factors in the assessment:

- The recent years' cumulative accounting and taxable loss;
- Expectations regarding future taxable income; and
- The relevant attributes underlying the deferred tax assets are generally not subject to expiry.

Deferred tax assets and liabilities relate to the following:

Deferred tax assets / (liabilities) USDk	Fixed Assets	Losses	ROU Asset	Lease Liability	Total
At 1 January 2024	\$ -	\$ -	\$ -	\$ -	\$ -
(Charge)/credit to income for the period	(2)	2	-	-	-
Recognized in Net parent investment	2	(2)	-	-	-
At 31 December 2024	-	-	-	-	-
(Charge)/credit to income for the period	(89)	98	(847)	838	-
Other movements	-	-	-	-	-
Recognized in Net parent investment	89	(98)	847	(838)	-
At 31 December 2025	\$ -	\$ -	\$ -	\$ -	\$ -

Note 10. Trade Receivables

The Company's accounting policies for trade receivables and expected credit losses are described in Note 1. Trade receivables in this note represent amounts due from third-party customers; amounts due from related parties are disclosed in Note 18. Contract assets relating to unbilled revenue are disclosed in Note 4.

The Company's Trade receivables as at December 31, 2025 amounted to \$3,000. No trade receivables were outstanding as at December 31, 2024. As at December 31, 2025, all trade receivables were within normal trade terms and were not past due.

Credit risk

Expected credit losses

The Company applies the simplified approach to measuring expected credit losses under IFRS 9 Financial Instruments, which requires the use of a lifetime expected loss allowance for all trade receivables.

Based on short-term nature of the receivables, the fact that all balances were within normal trade terms and not past due, the credit quality of the Company's governmental and prime-contractor customers, historical loss experience and forward-looking information, lifetime expected credit losses were immaterial and no loss allowance has been recognized as at December 31, 2025 (2024: Nil).

Concentration of credit risk

The Company's primary trade receivable counterparties include United States federal government agencies and Tier-1 prime contractors with investment-grade credit profiles. As at December 31, 2025, all of Trade receivables were owed by the Company's largest customer (December 31, 2024: Nil). Further information on the concentration of revenue and customers is presented in Note 2, and the Company's credit risk management objectives, policies and processes are described in Note 17. The Company does not hold collateral as security for its trade receivables.

Note 11. Prepaid expenses and other assets

Prepaid expenses and other current assets primarily consist of advance payments for software, facilities and other operating costs, as well as the current portion of deferred development costs and other vendor advances expected to be recognized in profit or loss within the next twelve months or the Company's normal operating cycle.

As part of the carve-out process, management reviewed vendor agreements, payment schedules and service periods to identify upfront costs attributable to future reporting periods. Amounts related to goods or services not yet received or consumed as of the reporting date were recognized as prepaid expenses or other assets based on the expected period of benefit. These amounts are recognized in profit or loss over the periods in which the related goods or services are received. Changes in prepaid expenses during the periods presented are primarily driven by the timing of advance payments and the recognition of related expenses.

Prepaid expenses and other current assets as at December 31, 2025 and 2024 were as follows:

Prepaid expenses and other assets (current)

USDk	Dec 31, 2025	Dec 31, 2024
Prepayments	\$ 209	\$ 649
Deferred development costs	337	-
Total Prepaid expenses and other assets	\$ 546	\$ 649

Other assets, primarily consist of the non-current portion of deferred development costs and other vendor advances expected to benefit periods beyond the next twelve months or the Company's normal operating cycle.

Other assets as at December 31, 2025 and 2024 were as follows:

Other assets (non-current)

USDk	Dec 31, 2025	Dec 31, 2024
Deferred development costs	\$ 413	\$ -
Total Other assets	\$ 413	\$ -

The deferred development costs represent non-cash operating activities and are therefore excluded from the Statement of Cash Flows.

Note 12. Property, Plant and Equipment

Movements in Property, plant and equipment as at the years ended December 31, 2025 and 2024 were as follows:

USDk	Machinery and Equipment	Assets Under Construction	Total
Gross book value at January 1, 2024	\$ -	\$ -	\$ -
Additions	80	-	80
Disposals and retirements	-	-	-
Gross book value at December 31 2024	80	-	80
Additions	883	3,249	4,132
Other movement/transfer	37	-	37
Disposals and retirements	-	-	-
Gross book value at December 31 2025	\$ 1,000	\$ 3,249	\$ 4,249
Accumulated depreciation at January 1, 2024	\$ -	\$ -	\$ -
Disposals and retirements	-	-	-
Charge for year	-	-	-
Accumulated depreciation at December 31 2024	-	-	-
Other movement/transfer	(37)	-	(37)
Disposals and retirements	-	-	-
Charge for year	(178)	-	(178)
Accumulated depreciation at December 31 2025	\$ (215)	\$ -	\$ (215)
Net carrying amount as at December 31 2024	\$ 80	\$ -	\$ 80
Net carrying amount as at December 31 2025	\$ 785	\$ 3,249	\$ 4,034

Property, plant and equipment comprises laboratory and testing equipment, space-qualified hardware and related assets, and assets under construction. The Company's accounting policy for Property, plant and equipment, including useful lives, depreciation method and impairment, is described in Note 1. In 2024, the Company recorded \$80 in additions primarily related to machinery and equipment purchases. In 2025, the Company recorded \$4,132 in additions primarily related to \$883 of machinery and equipment purchases and \$3,249 related to assets under construction. Depreciation expense for the periods presented was recognized within General and administrative expenses based on the use of the underlying assets.

The Company assesses Property, plant and equipment for impairment when indicators of impairment exist. No impairment losses were recognized for the periods presented. No borrowing costs were capitalized to Property, plant and equipment during the periods presented. As at December 31 2025, assets under construction are expected to be placed into service over the next 6 months.

Additions to property, plant and equipment include \$462 during the year that had not been paid as of December 31, 2025. This unpaid amount represents a non-cash investing activity and has been excluded from the Statement of Cash Flows.

Note 13. Intangible Assets

Intangible assets comprise capitalized development costs and, where applicable, acquired intellectual property rights that meet the recognition criteria under IAS 38.

During 2025, certain development activities associated with the Company's space communications technologies met the capitalization criteria under IAS 38 and the Company capitalized qualifying development expenditures as internally generated intangible assets. Capitalized development expenditures primarily relate to costs incurred during the development phase of software and communications technology solutions intended for future commercial deployment. No development expenditures were capitalized during 2024.

The Company's Intangible assets as at December 31, 2025 and 2024, were as follows:

USDk	Capitalized Development Costs	
Gross book value at January 1, 2024	\$	-
Additions		-
Disposals and retirements		-
Gross book value at December 31, 2024		-
Additions		1,112
Disposals and retirements		-
Gross book value at December 31, 2025	\$	1,112
Accumulated amortization at January 1, 2024	\$	-
Disposals and retirements		-
Charge for year		-
Accumulated amortization at December 31, 2024		-
Disposals and retirements		-
Charge for year		-
Accumulated amortization at December 31, 2025	\$	-
Net carrying amount as at December 31, 2024	\$	-
Net carrying amount as at December 31, 2025	\$	1,112

Movements during 2025 consisted of additions of \$1,112 related to capitalized development cost. No additions were recognized during 2024. No amortization expense was recognized for the years ended December 31, 2025 and 2024, as the Company's intangible assets were not yet available for use during the periods presented. The Company did not recognize any impairment losses in respect of intangible assets for the years ended December 31, 2025 and 2024.

Additions to intangible assets include \$454 of capitalized development costs incurred during the year that had not been paid as of December 31, 2025. This unpaid amount represents a non-cash investing activity and has been excluded from the Statement of Cash Flows.

The Company's accounting policy for intangible assets, including recognition, useful lives, amortization, and impairment, is described in Note 1.

Note 14. Leases

The Company's leased asset comprise only an commercial and industrial property, which includes research and development facilities, production facilities, and office premises. The Company assesses whether a contract contains a lease at inception and is a lessee in all material lease arrangements. At the commencement date of a lease, the Company recognizes a Right-of-use asset and a corresponding Lease liability.

The movement in the Company's Right-of-use asset for the years ended December 31, 2025, and 2024 was as follows:

USDk	Dec 31, 2025	Dec 31, 2024
As at January 1	\$ -	\$ -
Additions	4,031	-
Depreciation	-	-
As at December 31	\$ 4,031	\$ -

The movement in the Company's Lease liability for the years ended December 31, 2025, and 2024 was as follows:

USDk	Dec 31, 2025	Dec 31, 2024
As at January 1	\$ -	\$ -
Additions	3,991	-
Interest expense	-	-
Payments	-	-
As at 31 December	3,991	-
Less: Short-term lease liabilities	(279)	-
Long-term lease liabilities	\$ 3,712	\$ -

Cash flow and non-cash disclosures

During the year ended December 31, 2025, the Company recognized right-of-use assets of \$4,031 with corresponding lease liabilities of \$3,991. These represent non-cash investing and financing activities and are therefore excluded from the Statement of Cash Flows.

No lease payments were made during the years ended December 31, 2025 and 2024, as the lease was in a buildout and rent-free period. Accordingly, no principal payments of lease liabilities were recognized in the Statement of Cash Flows during the periods presented.

Initial direct costs

The Company incurred \$40 of initial direct costs, comprising of legal fees that would not have been incurred had the lease not been obtained. These costs have been included in the initial measurement of the related Right-of-use asset.

Renewal option

The lease has a non-cancellable term of approximately six years. The Company has the option to renew the lease for an additional five-year period, at which time lease payments would be reset to an amount determined at the date of renewal. In assessing the lease term, the Company concluded it is not reasonably certain to exercise the renewal option.

Maturity analysis

As required by IFRS 16, a maturity analysis of Lease liabilities showing the undiscounted remaining contractual lease payments is presented in Note 19 - Commitments.

Note 15. Net parent investment

Net parent investment represents Nokia's historical investment in the Company in lieu of shareholders' equity. The nature of parent and the basis on which it has been determined are described in Note 1 under "Basis of combination and carve-out methodology."

The Company does not present share capital or retained earnings as separate components of equity because it is not a separate legal entity. The cumulative result of operations, net cash transfers to and from Nokia, and non-cash contributions from Nokia (principally share-based payments) are presented collectively within Net parent investment. The Company had no standalone third-party credit facilities or debt as at December 31, 2025 and 2024. Refer to Note 17 for liquidity risk disclosures.

The composition of Net parent investment as at December 31 2025 and 2024 was as follows:

USDk	Dec 31, 2025	Dec 31, 2024
Cumulative Net profit/(loss) since inception of Modul8 Business	\$ (3,298)	\$ (2,033)
Cumulative net cash transfers (to)/from Nokia	7,652	4,446
Allocated share-based payments	269	146

Pension and post-employment benefit allocation	308	86
Net parent investment	\$ 4,931	\$ 2,645

"Net transfers (to)/from Nokia" presented within financing activities in the carve-out statement of cash flows primarily represents centralized cash management and general financing activities with Nokia.

Capital management

Because the Modul8 Business is not a separate legal entity and has been funded historically through Nokia's central treasury, the Company does not have share capital or external borrowings during the periods presented. Capital managed by the Company is represented by Net parent investment. The Company is not subject to externally imposed capital requirements.

Following completion of the Transaction (Note 20), the Company's capital management objectives will be to: (i) safeguard its ability to continue as a going concern; (ii) maintain a capital structure appropriate to fund its operating, investing and strategic activities; and (iii) comply with any financial covenants applicable under future financing arrangements. The Company will be subject to the listing requirements of the TSX Venture Exchange following completion of the Transaction.

Note 16. Fair Value Measurement

The Company classifies financial instruments measured at fair value, and financial instruments for which fair value is disclosed, using a three-level fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements:

- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- **Level 2** – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** – inputs for the asset or liability that are not based on observable market data.

Financial instruments by category

The categories of the Company's financial instruments, all of which are measured at amortized cost, are presented in Note 17. The carrying amounts of the Company's financial instruments approximate their fair values as summarized below:

(USDk)	Dec 31, 2025	Dec 31, 2024
Financial assets		
Trade receivables	\$ 3,000	\$ -
Total financial assets	\$ 3,000	\$ -
Financial liabilities		
Trade payables	\$ 2,204	\$ 213
Total financial liabilities	\$ 2,204	\$ 213

The carrying amounts of Trade receivables and Trade payables approximate their fair values given their short-term nature. Accordingly, no separate fair value disclosure is provided for these instruments.

The Company did not hold any financial instruments measured at fair value on a recurring basis as at December 31, 2025 or 2024, nor did the Company hold any financial instruments measured at fair value on a non-recurring basis during the periods presented.

Note 17. Financial Risk Management

The Company is exposed to credit risk, liquidity risk and market risk in the normal course of business. The Company's financial risk management activities have historically been coordinated with Nokia's central treasury function. The following sections describe each of these risks and the Company's exposure, objectives, policies and processes for managing them.

Credit risk

The Company's exposure to credit risk arises principally from trade receivables and contract assets. Credit risk is managed through ongoing credit evaluations of counterparties and monitoring of outstanding balances. The Company's accounting policy for expected credit losses is described in Note 1. Trade receivables, including the Company's assessment of expected credit losses and concentration of credit risk, is disclosed in Note 10.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial asset:

USDk	Dec 31, 2025		Dec 31, 2024	
Trade receivables	\$	3,000	\$	-
Contract assets		146		2,629
Total maximum exposure	\$	3,146	\$	2,629

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty meeting its financial obligations as they come due. As at December 31, 2025 and 2024, the Company had no standalone third-party credit facilities or external debt (Note 15). Liquidity has historically been provided through Nokia's central treasury function. Given the early-stage nature of the Company's operations, liquidity risk is influenced by the timing of project-related cash inflows, operating expenditures and access to external financing.

The Company manages liquidity risk by monitoring its cash requirements and managing working capital balances.

The following table presents the contractual undiscounted cash flows of the Company's financial liabilities as at December 31, 2025 and 2024:

As at Dec 31, 2025 USDk	< 1 year		1-3 years		> 3 years		Total
Trade and other payables	\$	2,204	\$	-	\$	-	\$ 2,204
Accrued expenses and other liabilities		802		-		-	802
Total	\$	3,006	\$	-	\$	-	\$ 3,006

As at Dec 31, 2024 USDk	< 1 year		1-3 years		> 3 years		Total
Trade and other payables	\$	213	\$	-	\$	-	\$ 213
Accrued expenses and other liabilities		500		-		-	500
Total	\$	713	\$	-	\$	-	\$ 713

Market risk

The Company is exposed to foreign currency risk and, to a limited extent, interest rate risk. The Company is also exposed to revenue and customer concentration (Notes 2 and 10) which is addressed as part of credit risk above. Competitive, regulatory and geopolitical factors affecting the Company's business are addressed in the Company's risk factors disclosures and do not constitute market risk within the meaning of IFRS 7.

Foreign currency risk

The Company's functional and presentation currency is USD. The Company transacts in Euros principally through share-based compensation recharges, corporate allocations, and other intercompany transactions with Nokia. The Company's policy is to settle these transactions within the reporting period, thereby minimizing residual foreign currency exposure. The Company does not employ hedging instruments, as management considers the short-term nature of these transactions sufficient to mitigate material foreign currency risk.

The Company held no material EUR-denominated monetary financial instruments at December 31, 2025 and 2024. Accordingly, the Company has no material foreign currency risk exposure at the reporting date, and a reasonably possible change in the USD/EUR exchange rate would not have a material impact on profit before tax or equity. The Company has no foreign operations and is therefore not exposed to translation risk through other comprehensive income.

Interest rate risk

The Company has no external debt and no interest-bearing financial instruments as at December 31, 2025 and 2024. Accordingly, the Company has no exposure to interest rate risk.

Note 18. Transactions with Related Parties

The Company is a carve-out of certain operations of Nokia. As such, the Company has historically entered into transactions with Nokia and its affiliates, which are considered related parties.

The ultimate controlling party of the Company for the periods presented is Nokia Corporation, a company incorporated in Finland. Nokia Corporation's shares are listed on Nasdaq Helsinki and the New York Stock Exchange, and its consolidated financial statements are publicly available.

Identification of related parties

The Company's related parties include:

- Nokia Corporation, the ultimate parent;
- the Legal Entities - Nokia Solutions and Networks Oy, Nokia of America Corporation, and their affiliates, through which the Company's activities were conducted;
- other Nokia affiliates that are not part of the Company; and
- key management personnel of the Company.

Nature of related party transactions

Historically, the Company has entered into transactions with Nokia and its affiliates in the ordinary course of business and as part of being operated as a venture within Nokia Bell Labs. These transactions include:

- **Shared services and cost allocations:** research and development support, engineering resources, information technology, finance, legal, human resources and other administrative functions, allocated on the basis described in Note 1.
- **Funding arrangements:** cash funding and centralized treasury settlements managed through Nokia's central treasury function (see Notes 1 and 15).
- **Share-based payments:** allocated expense in respect of Company employees participating in Nokia-sponsored share-based payments plans (see Note 7).
- **Pensions and other post-employment benefits:** allocated expense in respect of Company employees participating in Nokia-sponsored defined benefit plans (see Note 8).
- **Intellectual property arrangements:** access to certain patents and rights to use software and related technology assets from Nokia, including the arrangements described in Note 13.

The following table summarizes transactions with related parties recognized in the carve-out statement of profit or loss for the years ended December 31, 2025 and 2024:

USDk	Dec 31, 2025	Dec 31, 2024
Allocated costs and shared services from Nokia (G&A, finance, legal, HR)	\$ 2,570	\$ 2,269
Pension and post-employment cost allocations	222	86
Share-based compensation expense	123	146
Total related party transactions recognized in profit or loss	\$ 2,915	\$ 2,501

Outstanding balances with related parties

Amounts due to and from related parties arising during the periods presented were unsecured, non-interest bearing, had no fixed terms of repayment, and were generally settled through Nokia's centralized cash management arrangements. Settlements through this arrangement have been reflected as movements in Net parent investment within equity. No outstanding related party balances remained as at December 31, 2025 and December 31, 2024.

Key management personnel compensation

Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include members of the Company's senior leadership team who are dedicated to the Modul8 venture within Nokia Bell Labs during the periods presented. Key management personnel are employed by the Legal Entities and participate in Nokia-sponsored compensation plans. The amounts presented below represent compensation directly attributable to individuals dedicated to the Company, together with allocations of share-based payment and post-employment benefit expense determined on the basis described in Notes 7 and 8. No additional key management personnel transactions occurred during the periods presented other than compensation described below.

USDk	Year ended	
	Dec 31, 2025	Dec 31, 2024
Short-term employee benefits	\$ 681	\$ 504
Post-employment benefits	25	17
Share-based payment	79	78
Other benefits	81	37
Total key management personnel compensation	\$ 866	\$ 636

Note 19. Commitments and contingencies

Commitments

The Company has contractual commitments arising in the normal course of business that are not recognized as liabilities in the carve-out statement of financial position because the related goods, services or leased assets have not yet been delivered or made available for use. These include open purchase orders with third-party development partners and suppliers for components, materials and services required to fulfil customer programs; multi-year non-cancellable support, subscription and managed service arrangements (including Deltek ERP and Summit 7 managed IT and security services); and undiscounted obligations under leases that have commenced and are recognized on the statement of financial position.

As at December 31, 2025 and 2024, the Company's commitments, classified by expected timing of payment or delivery, were as follows:

As at Dec 31, 2025 USDk	<1 year	1-5 years	> 5 years	Total
Open purchase orders with development partners and suppliers	\$ 3,661	\$ 469	\$ -	\$ 4,130
Development costs	1,980	778	-	2,758
Service and subscription commitments	266	418	-	684
Undiscounted leases obligations	293	3,727	659	4,679
Total commitments	\$ 6,200	\$ 5,392	\$ 659	\$ 12,251

As at Dec 31, 2024 USDk	<1 year	1-5 years	> 5 years	Total
Open purchase orders with development partners and suppliers	\$ 3,295	\$ 1,973	\$ -	\$ 5,268
Development costs	-	-	-	-
Service and subscription commitments	-	-	-	-
Undiscounted leases obligations	-	-	-	-
Total commitments	\$ 3,295	\$ 1,973	\$ -	\$ 5,268

The Company had no contractual commitments for the acquisition of property, plant and equipment as of the reporting date.

Contingencies

Legal proceedings

As at December 31, 2025 and 2024, the Company was not aware of any pending or threatened legal proceedings or asserted claims that would be expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Government contract obligations

Certain of the Company's contracts are funded in whole or in part by the U.S. government or its agencies, including NASA, and are subject to applicable U.S. federal regulations governing cost accounting, data rights, intellectual property and technical deliverables. Contracts funded by U.S. government agencies may also be subject to audit of costs, pricing and contract performance. In addition, certain funding arrangements include march-in rights and other provisions affecting intellectual property developed under the

contract. The Company is required to comply with these regulations in the performance of its contractual obligations, and no material liabilities have been identified in respect of such requirements.

Transaction-related commitments and contingencies

The Company's obligations and contingencies arising in connection with the proposed Transaction, including representations and warranties, closing conditions, and expected Transitional Services Agreement and intellectual property arrangements with Nokia, are disclosed in Note 20. Certain service and subscription arrangements held at the Legal Entity or Nokia level and expected to transfer to the Company in connection with the Transaction are referenced above.

Note 20. Subsequent Events

Management has evaluated subsequent events through the date the Financial Statements were authorized for issue. The following non-adjusting subsequent events have been identified and are disclosed:

Temporary Suspension of Axiom Space lunar spacesuit integration program

The Axiom Space lunar spacesuit integration program is one of Modul8's significant customer contracts and represented a substantial portion of the Company's remaining performance obligations as at December 31, 2025, as disclosed in Note 3, includes \$14,804 relating to the Axiom Space lunar spacesuit integration program. In February 2026, the Company received notice that the Axiom Space lunar spacesuit integration program will be temporarily suspended. The temporary suspension is a non-adjusting event after the reporting period.

Management is assessing the operational and financial consequences of the temporary suspension, including potential reallocation of resources previously dedicated to the contract and any resulting restructuring or impairment considerations. The financial effect of any associated actions is being determined and cannot be reasonably estimated at the date these Financial Statements were authorized for issue.

Definitive agreement with Celestial Acquisition Corp.

On April 15, 2026, Nokia entered into a Definitive Agreement with Celestial Acquisition Corp. ("Celestial"), a capital pool company listed on the TSXV in respect of the Transaction to transfer the Company into a new, independent public company to be listed on the TSXV. Nokia will retain an approximate 40% equity interest in the Company. The Transaction is expected to close in the summer of 2026, subject to customary closing conditions, regulatory approvals and approval by the shareholders of Celestial.

The Transaction is to be effected under a Business Combination Agreement (the "BCA") between Nokia, Celestial and other parties. Ancillary agreements entered into or to be entered into in connection with the Transaction include:

- an Intellectual Property Transfer and License Agreement under which Nokia will transfer and license certain patents, software and related technology to the Company (Note 13);
- a Patent Purchase Agreement under which the Company will acquire two patents from Nokia (Note 13); and
- a Transitional Services Agreement under which Nokia will provide certain services to the Company for a limited transitional period to support standalone operations.

Other than the matters described above, no events have occurred between December 31, 2025 and June 18, 2026, the date of authorization of these Financial Statements that would require adjustment to, or additional disclosure in, these Financial Statements. These Financial Statements were authorized for issuance on June 18, 2026.

MODUL8

(A Carve-Out Business of Nokia Corporation)

CARVE-OUT CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

For the three months ended March 31, 2026, and 2025

Presented in thousands of United States dollars

Prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards")

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Carve-Out Condensed Interim Income Statement

For the three months ended March 31 (unaudited)

USDk	Note	Mar 31, 2026	Mar 31, 2025
Revenue	Note 3	\$ 3,662	\$ 2,818
Cost of revenue	Note 5	(2,413)	(2,176)
Gross profit (loss)		1,249	642
Research and development expenses	Note 5	(29)	(84)
General and administrative expenses	Note 5	(928)	(820)
Profit (loss) before tax		292	(262)
Income tax benefit (expense)		-	-
Net profit (loss)		\$ 292	\$ (262)

The notes are an integral part of these carve-out condensed interim financial statements.

Carve-Out Condensed Interim Statement of Comprehensive Income (Loss)

For the three months ended March 31 (unaudited)

USDk	Mar 31, 2026	Mar 31, 2025
Net profit (loss)	\$ 292	\$ (262)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	\$ 292	\$ (262)

The notes are an integral part of these carve-out condensed interim financial statements.

Carve-Out Condensed Interim Statement of Financial Position

As at March 31, 2026 and December 31, 2025. (unaudited)

USDk	Note	Mar 31, 2026	Dec 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	Note 11	\$ 5,081	\$ 4,034
Intangible assets	Note 12	1,724	1,112
Right-of-use assets	Note 13	7,775	4,031
Other assets	Note 10	-	413
Total non-current assets		14,580	9,590
Current assets			
Trade receivables	Note 9	-	3,000
Contract assets	Note 4	2,247	146
Prepaid expenses and other assets	Note 10	193	546
Total current assets		2,440	3,692
Total assets		\$ 17,020	\$ 13,282
Equity and Liabilities			
Equity			
Net parent investment	Note 14	\$ 5,976	\$ 4,931
Total Net parent investment		5,976	4,931
Liabilities			
Non-current liabilities			
Long-term lease liabilities	Note 13	7,624	3,712
Total non-current liabilities		7,624	3,712
Current liabilities			
Trade payables		1,102	2,204
Contract liabilities	Note 4	1,793	1,354
Accrued expenses and other liabilities		422	802
Short-term lease liabilities	Note 13	103	279
Total current liabilities		3,420	4,639
Total liabilities		11,044	8,351
Total equity and liabilities		\$ 17,020	\$ 13,282

The notes are an integral part of these carve-out condensed interim financial statements.

Carve-Out Condensed Interim Statement of Changes in Net parent investment

For the three months ended March 31 (unaudited)

USDk	Note	Net parent Investment
At January 1, 2025		\$ 2,645
Net profit (loss)		(262)
Net transfers from Nokia	Note 14	(3,242)
Share-based payments	Note 7	33
Pension and post-employment benefit allocation	Note 8	46
At March 31, 2025		\$ (780)
At January 1, 2026		\$ 4,931
Net profit (loss)		292
Net transfers from Nokia	Note 14	660
Share-based payments	Note 7	24
Pension and post-employment benefit allocation	Note 8	69
At March 31, 2026		\$ 5,976

The notes are an integral part of these carve-out condensed interim financial statements.

Carve-Out Condensed Interim Statement of Cash Flows

For the three months ended March 31 (unaudited)

USDk	Note	Mar 31, 2026	Mar 31, 2025
Cash flows from operating activities			
Net profit (loss)		\$ 292	\$ (262)
Adjustments:			
Depreciation	Note 11	56	9
Share-based payments	Note 7	24	33
Income tax expense		-	-
Pension and post-employment benefit allocation	Note 8	69	46
Changes in net working capital:			
Trade receivables	Note 9	3,000	-
Contract assets	Note 4	(2,101)	1,942
Prepaid expenses and other receivables	Note 10	16	112
Trade payables		564	52
Contract liabilities	Note 4	439	1,665
Accrued expenses and other liabilities		(380)	(209)
Net cash from operating activities		1,979	3,388
Cash flows from investing activities			
Purchase of Property, plant and equipment	Note 11	(1,565)	(146)
Additions to capitalized development costs	Note 12	(1,066)	-
Initial direct costs on leases	Note 13	(8)	-
Net cash used in investing activities		(2,639)	(146)
Cash flows from financing activities			
Net transfers from (to) Nokia	Note 14	660	(3,242)
Net cash from/(used in) financing activities		660	(3,242)
Net increase (decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		\$ -	\$ -

The notes are an integral part of these carve-out condensed interim financial statements.

Note 1. Basis of Preparation and Accounting Policies

General Company Information

Modul8 (the "Company") is the space communications and computing business historically operated as a venture within Nokia Bell Labs, the industrial research organization of Nokia Corporation ("Nokia" or the "Parent"). The Company is not a separate legal entity, division or reportable segment of Nokia. The ultimate parent of the Company is Nokia, a public limited liability company incorporated in Finland, which prepares consolidated financial statements available to the public.

The Company's operations have historically been conducted through Nokia Solutions and Networks Oy, Nokia of America Corporation, and their related affiliates (collectively, the "Legal Entities"), which are wholly owned by Nokia. The Company does not maintain its own registered office, and the carve-out condensed interim financial statements (the "Financial Statements") have been derived from the accounting records of the Legal Entities.

On April 15, 2026, Nokia entered into an agreement (the "Definitive Agreement") to transfer the Company into a new, independent public company (the "Transaction") to be listed on the TSX Venture Exchange ("TSXV"). As part of the Transaction, Modulate Space Corporation ("MSC US") will receive the Modul8 operating assets and subsequently be acquired by the resulting public company. The Condensed Interim Financial Statements have been prepared on a carve-out basis in connection with the Transaction.

Basis of preparation and statement of compliance

These Financial Statements present the historical financial position, results of operations and cash flows of the Company as if it had operated as a standalone entity for the periods presented. The Company did not historically prepare standalone financial statements.

The Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with IFRS as issued by the IASB. The same accounting policies and methods of computation as those used in the preparation of the Financial Statements for the year ended December 31, 2025 were followed in the preparation of these Financial Statements. The Financial Statements do not include all the information and disclosures required in the annual carve-out financial statements and should be read in conjunction with the Company's carve-out financial statements for the year ended December 31, 2025.

The Financial Statements are presented in U.S. dollars ("USD"). The basis of currency translation is consistent with that described in the annual carve-out financial statements.

Basis of combination and carve-out methodology

The Financial Statements have been prepared on a carve-out basis from Nokia's consolidated financial statements and underlying accounting records and include those assets, liabilities, revenues and expenses that are directly attributable to the Company, as well as allocations that management considers reasonable and supportable. These amounts have been identified from the accounting records of the Legal Entities using specific identification where directly attributable and allocation methodologies where not directly attributable. The condensed interim financial statements have been prepared on a carve-out basis consistent with the basis of preparation and carve-out methodology described in the annual carve-out financial statements.

Going concern

These Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for a period of at least twelve months from the date of authorization of these Financial Statements.

Historically, the Company has been dependent on Nokia's central treasury function for its working capital and capital expenditure requirements. The Company has not historically generated consistent operating profits and reported a net profit of \$292 for the three months ended March 31, 2026 (2025: net loss of \$262) and positive cash flows from operating activities of \$1,979 (2025: \$3,388).

In assessing whether the going concern assumption is appropriate, management has considered:

- the continued funding support of Nokia through the expected closing of the proposed Transaction;
- the Company's existing customer contracts and contracted order backlog of \$19,496 as at three months ended March 31, 2026;
- the expected capital structure of the Company following completion of the proposed Transaction;

- the expected transitional service arrangements with Nokia to support the transition to standalone operations.

Based on this assessment, management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly, the going concern basis of preparation remains appropriate.

New and amended IFRS Standards

Standards issued but not yet effective

The following new and amended IFRS standards have been issued but are not yet effective for the three months ended March 31, 2026 and have not been early adopted:

IFRS 18 – Presentation and disclosure in financial statements (effective January 1, 2027)

IFRS 18 replaces IAS 1 and introduces new requirements for the presentation of the income statement (including defined categories and subtotals), management-defined performance measures, and the aggregation and disaggregation of information. Management is currently assessing the impact of IFRS 18 on the Financial Statements. The adoption of IFRS 18 is expected to result in changes to the presentation of the income statement and additional disclosures, but is not expected to have a material impact on the recognition or measurement of assets, liabilities, income or expenses.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective January 1, 2027)

IFRS 19 is not expected to be applicable to the Company following completion of the proposed transaction, as the Company will have public accountability.

Other amendments

The Company does not expect the adoption of other issued but not yet effective amendments to have a material impact on the Financial Statements.

Material accounting policies

The Financial Statements have been prepared using the same accounting policies and methods of computation as applied in the Company's latest annual carve-out financial statements. For a description of the Company's material accounting policies, refer to the annual carve out financial statements for the year ended December 31, 2025, except as otherwise disclosed in these Financial Statements.

Use of estimates and critical accounting judgments

The preparation of the Financial Statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Estimates and assumptions are based on historical experience and other factors considered reasonable under the circumstances and are reviewed on an ongoing basis. Actual results may differ from these estimates. Significant estimates and judgments used in preparation of the Financial Statements are described in the Company's carve-out financial statements for the year ended December 31, 2025.

Note 2. Segment Information

The Company operates as a single operating segment.

As the Company has a single operating segment, the information regarding segment profit or loss, assets, and liabilities required by IFRS 8.23–24 is equivalent to the amounts presented in the carve-out condensed interim income statement and carve-out condensed interim statement of financial position, and no separate reconciliations are required.

All revenue for the three months ended March 31, 2026, and 2025 was generated from space communications and computer solutions delivered to governmental and space industry customers under fixed-price contract arrangements. Additional information regarding revenue disaggregation is provided in Note 3.

Revenue from external customers by customer location

Revenue is attributed to geographic areas based on customer location. Because the Company is not a separate legal entity, a single country of domicile is not applicable. All revenue for the three months ended March 31, 2026, and 2025 was generated from customers located in the United States.

Non-current assets by asset location

All non-current assets of the Company as at March 31, 2026, and December 31, 2025, were located in the United States. For purposes of this disclosure, non-current assets include Property, plant and equipment, Right-of-use assets, and Intangible assets and exclude financial instruments. The carrying amount of these non-current assets as at March 31, 2026, was \$14,580 (December 31, 2025: \$9,590).

Major customers

For the three months ended March 31, 2026, and 2025, revenue from individual customers representing 10% or more of the Company's total revenue was as follows:

USDk	Mar 31, 2026	Mar 31, 2025
Customer A	\$ 2,101	\$ 2,424
Customer B	1,561	-
Customer C	-	243
All other customers	-	151
Total revenue from major customers	\$ 3,662	\$ 2,818

Customers that represent 10% or more of revenue consist primarily of space program partners and prime contractors. For the purposes of this disclosure, agencies and instrumentalities of the United States federal government are treated as a single customer in accordance with IFRS 8.34. Revenue from these major customers is reported within the Company's single operating segment and is included in the customer-type categories disclosed in Note 3.

Note 3. Revenue

The Company's revenue recognition policies are consistent with those described in the annual carve-out financial statements for the year ended December 31, 2025. All of the Company's Revenue is derived from contracts with customers within the scope of IFRS 15. The following disclosures provide additional information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Disaggregation of Revenue

Revenue for the three months ended March 31, 2026, and 2025 was primarily recognized over time and was generated from customers located in the United States.

The following table presents the Company's Revenue disaggregated by customer type for the three months ended:

USDk	Mar 31, 2026	Mar 31, 2025
Governmental agencies	\$ -	\$ 244
Space program partners and prime contractors	3,662	2,574
Total Revenue	\$ 3,662	\$ 2,818

Remaining performance obligations

As at March 31, 2026, the aggregate amount of the transaction price allocated to performance obligations that were unsatisfied (or partially unsatisfied) was \$19,496 (2025: \$24,830). The Company expects to recognize this revenue as follows:

USDk	Mar 31, 2026	Mar 31, 2025
Within 1 year	\$ 13,797	\$ 11,632
1-3 years	5,699	13,198
More than 3 years	-	-
Remaining performance obligations	\$ 19,496	\$ 24,830

In February 2026, the Company was notified that the contract related to Axiom Space lunar spacesuit integration program had been temporarily suspended. The remaining performance obligations disclosed above does not include \$12,703 related to the paused contract.

Note 4. Contract Balances

The Company's contract balances as at March 31, 2026, and December 31, 2025, were as follows:

USDk	Mar 31, 2026	Dec 31, 2025
Trade receivables ¹	\$ -	\$ 3,000
Contract assets	\$ 2,247	\$ 146
Contract liabilities	\$ 1,793	\$ 1,354

¹ Further detail on Trade receivables is provided in Note 9.

Revenue recognized during the three months ended March 31, 2026, from amounts included in the contract liability balance at the beginning of the period was \$1,354. No such revenue was recognized during the three months ended March 31, 2025.

Note 5. Operating expenses

Operating expenses by nature for the three months ended March 31, 2026, and 2025 were as follows:

USDk	Mar 31, 2026	Mar 31, 2025
Employee costs	\$ 1,619	\$ 1,057
Technology, materials and equipment	953	1,115
Other operating expenses	648	767
Professional fees and outside services	65	48
Depreciation	56	9
R&D expense	29	84
Total operating expenses	\$ 3,370	\$ 3,080

Note 6. Employee costs

Employee costs recognized in profit or loss for the three months ended March 31, 2026, and 2025 were as follows:

USDk	Mar 31, 2026	Mar 31, 2025
Wages and salaries	\$ 1,273	\$ 845
Social security and other statutory employee costs	192	120
Pension costs	69	46
Share-based payments expense	24	33
Other employee-related costs	61	13
Total employee costs	\$ 1,619	\$ 1,057

Note 7. Share-based payments

The Company participates in share-based payments arrangements under which employees and other eligible individuals receive equity-settled awards granted by Nokia and settled in Nokia shares. The Company does not have an obligation to settle these awards. These awards generally vest over service periods subject to continued employment and, where applicable, the achievement of specified performance conditions.

The grant-date fair value of RSUs and PSUs without market-based performance conditions is determined by Nokia by reference to the closing market price of Nokia ordinary shares at the grant date. Share options and awards with market-based performance conditions are valued by Nokia at the grant date using the Black-Scholes option-pricing model.

Share-based payments expense recognized for the three months ended March 31, 2026, and 2025 were as follows:

Expense recognized

USDk	Mar 31, 2026	Mar 31, 2025
Restricted share units	\$ 12	\$ 23
Performance share units	11	10
Other equity-settled awards	1	-
Total Share-based payments expense	\$ 24	\$ 33

Unvested performance-based awards outstanding during the three months ended March 31, 2026, and 2025 were as follows:

Performance share units	Number of Awards	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2025	84,967	\$ 3.39
Forfeited / cancelled	(23,100)	3.66
Unvested at March 31, 2025	61,867	\$ 3.30
Unvested as January 1, 2026	69,417	\$ 3.45
Performance adjustment	4,446	3.08
Unvested at March 31, 2026	73,863	\$ 3.54

There was no vesting of performance-based awards during the three months ended March 31, 2026 and 2025, as the requisite performance conditions had not been achieved.

Unvested restricted share units outstanding during the three months ended March 31, 2026, and 2025 were as follows:

Restricted share units	Number of Awards	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2025	84,067	\$ 3.50
Forfeited / cancelled	-	-
Unvested at March 31, 2025	84,067	\$ 3.50
Unvested at January 1, 2026	45,783	\$ 3.57
Unvested at March 31, 2026	45,783	\$ 3.57

Effect of the proposed transaction

Following completion of the proposed transaction with Celestial Acquisition Corp., the treatment of outstanding Nokia awards held by Company employees will be determined in accordance with the terms of the Definitive Agreement.

Note 8. Pensions and Other Post-Employment Benefits

Certain employees of the Company participate in defined benefit pension and other post-employment benefit plans sponsored and administered by Nokia (the "Nokia Plans").

No defined benefit obligation, plan assets, or related remeasurement gains or losses are recognized in the carve-out condensed interim statement of financial position or the carve-out condensed interim statement of comprehensive income (loss). The expense recognized in profit or loss represents the Company's allocated share of the cost of Nokia Plan benefits in respect of its employees for the period. For the three months ended March 31, 2026, and 2025, the Company incurred \$69 and \$46 in defined benefit pension expenses, respectively.

Note 9. Trade Receivables

Trade receivables in this note represent amounts due from third-party customers; Contract assets relating to unbilled revenue are disclosed in Note 4.

During the three months ended March 31, 2026, the Company fully collected the Trade receivables balance of \$3,000 that was outstanding as at December 31, 2025.

Note 10. Prepaid expenses and other assets

Prepaid expenses and other current assets primarily consist of advance payments for software, facilities and other operating costs, as well as the current portion of deferred development costs and other vendor advances expected to be recognized in profit or loss within the next twelve months or the Company's normal operating cycle.

Prepaid expenses and other current assets as at March 31, 2026 and December 31, 2025 were as follows:

Prepaid expenses and other assets (current)

USDk	Mar 31, 2026	Dec 31, 2025
Prepayments	\$ 193	\$ 209
Deferred development costs	-	337
Total Prepaid expenses and other assets	\$ 193	\$ 546

Other assets, primarily consist of the non-current portion of deferred development costs and other vendor advances expected to benefit periods beyond the next twelve months or the Company's normal operating cycle.

Other assets as at March 31, 2026 and December 31, 2025 were as follows:

Other assets (non-current)

USDk	Mar 31, 2026	Dec 31, 2025
Deferred development costs	\$ -	\$ 413
Total Other assets	\$ -	\$ 413

The deferred development costs represent non-cash operating activities and are therefore excluded from the Statement of Cash Flows.

Note 11. Property, Plant and Equipment

Movements in Property, plant and equipment as at the three months ended March 31, 2026, and the year ended December 31, 2025 were as follows:

USDk	Machinery and Equipment	Assets Under Construction	Total
Gross book value at January 1, 2025	\$ 80	\$ -	\$ 80
Additions	883	3,249	4,132
Other movement/transfer	37	-	37
Disposals and retirements	-	-	-
Gross book value at December 31, 2025	1,000	3,249	4,249
Additions	396	707	1,103
Disposals and retirements	-	-	-
Gross book value at March 31, 2026	\$ 1,396	\$ 3,956	\$ 5,352
Accumulated depreciation at January 1, 2025	\$ -	\$ -	\$ -
Other movement/transfer	(37)	-	(37)
Disposals and retirements	-	-	-
Charge for year	(178)	-	(178)
Accumulated depreciation at December 31, 2025	(215)	-	(215)
Disposals and retirements	-	-	-
Charge for period	(56)	-	(56)
Accumulated depreciation at March 31, 2026	\$ (271)	\$ -	\$ (271)
Net carrying amount as at December 31, 2025	\$ 785	\$ 3,249	\$ 4,034
Net carrying amount as at March 31, 2026	\$ 1,125	\$ 3,956	\$ 5,081

Property, plant and equipment comprises laboratory and testing equipment, space-qualified hardware and related assets, leasehold improvements, and assets under construction. In the three months ended March 31, 2026, the Company recorded \$1,103 in additions primarily related to \$396 of machinery and equipment purchases and \$707 related to assets under construction. Depreciation expense for the periods presented was recognized within Cost of revenue, Research and development expenses and General and administrative expenses based on the use of the underlying assets.

The Company assesses Property, plant and equipment for impairment when indicators of impairment exist. No impairment losses were recognized for the periods presented. No borrowing costs were capitalized to Property, plant and equipment during the periods presented. As at March 31, 2026, assets under construction are expected to be placed into service over the next 3 months.

Note 12. Intangible Assets

Intangible assets comprise capitalized development costs and, where applicable, acquired intellectual property rights that meet the recognition criteria under IAS 38.

The Company's Intangible assets as at March 31, 2026, and December 31, 2025 were as follows:

USDk	Capitalized Development Costs
Gross book value at January 1, 2025	\$ -
Additions	1,112
Disposals and retirements	-
Gross book value at December 31, 2025	1,112
Additions	612
Disposals and retirements	-
Gross book value at March 31, 2026	\$ 1,724
Accumulated amortization at January 1, 2025	\$ -
Disposals and retirements	-
Charge for year	-
Accumulated amortization at December 31, 2025	-
Disposals and retirements	-
Charge for period	-
Accumulated amortization at March 31, 2026	\$ -
Net carrying amount as at December 31, 2025	\$ 1,112
Net carrying amount as at March 31, 2026	\$ 1,724

As at March 31, 2026, and December 31, 2025 capitalized development costs were related to software and communications technology solutions for future commercial deployment and were incurred subsequent to the establishment of technical feasibility. No amortization expense was recognized during the three months ended March 31, 2026, and the year ended December 31, 2025, as the Company's Intangible assets were not yet available for use during the periods presented.

No impairment indicators were identified during the three months ended March 31, 2026 and the year ended December 31, 2025.

Note 13. Leases

The movement in the Company's Right-of-use assets for the three months ended March 31, 2026, and the year ended December 31, 2025 were as follows:

USDk	Mar 31, 2026	Dec 31, 2025
As at January 1	\$ 4,031	\$ -
Additions	3,744	4,031
Depreciation	-	-
As at end of reporting period	\$ 7,775	\$ 4,031

The movement in the Company's Lease liabilities for the three months ended March 31, 2026, and the year ended December 31, 2025 was as follows:

USDk	Mar 31, 2026	Dec 31, 2025
As at January 1	\$ 3,991	\$ -
Additions	3,736	3,991
Interest expense	-	-
Payments	-	-
As at end of reporting period	7,727	3,991
Less: Short-term lease liabilities	(103)	(279)
Long-term lease liabilities	\$ 7,624	\$ 3,712

Lease modification

During the three months ended March 31, 2026, the Company entered into an amendment to its existing lease agreement that (i) extended the term of the original leased premises by 30 months and (ii) granted the Company the right to use approximately 10 thousand square feet of additional space.

Term extension - remeasurement of existing lease

The 30-month extension of the original premises does not add the right to use additional underlying assets and was therefore not accounted for as a separate lease. The Company remeasured the lease liability for the original premises at the effective date of the modification using a revised incremental borrowing rate.

Additional space - separate lease

The increase in consideration for the additional space was commensurate with the stand-alone price of the incremental right-of-use, adjusted for the circumstances of the contract. Accordingly, the Company accounted for the additional space as a separate lease in accordance with IFRS 16.

Cash flow and non-cash disclosures

No lease payments were made during the three months ended March 31, 2026, and 2025 as the lease was in a buildout and rent-free period. Accordingly, no principal payments of lease liabilities were recognized in the Statement of Cash Flows during the periods presented.

During the three months ended March 31, 2026, the Company recognized right-of-use assets of \$3,744 with corresponding lease liabilities of \$3,736. These represent non-cash investing and financing activities and are therefore excluded from the Statement of Cash Flows.

Initial direct costs

The Company incurred \$8 of initial direct costs, comprising of legal fees that would not have been incurred had the lease not been obtained. These costs have been included in the initial measurement of the related Right-of-use asset.

Renewal option

Following the amendment, the modified lease has a remaining non-cancellable term of approximately eight years. The Company has the option to renew the lease for an additional five-year period, at which time lease payments would be reset to an amount determined at the date of renewal. The Company concluded it is not reasonably certain to exercise the renewal option.

Maturity analysis

As required by IFRS 16, a maturity analysis of Lease liabilities showing the undiscounted remaining contractual lease payments is presented in Note 18 - Commitments.

Note 14. Net parent investment

Net parent investment represents Nokia's historical investment in the Company in lieu of shareholders' equity.

The Company does not present share capital or retained earnings as separate components of equity because it is not a separate legal entity. The cumulative result of operations, net cash transfers to and from Nokia, and non-cash contributions from Nokia (principally share-based payments) are presented collectively within Net parent investment. The Company had no standalone third-party credit facilities or debt as at March 31, 2026, and December 31, 2025. Refer to Note 16 for liquidity risk disclosures.

The composition of Net parent investment as at the three months ended March 31, 2026, and 2025 was as follows:

USDk	Mar 31, 2026	Mar 31, 2025
Cumulative Net profit/(loss) since inception of Modul8 Business	\$ (3,006)	\$ (2,295)
Cumulative net cash transfers (to)/from Nokia	8,889	1,436
Allocated share-based payments	24	33
Pension and post-employment benefit allocation	69	46
Net parent investment	\$ 5,976	\$ (780)

"Net transfers (to)/from Nokia" presented within financing activities in the carve-out condensed interim statement of cash flows primarily represents centralized cash management and general financing activities with Nokia.

Capital management

Because the Modul8 Business is not a separate legal entity and has been funded historically through Nokia's central treasury, the Company does not have share capital or external borrowings during the periods presented. Capital managed by the Company is represented by Net parent investment. The Company is not subject to externally imposed capital requirements.

Note 15. Fair Value Measurement

The Company classifies financial instruments measured at fair value, and financial instruments for which fair value is disclosed, using a three-level fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements:

- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- **Level 2** – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** – inputs for the asset or liability that are not based on observable market data.

Financial instruments by category

The categories of the Company's financial instruments, all of which are measured at amortized cost, are presented in Note 16. The carrying amounts of the Company's financial instruments approximate their fair values as summarized below:

(USDk)	Mar 31, 2026	Dec 31, 2025
Financial assets		
Trade receivables	\$ -	\$ 3,000
Total financial assets	\$ -	\$ 3,000
Financial liabilities		
Trade payables	\$ 1,102	\$ 2,204
Total financial liabilities	\$ 1,102	\$ 2,204

The carrying amounts of Trade receivables and Trade payables approximate their fair values given their short-term nature. Accordingly, no separate fair value disclosure is provided for these instruments.

The Company did not hold any financial instruments measured at fair value on a recurring basis as at March 31, 2026, or December 31, 2025, nor did the Company hold any financial instruments measured at fair value on a non-recurring basis during the periods presented.

Note 16. Financial Risk Management

The Company is exposed to credit risk, liquidity risk and market risk in the normal course of business. The Company's financial risk management activities have historically been coordinated with Nokia's central treasury function. The following sections describe each of these risks and the Company's exposure, objectives, policies and processes for managing them.

Credit risk

The Company's exposure to credit risk arises principally from Trade receivables and Contract assets. Credit risk is managed through ongoing credit evaluations of counterparties and monitoring of outstanding balances. There have been no material changes in the Company's credit risk profile since the annual carve-out financial statements for the year ended December 31, 2025.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial asset:

USDk	Mar 31, 2026	Dec 31, 2025
Trade receivables	\$ -	\$ 3,000
Contract assets	2,247	146
Total maximum exposure	\$ 2,247	\$ 3,146

Liquidity risk

As at March 31, 2026, and December 31, 2025, the Company had no standalone third-party credit facilities or external debt (Note 14). The following table presents the contractual undiscounted cash flows of the Company's financial liabilities as at March 31, 2026, and December 31, 2025:

As at Mar 31, 2026 USDk	< 1 year	1-3 years	> 3 years	Total
Trade and other payables	\$ 1,102	\$ -	\$ -	\$ 1,102
Accrued expenses and other liabilities	422	-	-	422
Total	\$ 1,524	\$ -	\$ -	\$ 1,524

As at Dec 31, 2025 USDk	< 1 year	1-3 years	> 3 years	Total
Trade and other payables	\$ 2,204	\$ -	\$ -	\$ 2,204
Accrued expenses and other liabilities	802	-	-	802
Total	\$ 3,006	\$ -	\$ -	\$ 3,006

Market risk

The Company is exposed to foreign currency risk and, to a limited extent, interest rate risk. The Company is also exposed to revenue and customer concentration (Notes 2 and 9) which is addressed as part of credit risk above. There have been no material changes in the Company's market risk since the annual carve-out financial statements for the year ended December 31, 2025.

Foreign currency risk

The Company held no material EUR-denominated monetary financial instruments as at March 31, 2026, and December 31, 2025. Accordingly, the Company has no material foreign currency risk exposure at the reporting date, and a reasonably possible change in the USD/EUR exchange rate would not have a material impact on profit before tax or equity. The Company has no foreign operations and is therefore not exposed to translation risk through other comprehensive income.

Interest rate risk

The Company has no external debt and no interest-bearing financial instruments as at March 31, 2026, and December 31, 2025. Accordingly, the Company has no exposure to interest rate risk.

Note 17. Transactions with Related Parties

The following table summarizes transactions with related parties recognized in the carve-out condensed interim statement of profit or loss for the three months ended March 31, 2026, and 2025:

USDk	Mar 31, 2026	Mar 31, 2025
Allocated costs and shared services from Nokia (G&A, finance, legal, HR)	\$ 495	\$ 575
Pension and post-employment cost allocations	69	46
Share-based compensation expense	24	33
Total related party transactions recognized in profit or loss	\$ 588	\$ 654

Outstanding balances with related parties

Amounts due to and from related parties arising during the periods presented were unsecured, non-interest bearing, had no fixed terms of repayment and were generally settled through Nokia's centralized cash management arrangements. Settlements through this arrangement have been reflected as movements in Net parent investment within equity. No outstanding related party balances remained as at March 31, 2026, and December 31, 2025.

Key management personnel compensation

Key management compensation for the periods presented was as follows:

USDk	Mar 31, 2026	Mar 31, 2025
Short-term employee benefits	\$ 219	\$ 119
Post-employment benefits	8	4
Share-based payment	17	18
Other benefits	28	14
Total key management personnel compensation	\$ 272	\$ 155

Note 18. Commitments and contingencies

Commitments

The Company has contractual commitments arising in the normal course of business that are not recognized as liabilities in the carve-out condensed interim statement of financial position because the related goods, services or leased assets have not yet been delivered or made available for use.

As at March 31, 2026, and December 31, 2025, the Company's commitments, classified by expected timing of payment or delivery, were as follows:

As at Mar 31, 2026 USDk	<1 year	1-5 years	> 5 years	Total
Open purchase orders with development partners and suppliers	\$ 2,872	\$ -	\$ -	\$ 2,872
Development costs	2,423	253	-	2,676
Service and subscription commitments	249	305	-	554
Undiscounted lease obligations	146	6,135	3,018	9,299
Total commitments	\$ 5,690	\$ 6,693	\$ 3,018	\$ 15,401

As at Dec 31, 2025 USDk	<1 year	1-5 years	> 5 years	Total
Open purchase orders with development partners and suppliers	\$ 3,661	\$ 469	\$ -	\$ 4,130
Development costs	1,980	778	-	2,758
Service and subscription commitments	266	418	-	684
Undiscounted lease obligations	293	3,727	659	4,679
Total commitments	\$ 6,200	\$ 5,392	\$ 659	\$ 12,251

Contingencies

As at March 31, 2026, there have been no significant changes in the Company's contingencies, legal proceedings, or government contract obligations from those disclosed in the annual financial statements for the year ended December 31, 2025.

In connection with the proposed Transaction described in Note 19, as at March 31, 2026, no material new commitments or contingencies have arisen.

Note 19. Subsequent Events

Management has evaluated subsequent events through the date the Condensed Interim Financial Statements were authorized for issue. The following non-adjusting subsequent events have been identified and are disclosed:

Definitive agreement with Celestial Acquisition Corp.

On April 15, 2026, Nokia entered into a Definitive Agreement with Celestial Acquisition Corp. ("Celestial"), a capital pool company listed on the TSXV in respect of the Transaction to transfer the Company into a new, independent public company to be listed on the TSXV. Nokia will retain an approximate 40% equity interest in the Company. The Transaction is expected to close in the summer of 2026, subject to customary closing conditions, regulatory approvals and approval by the shareholders of Celestial.

The Transaction is to be effected under a Business Combination Agreement (the "BCA") between Nokia, Celestial and other parties. Ancillary agreements entered into or to be entered into in connection with the Transaction include:

- an Intellectual Property Transfer and License Agreement under which Nokia will transfer and license certain patents, software and related technology to the Company (Note 12);
- a Patent Purchase Agreement under which the Company will acquire two patents from Nokia (Note 12); and
- a Transitional Services Agreement under which Nokia will provide certain services to the Company for a limited transitional period to support standalone operations.

Other than the matters described above, no events have occurred between March 31, 2026, and June 18, 2026, the date of authorization of these Financial Statements that would require adjustment to, or additional disclosure in, these Financial Statements. These Financial Statements were authorized for issuance on June 18, 2026.

SCHEDULE C
PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

Celestial Acquisition Corp.

Unaudited pro forma consolidated statement of financial position as at March 31, 2026
(Expressed in USDk)

	Modul8	Celestial Acquisition Corp.	Note 5	Adjustments	Total
	\$	\$		\$	\$
Assets					
Current assets					
Cash and cash equivalents	-	312	(g) (h)	37,600 (200)	37,712
Trade receivables	-	-			-
Contract assets	2,247	-			2,247
Prepaid expenses and other assets	193	-			193
Total current assets	2,440	312		37,400	40,152
Non-current assets					
Property, plant and equipment	5,081	-			5,081
Right-of-use assets	7,775	-			7,775
Intangible assets	1,724	-			1,724
Total assets	17,020	312		37,400	54,732
Liabilities					
Current liabilities					
Short-term lease liabilities	103	-			103
Trade payables and accrued liabilities	1,524	116			1,640
Contract liabilities	1,793	-			1,793
Total current liabilities	3,420	116	-	-	3,536
Non-current liabilities					
Long-term lease liabilities	7,624	-			7,624
Deferred tax liability	-	-			-
Total liabilities	11,044	116		-	11,160
Shareholders' Equity					
Capital stock	-	442	(a) (d) (f) (g)	(442) 7,200 5,976 37,600	50,776
Contributed surplus	-	73	(c) (e) (e) (i)	(73) 478 354 331	1,163
Net parent investment	5,976	-	(f)	(5,976)	-
Foreign currency translation reserve	-	(17)	(c)	17	-
Deficit	-	(302)	(b) (d) (h) (i)	302 (7,836) (200) (331)	(8,367)
Total shareholders' equity	5,976	196		37,400	43,572
Total liabilities and shareholders' equity	17,020	312		37,400	54,732

See accompanying notes to the unaudited pro forma financial statements

Celestial Acquisition Corp.

Unaudited pro forma consolidated statement of income and comprehensive income for the year ended September 30, 2025
(Expressed in USDk)

	Celestial				
	Modul8	Acquisition Corp.	Note 5	Adjustments	Total
	\$	\$		\$	\$
Revenues	9,938	9			9,947
Cost of revenue	(6,570)	-			(6,570)
Gross Profit	3,368	9		-	3,377
Prepaid expenses and other assets					
Research and development expenses	(353)	-			(353)
General and administrative expenses	(4,160)	(30)			(4,190)
Operating profit (loss)	(1,145)	(21)		-	(1,166)
Transaction costs	-	-	(d)	(7,836)	(8,036)
Share-based payments	-	-	(h) (i)	(200) (331)	(331)
Net income (loss) for the year	(1,145)	(21)		(8,367)	(9,533)
Other comprehensive income					
Foreign currency translation	-	-			-
Comprehensive income (loss) for the year	(1,145)	(21)		(8,367)	(9,533)
Basic earnings (loss) per share					(0.19)
Diluted earnings (loss) per share					(0.19)

See accompanying notes to the unaudited pro forma financial statements

Celestial Acquisition Corp.

Unaudited pro forma consolidated statement of income and comprehensive income for the six months ended March 31, 2026
(Expressed in USDk)

	Celestial				
	Modul8	Acquisition Corp.	Note 5	Adjustments	Total
	\$	\$		\$	\$
Revenues	12,712	3			12,715
Cost of revenue	(8,481)	-			(8,481)
Gross Profit	4,231	3		-	4,234
Prepaid expenses and other assets					
Research and development expenses	(265)	-			(265)
General and administrative expenses	(4,623)	136			(4,487)
Operating profit (loss)	(657)	139		-	(518)
Transaction costs	-	-	(d)	(7,836)	(8,036)
			(h)	(200)	
Share-based payments	-	-	(i)	(331)	(331)
Net income (loss) for the period	(657)	139		(8,367)	(8,885)
Other comprehensive income					
Foreign currency translation	-	(1)			(1)
Comprehensive income (loss) for the period	(657)	138		(8,367)	(8,886)
Basic earnings (loss) per share					(0.18)
Diluted earnings (loss) per share					(0.18)

See accompanying notes to the unaudited pro forma financial statements

Celestial Acquisition Corp.

Notes to Unaudited Pro Forma Consolidated Financial Statements

March 31, 2026

(Expressed in USDk)

1. Basis of presentation

The unaudited pro forma consolidated statement of financial position of Celestial Acquisition Corp. (the "Company" or "Celestial") as at March 31, 2026, and the statements of income and comprehensive income for the year ended September 30, 2025 and six months ended March 31, 2026 (the "Pro Forma Financial Statements"), has been prepared by management based on historical financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the proposed Qualifying Transaction between the Company, Nokia Solutions and Networks Oy ("NSN"), Nokia of America Corporation ("NOAC"), and Modulate Space Corporation ("MSC US" and together with NSN and NOAC, the "Modul8 Parties", and the business assets and outstanding stock of MSC US comprising "Modul8") on the basis of the assumptions and adjustments described in note 2, 3, 4 and 5.

The unaudited pro forma consolidated statement of financial position has been derived from:

- (a) the unaudited statement of financial position of the Company as at March 31, 2026;
- (b) the unaudited consolidated statement of financial position of the Modul8 business as at March 31, 2026; and
- (c) unless otherwise noted, the unaudited pro forma consolidated statements of financial position and its accompanying notes are presented in US Dollars. For the purpose of the Pro Forma Financial Statements, Canadian dollar balances were converted to US dollars applying the Canadian dollar to US dollar to exchange rate of \$0.7174 as at March 31, 2026, \$0.7152 USD for the year ended September 30, 2025, and \$0.7230 USD for the period ended March 31, 2026 as per Bank of Canada.

Prepaid expenses and other assets

The unaudited pro forma consolidated statement of comprehensive loss for the six months ended March 31, 2026 has been derived from:

- (a) the unaudited interim statement of loss and comprehensive loss for the Company for the six months ended March 31, 2026; and
- (b) the unaudited consolidated interim statements of loss and comprehensive loss of Modul8 for the three months ended March 31, 2026 and audited consolidated statement of loss and comprehensive loss of Modul8 for the year ended December 31, 2025.

The unaudited pro forma consolidated statement of comprehensive loss for the year ended September 30, 2025 has been derived from:

- (a) the audited statement of loss and comprehensive loss for the Company for the year ended September 30, 2025; and
- (b) the audited consolidated statement of loss and comprehensive loss of Modul8 for the year ended December 31, 2024 and 2025.

It is management's opinion that the unaudited Pro Forma Financial Statements, include all adjustments necessary for the fair presentation, in all material respects, of the transactions described in Notes 3 and 4 in accordance with IFRS, applied on a basis consistent with the Company's accounting policies, except as otherwise noted. The unaudited Pro Forma Financial Statements are not necessarily indicative of the financial position that would have resulted if the combination had actually occurred on March 31, 2026.

The unaudited Pro Forma Financial Statements should be read in conjunction with the historical financial statements and notes thereto of the Company, and Modul8 included elsewhere in this Prospectus. Although not reflected specifically in the Pro Forma Financial Statements, a new Ontario corporation will be set up as a subsidiary of the Company to act as the acquiring entity with its amalgamation with Finco following the completion of the Financing (each as defined below). The creation of this new Ontario corporation has no effect on the numbers in these Pro Forma Financial Statements.

2. Significant accounting policies

The unaudited Pro Forma Financial Statements has been compiled using the significant accounting policies, as set out in the audited consolidated financial statements of the Company and Modul8. Management has determined that no material pro forma adjustments are necessary to conform the Company's accounting policies to the accounting policies used by Modul8 in the preparation of its audited financial statements.

3. The transactions

- a) The Company will complete a 3.0833 for 1 share consolidation.
- b) Finco will complete a private placement raising gross proceeds of up to \$40,000,000 (the "Financing")
- c) Pursuant to the Definitive Agreement, the Company will acquire all of the Modul8 business assets in exchange for Consolidated Resulting Issuer Shares.
- d) Upon completion of the Qualifying Transaction, NSN together with the former stockholders of MSC US will become the controlling shareholders of the Company. This type of share exchange, referred to as a reverse acquisition ("RTO"), deems the Modul8 Parties to be the acquirer for accounting purposes.
- e) The transactions are subject, but not limited, to regulatory and shareholder approvals.

Celestial Acquisition Corp.

Notes to Unaudited Pro Forma Consolidated Financial Statements

March 31, 2026

(Expressed in USDk)

4. Accounting for RTO

The Qualifying Transaction has been accounted for in accordance with IFRS 2, which results in the following:

- o the Modul8 Parties are deemed to be the acquirer and the Company the acquiree for accounting purposes and the Company is deemed the acquired company;
- o accordingly, Modul8's balances are accounted for at cost and the Company is accounted for at fair value;
- o since the Company's operations do not constitute a business, the Qualifying Transaction has been accounted for as a reverse acquisition that is not a business combination;
- o therefore, the Company's share capital, deficit and contributed surplus will be eliminated, the consideration transferred by the Company will be allocated to share capital and transaction costs will be expensed;
- o the capital structure recognized in the consolidated financial statements will be that of the Company, but the dollar amount of the issued share capital in the unaudited pro forma consolidated statement of financial position immediately prior to acquisition will be the value of shares issued by the Company to acquire Modul8 plus any shares issued by the Company prior to or as part of the transaction.

5. Pro forma assumptions and adjustments

The unaudited pro forma consolidated statement of financial position reflects the following assumptions and adjustments:

- (a) A reduction in share capital of \$442 to eliminate the Company's historical share capital.
- (b) An adjustment of \$302 to eliminate the Company's historical deficit.
- (c) An adjustment of \$73 to eliminate the Company's historical contributed surplus and an adjustment of (17.00) to eliminate the Company's foreign currency translation reserve.
- (d) Since the Company's operations do not constitute a business, the consideration transferred by the Company will be allocated to share capital and transaction costs will be expensed. An increase in share capital of \$8,032 and an increase in deficit of \$7,836 has been allocated based on the following:

Consideration transferred (3,000,000 shares, post consolidation at a price of \$2.40 per share)	\$ 7,200
Options (299,996 options, post consolidation)	478
IPO Agent Options (162,163, post consolidation)	354
	<u>\$ 8,032</u>
Cash and cash equivalents	\$ 312
Accounts payable and accrued liabilities	(116)
Excess of consideration over net assets expensed as transaction costs	7,836
	<u>\$ 8,032</u>

- (e) An increase in the purchase price of the Company of \$478 as included in note 5(d), to represent the 300,003 options, post consolidation, outstanding from Celestial. These options were valued using the Black-Scholes Option Pricing Model using an exercise price of \$0.11 to \$0.22, volatility of 35%, risk free rate of 2.79%, expected life of 1 year and dividend yield of 0%.

An increase in the purchase price of the Company of \$354 as included in note 5(d), to represent the IPO Agent Options, post consolidation, outstanding from Celestial. These options were valued using the Black-Scholes Option Pricing Model using an exercise price of \$0.22, volatility of 35%, risk free rate of 2.79%, expected life of 1 year and dividend yield of 0%.
- (f) An increase in share capital of \$5,976 and a decrease in Net parent investment of \$5,976 for the issuance of 30,333,333 common shares to Modul8 shareholders.
- (g) Post consolidation, an increase in cash and corresponding increase in share capital of \$40,000 less transaction costs of \$2,400 from issuance of 16,666,667 shares of Modul8 on a private placement basis. The full proceeds net of issuance costs were allocated to share capital.
- (h) A decrease in cash and a corresponding increase in transaction costs in the amount of \$200 representing costs incurred related to the RTO, and the Transactions.
- (i) An increase in both the contributed surplus and deficit of the Company of \$331 to represent the 1,522,500 options issued on closing the Transaction. These options were valued using the Black-Scholes Option Pricing Model using an exercise price of \$2.40, volatility of 35%, risk free rate of 2.79%, expected life of 5 years and dividend yield of 0% vesting over 4 years.

Celestial Acquisition Corp.

Notes to Unaudited Pro Forma Consolidated Financial Statements

March 31, 2026

(Expressed in USDk)

6. Pro forma share capital

	<u>Number</u>	<u>Amount</u>
The Company's common shares outstanding - March 31, 2026	9,250,000	\$ 442
Common shares issued to Modul8's shareholders post consolidation	30,333,333	5,976
RTO adjustment - the Company's common shares (note 5(a))	(6,250,000)	(442)
Consideration transferred to shareholders of the Company (note 5(d))	-	7,200
Shares issued to Modul8 shareholders net of issuance costs in relation to the private placement in note 5(g)	16,666,667	37,600
Pro forma share capital - March 31, 2026	<u>50,000,000</u>	<u>\$ 50,776</u>

7. Pro forma contributed surplus

	<u>Amount</u>
The Company's contributed surplus	\$ 73
Modul8's contributed surplus	-
Elimination of the Company's contributed surplus (note 5(c))	(73)
Issuance of replacement options for the Company	478
Issuance of replacement IPO Agent Options for the Company	354
Issuance of options as described in note 5(i)	331
Pro forma contributed surplus - March 31, 2026	<u>\$ 1,163</u>

8. Pro forma IPO Agent Options

	<u>Number outstanding*</u>	<u>Exercise price*</u>
IPO Agent Options issued and outstanding in the Company	162,163	\$ 0.22
Pro forma IPO Agent Options March 31, 2026	<u>162,163</u>	<u>\$ 0.22</u>

*all numbers presented are post consolidation

9. Pro forma stock options

	<u>Number outstanding</u>	<u>Number vested</u>	<u>Weighted Average Exercise price</u>
Stock options issued and outstanding in the Company	300,003	300,003	\$ 0.17
Stock options to be issued prior to closing of Transaction (note 5(i))	1,522,500	-	2.40
Pro forma stock options - March 31, 2026	<u>1,822,503</u>	<u>300,003</u>	<u>\$ 2.03</u>

*all numbers presented are post consolidation

Celestial Acquisition Corp.

Notes to Unaudited Pro Forma Consolidated Financial Statements

March 31, 2026

(Expressed in USDk)

10. Pro forma deficit

	<u>Amount</u>
The Company's deficit	\$ 302
Modul8's deficit	-
Elimination of the Company's deficit (note 5(b))	(302)
Additional transaction costs in note 5(d)	7,836
Additional transaction costs in note 5(h)	200
Additional stock option costs in note 5(i)	331
Pro forma deficit - March 31, 2026	<u>\$ 8,367</u>

**SCHEDULE D
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY**

Celestial Acquisition Corp.
Management Discussion and Analysis
For the Year Ended September 30, 2025

The following management's discussion and analysis ("**MD&A**") of the operations, results and financial position of Celestial Acquisition Corp. (the "**Corporation**") for the year ended September 30, 2025 and should be read in conjunction with the Corporation's audited financial statements for the years ended September 30, 2025 and 2024. All figures contained in this MD&A are presented in Canadian dollars.

The effective date of this MD&A is December 3, 2025.

For further information on the Corporation, reference should be made to the Corporation's public filings on SEDAR which are available at www.sedarplus.ca

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors. The Corporation does not intend, and does not assume any obligation, to update any factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, unless otherwise required by applicable law.

Corporation Overview

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on June 10, 2022 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). The head and registered office of the Corporation is located at 181 Bay Street, Suite 1800, Toronto, Ontario, Canada, M5J 2T9. The common shares in the capital of the Corporation (the "**Common Shares**") commenced trading on the Exchange under the trading symbol "CES.P" on December 22, 2022.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as defined under the policies of the Exchange) (the "**QT**"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of assets or businesses which would constitute a QT, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholder approval.

Highlights

On February 8, 2024, the Company announced the appointment of distinguished astronaut, engineer and space business entrepreneur Col. Chris Hadfield as technical advisor to the Company. Mr. Hadfield's career

as an astronaut, business leader and hi-tech entrepreneur spans decades, initially as a combat fighter pilot and test pilot in the Royal Canadian Air force, US Air Force and US Navy, and later as director of operations for NASA in Russia. He flew three space missions, built two space stations, performed two spacewalks, crewed the Shuttle and Soyuz, and commanded the International Space Station. Col. Hadfield is also author of five internationally best-selling books, serves as a director and advisor to multiple tech companies including SpaceX and Virgin Galactic, is board chair of the Open Lunar Foundation, and is advising King Charles III in the establishment of the Astra Carta, a space sustainability framework.

Selected Financial Information

Selected Annual Information

	For the year ended September 30, 2025	For the year ended September 30, 2024
Interest Income	\$12,040	\$14,346
Expenses	\$42,466	\$53,733
Net loss and comprehensive loss	(\$30,426)	(\$39,387)
Net loss per share (basic & diluted)	(\$0.00)	(\$0.00)
Dividends per share	\$nil	\$nil
Total cash & cash equivalents	\$472,874	\$503,251
Total assets	\$472,874	\$503,251
Total liabilities	\$14,707	\$14,658

Summary of Quarterly Results

	For the three months ended Sep 30, 2025	For the three months ended Jun 30, 2025	For the three months ended Mar 31, 2025	For the three months ended Dec 31, 2024
Interest Income	\$2,410	\$2,274	\$3,174	\$4,182
Expenses	\$9,207	\$9,928	\$7,917	\$15,414
Net loss and comprehensive loss	(\$6,797)	(\$7,654)	(\$4,743)	(\$11,232)
Net loss per share (basic & diluted)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Dividends per share	\$nil	\$nil	\$nil	\$nil
Total cash & cash equivalents	\$472,874	\$470,662	\$480,741	\$479,334
Total assets	\$472,874	\$470,662	\$480,741	\$479,334
Total liabilities	\$14,707	\$5,698	\$8,123	\$1,973

	For the three months ended Sep 30, 2024	For the three months ended Jun 30, 2024	For the three months ended Mar 31, 2024	For the three months ended Dec 31, 2023
Revenue	\$5,088	\$5,389	\$3,869	\$nil
Expenses	\$6,829	\$6,586	\$27,420	\$12,898
Net loss and comprehensive loss	(\$1,741)	(\$1,197)	(\$23,551)	(\$12,898)
Net loss per share (basic & diluted)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Dividends per share	\$nil	\$nil	\$nil	\$nil
Total cash & cash equivalents	\$503,251	\$498,820	\$505,081	\$524,282
Total assets	\$503,251	\$498,820	\$505,081	\$524,282
Total liabilities	\$14,658	\$8,486	\$13,550	\$15,200

Results of Operations

Three months ended September 30, 2025

During the three months ended September 30, 2024, the Corporation recorded a net loss of \$6,797 (2024 - \$1,741) as it has no sources of income other than interest income. The net loss for the period can be mainly attributed to filing fees, professional fees and administrative expenses.

Year ended September 30, 2025

During the year ended September 30, 2024, the Corporation recorded a net loss of \$30,426 (2024- \$39,387). While the net loss for the year is mainly attributed to filing fees, professional fees and administrative expenses, the loss decreased compared to the prior year as there was no share-based compensation.

Additional Disclosures for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred for the year ended September 30, 2025 and 2024:

	For the year ended September 30, 2025	For the year ended September 30, 2024
Professional fees	\$ 20,238	\$ 25,560
Filing fees	\$ 13,514	\$ 18,623
General and administrative expenses	\$ 8,714	\$ 3,550
Share-based compensation	\$ -	\$ 6,000

Liquidity and Capital Resources

As at September 30, 2025, the Corporation had cash and cash equivalents of \$472,874. The Corporation had current liabilities of \$14,707 and working capital of \$458,167.

During the year ended September 30, 2025, negative cash flows of \$30,377 were recorded from operating activities, which was similar to the prior year (2024 - \$27,259).

Cash flows from financing activities was \$nil (2024 - \$nil).

Outstanding Share Data

As of the date of this MD&A, 9,250,000 Common Shares are issued and outstanding, of which 4,250,000 are held in escrow in accordance with Exchange policies. In addition, there are 925,000 Options and 500,000 Agent's Options outstanding.

Related Party Transactions

During the year ended September 30, 2025, the Corporation incurred legal fees of \$8,203 (2024 - \$8,320) for services provided by a law firm whose partner is a director of the Corporation.

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital, and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

Risk Disclosures and Fair Values

The Corporation's financial instruments carried at amortized cost, consists of accrued liabilities which approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Proposed Transactions

As of September 30, 2025, and up to the date of this MD&A, there were no proposed transactions with the Corporation. The Corporation continues to pursue a Qualifying Transaction with various entities and will provide an update to shareholders when a transaction is negotiated and finalized.

Risks and Uncertainties

The following describes certain risks, events and uncertainties that could affect the Corporation and that each reader should carefully consider. Please refer to the Corporation's final prospectus dated November 30, 2022 for additional risks, events and uncertainties that could affect the Corporation.

External financing may be required to fund the Corporation's activities primarily through the issuance of common shares. There can be no assurance that the Corporation will be able to obtain adequate financing. The securities of the Corporation should be considered a highly speculative investment.

The Corporation has not generated significant revenues and does not expect to generate significant revenues in the near future. In the event that the Corporation generates significant revenues in the future, the Corporation intends to retain its earnings in order to finance further growth. Furthermore, the Corporation has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 *Certificate of Disclosure in Issuer's Annual and Interim Filings*, the Chief Executive Officer and Chief Financial Officer of the Corporation has filed a Venture Issuer Basic Certificate with respect to the financial information contained in financial statements for the year ended September 30, 2024 and this accompanying MD&A.

In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"). In particular, management is not making any representations relating to the

establishment and maintenance of: controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Corporation in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors should be aware that inherent limitations on the ability of management of the Corporation to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Additional Information

For further detail, see the Corporation's unaudited condensed interim financial statements. Additional information about the Corporation can also be found on its SEDAR+ profile available at www.sedarplus.ca

Celestial Acquisition Corp.

Management Discussion and Analysis

For the Three and Six Months Ended March 31, 2026

The following management's discussion and analysis ("**MD&A**") of the operations, results and financial position of Celestial Acquisition Corp. (the "**Corporation**") for the three and six months ended March 31, 2026 and should be read in conjunction with the Corporation's unaudited condensed interim financial statements for the three and six months ended March 31, 2026, and the audited financial statements for the year ended September 30, 2025. All figures contained in this MD&A are presented in Canadian dollars.

The effective date of this MD&A is May 28, 2026.

For further information on the Corporation, reference should be made to the Corporation's public filings on SEDAR which are available at www.sedarplus.ca

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors. The Corporation does not intend, and does not assume any obligation, to update any factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, unless otherwise required by applicable law.

Corporation Overview

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on June 10, 2022 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). The head and registered office of the Corporation is located at 181 Bay Street, Suite 1800, Toronto, Ontario, Canada, M5J 2T9. The common shares in the capital of the Corporation (the "**Common Shares**") commenced trading on the Exchange under the trading symbol "CES.P" on December 22, 2022.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as defined under the policies of the Exchange) (the "**QT**"). The Corporation has not commenced commercial operations and has no assets other than cash. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of assets or businesses which would constitute a QT, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholder approval.

Highlights

Proposed Qualifying Transaction

The Corporation entered into a Business Combination Agreement dated April 15, 2026 (the "Definitive Agreement") with Nokia Solutions and Networks Oy ("NSN"), Nokia of America Corporation ("NOAC") and Modulate Space Corporation ("MSC US"), pursuant to which the parties intend to complete a transaction resulting in a reverse takeover of the Corporation by Nokia Oyj's (HEL: NOKIA) ("Nokia") Space Communication Solutions business ("Modul8"), which operates as part of Nokia's research and development organization, Nokia Bell Labs (the "Proposed Transaction"). Following completion of the Proposed Transaction, the Corporation will continue the business of Modul8 under the name "Modul8 Corporation" (the "Resulting Issuer").

Pursuant to the terms and conditions of the Definitive Agreement, the Corporation intends to issue 20,333,333 Resulting Issuer Shares to NSN (a wholly-owned subsidiary of Nokia existing under the laws of Finland) and 10,000,000 Resulting Issuer Shares to shareholders of MSC US (a Texas incorporated entity).

In connection with the Proposed Transaction, the parties intend to complete a brokered financing of subscription receipts (the "Subscription Receipts") for gross proceeds of US\$40,000,000 (the "Financing").

Completion of the Proposed Transaction is subject to conditions customary of a transaction of this nature including, among others, receipt of all regulatory and Exchange approvals, completion of the Financing, the Consolidation and the Name Change.

Selected Financial Information

Summary of Quarterly Results

	For the three months ended Mar 31, 2026	For the three months ended Dec 31, 2025	For the three months ended Sep 30, 2025	For the three months ended Jun 30, 2025
Interest Income	\$1,919	\$2,270	\$2,410	\$2,274
Expenses	\$171,195	\$16,854	\$9,207	\$9,928
Net loss and comprehensive loss	(\$169,276)	(\$14,584)	(\$6,797)	(\$7,654)
Net loss per share (basic & diluted)	(\$0.02)	(\$0.00)	(\$0.00)	(\$0.00)
Dividends per share	\$nil	\$nil	\$nil	\$nil
Total cash & cash equivalents	\$435,559	\$460,194	\$472,874	\$470,662
Total assets	\$435,559	\$460,194	\$472,874	\$470,662
Total liabilities	\$161,252	\$16,611	\$14,707	\$5,698

	For the three months ended Mar 31, 2025	For the three months ended Dec 31, 2024	For the three months ended Sep 30, 2024	For the three months ended Jun 30, 2024
Revenue	\$3,174	\$4,182	\$5,088	\$5,389
Expenses	\$7,917	\$15,414	\$6,829	\$6,586
Net loss and comprehensive loss	(\$4,743)	(\$11,232)	(\$1,741)	(\$1,197)
Net loss per share (basic & diluted)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Dividends per share	\$nil	\$nil	\$nil	\$nil
Total cash & cash equivalents	\$480,741	\$479,334	\$503,251	\$498,820
Total assets	\$480,741	\$479,334	\$503,251	\$498,820
Total liabilities	\$8,123	\$1,973	\$14,658	\$8,486

Results of Operations

Three months ended March 31, 2026

During the three months ended March 31, 2026, the Corporation recorded a net loss of \$169,276 (2025 - \$4,743) as it has no sources of income other than interest income. The increased net loss for the period can be mainly attributed to higher professional fees during the period related to the proposed qualifying transaction.

Six months ended March 31, 2026

During the six months ended March 31, 2026, the Corporation recorded a net loss of \$183,860 (2025 - \$15,975) as it has no sources of income other than interest income. The higher net loss for the period can be mainly attributed to higher professional fees during the period related to the proposed qualifying transaction.

Additional Disclosures for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred for the six month period ended March 31, 2026 and 2025:

	For the six months ended March 31, 2026 (\$)	For the six months ended March 31, 2025 (\$)
Professional fees	175,064	8,637
Filing fees	9,082	9,840
General and administrative expenses	3,903	4,854

Liquidity and Capital Resources

As at March 31, 2026, the Corporation had cash and cash equivalents of \$435,559. The Corporation had current liabilities of \$161,252 and working capital of \$274,307.

During the six months ended March 31, 2026, negative cash flows of \$37,315 were recorded from operating activities (2025 - \$22,510). This is primarily due to outflows relating to filing fees and professional fees.

Outstanding Share Data

As of the date of this MD&A, 9,250,000 Common Shares are issued and outstanding, of which 4,250,000 are held in escrow in accordance with Exchange policies. In addition, there are 925,000 Options and 500,000 Agent's Options outstanding.

Related Party Transactions

During the three and six months ended March 31, 2026, the Corporation incurred legal fees of \$161,625 and \$167,264 (2025 - \$1,262 and \$7,602) for services provided by a law firm whose partner is a director of the Corporation.

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital, and accumulated deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

Risk Disclosures and Fair Values

The Corporation's financial instruments carried at amortized cost, consists of accrued liabilities which approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Risks and Uncertainties

The following describes certain risks, events and uncertainties that could affect the Corporation and that each reader should carefully consider. Please refer to the Corporation's final prospectus dated November 30, 2022 for additional risks, events and uncertainties that could affect the Corporation.

External financing may be required to fund the Corporation's activities primarily through the issuance of common shares. There can be no assurance that the Corporation will be able to obtain adequate financing. The securities of the Corporation should be considered a highly speculative investment.

The Corporation has not generated significant revenues and does not expect to generate significant revenues in the near future. In the event that the Corporation generates significant revenues in the future, the Corporation intends to retain its earnings in order to finance further growth. Furthermore, the Corporation has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 *Certificate of Disclosure in Issuer's Annual and Interim Filings*, the Chief Executive Officer and Chief Financial Officer of the Corporation has filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements for the three and six months ended March 31, 2026 and this accompanying MD&A.

In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"). In particular, management is not making any representations relating to the establishment and maintenance of: controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Corporation in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors should be aware that inherent limitations on the ability of management of the Corporation to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Additional Information

For further detail, see the Corporation's unaudited condensed interim financial statements. Additional information about the Corporation can also be found on its SEDAR+ profile available at www.sedarplus.ca

SCHEDULE E
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE MODUL8 BUSINESS

MODUL8

(A Carve-Out Business of Nokia Corporation)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended December 31, 2025 and 2024

Presented in thousands of United States dollars

Prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards")

Management's Discussion and Analysis

For the years ended December 31 2025 and 2024

1. General

This Carve Out Management's Discussion and Analysis (the "MD&A") of Modul8 (the "Modul8 Business" or "Modul8") should be read in conjunction with the carve-out financial statements of the Modul8 Business for the years ended December 31, 2025 and 2024, together with the related notes (the "Financial Statements"). In this MD&A, "Modul8 Business," or "Modul8" have the same meaning.

The Financial Statements have been prepared in accordance with IFRS as issued by the IASB, on a carve-out basis from Nokia Corporation's ("Nokia") consolidated financial statements. Information on the carve-out methodology, the Legal Entities through which the Modul8 Business was conducted, and the limitations of the carve-out basis of preparation, including the fact that the Financial Statements may not be indicative of the Modul8 Business's future results as a standalone entity, is set out in Note 1 of the Financial Statements.

This MD&A has been prepared in accordance with National Instrument 51-102 — Continuous Disclosure Obligations ("NI 51-102") and Form 51-102F1. It has been prepared for inclusion in the final non-offering long-form prospectus dated June 18, 2026 (the "Prospectus") of Celestial Acquisition Corp. ("Celestial"), available under Celestial's profile on SEDAR+ at www.sedarplus.ca, in connection with the Transaction described in Note 20 of the Financial Statements and in Section 11 of this MD&A.

All dollar amounts are in thousands of United States dollars unless otherwise noted, consistent with the presentation in the Financial Statements.

This MD&A is dated June 18, 2026 and discusses material changes in respect of the Modul8 Business through that date. Defined terms used in this MD&A that are not otherwise defined have the meaning given to them in the Financial Statements.

2. Forward-Looking Statements

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). All statements other than statements of historical fact that address activities, events or developments that Modul8 believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "believe," "expect," "plan," "intend," "anticipate," "estimate," "project," "forecast," "goal," "target," "schedule," "potential," "proposed," "likely," "may," "will," "should" and other similar expressions, including negative and grammatical variations of such words, or by discussions of strategy or future events.

Forward-looking statements in this MD&A include, among others, statements regarding: (i) the expected timing and completion of the Transaction (as defined in Note 1 of the Financial Statements) and the Modul8 Business's transition to standalone operations; (ii) the Modul8 Business's future financial performance, liquidity and capital requirements; (iii) the expected timing and amount of revenue recognition under Modul8's customer contracts; (iv) the expected benefits of the Intellectual Property Transfer and License Agreement and the Patent Purchase Agreement with Nokia; (v) the timing of commercialization of research and development programs; (vi) expected capital expenditure requirements; (vii) the expected establishment of standalone treasury and financial infrastructure following closing of the Transaction (the "Closing"); and (viii) expectations regarding Nokia's retained equity interest in Modul8 and the continuing related-party arrangements following Closing.

Forward-looking statements are based on management's current expectations and on a number of material factors and assumptions, including: (i) the timely satisfaction of the conditions to Closing, including the receipt of all necessary regulatory and shareholder approvals; (ii) the achievement of contractual milestones under existing fixed-price customer contracts; (iii) the availability of financing on acceptable terms; (iv) the Modul8 Business's ability to retain key technical and management personnel; (v) continued demand from governmental agencies and prime contractors for space-based communications infrastructure; (vi) the stability of the regulatory environment applicable to space and communications technologies and (vii) no material adverse events affecting Nokia, the Legal Entities or the Modul8 Business. While management considers these assumptions to be reasonable based on the information currently available, they may prove to be incorrect.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by

such statements. Such factors include, but are not limited to, those discussed in Section 15 - Risks and Uncertainties of this MD&A and under the heading “*Information Concerning the Resulting Issuer - Risk Factors*” in the Prospectus. Other factors not currently known to management, or not currently viewed as material, could also cause actual results to differ materially. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained in this MD&A are made as of the date of this MD&A, and the Modul8 Business undertakes no obligation to update or revise them, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans and may not be appropriate for other purposes.

3. Industry Overview

Overview of the global space economy

This section contains forward-looking statements regarding industry trends, market size and expected spending levels. Refer to Section 2 - Forward-Looking Statements for important cautionary information. Market data presented in this section has been derived from publicly available industry reports and third-party sources identified below. While Modul8 believes these sources to be reliable, it has not independently verified the information and readers are cautioned not to place undue reliance on the data.

McKinsey & Company estimates that the global space economy will grow to approximately US\$1.8 trillion by 2035, up from US\$630 billion in 2023, representing a compound annual growth rate of approximately 9%¹.

The space economy comprises a broad range of government and commercial activities, including launch services, satellite manufacturing and operations, and downstream data, analytics, and connectivity applications. The sector remains strategically significant, supporting national sovereignty, security, and scientific advancement, while also enabling practical terrestrial solutions such as global broadband access, climate and environmental monitoring, precision agriculture, disaster response, and defense intelligence.

Industry growth is underpinned by sustained public-sector investment and expanding participation from private capital. Global government space spending reached approximately US\$138 billion in 2025, compared to US\$135 billion in 2024 and US\$117 billion in 2023². In parallel, private investment in space companies increased to a record US\$12.4 billion in 2025, representing a 48% year-over-year increase³. Together, long-term government demand, accelerating commercialization, and the rapid expansion of downstream applications continue to drive durable growth across the global space economy.

Modul8 operates within the space communications and space-based networking segment of the space industry. This segment, which focuses on the development and deployment of communications, and networking solutions designed to operate in space and other mission-critical environments. Communications is a fundamental underpinning of all activities beyond Earth, as space assets, whether government, commercial, crewed, or uncrewed only provide value if they can connect to each other and back to Earth to exchange information, data and command and control decisions.

Demand for space-based communications solutions is driven by increased government and commercial investment in space exploration, satellite infrastructure, lunar and cislunar activities, and the growing need for resilient, high-performance communications and data processing capabilities in space environments. Customers include government agencies, space exploration companies, satellite operators and commercial space enterprises operating within an industry historically characterized by long development cycles, stringent technical and performance requirements, evolving standards, and significant regulatory oversight, particularly with respect to export controls, spectrum allocation and national security considerations. For a discussion of the risks associated with the regulatory environment applicable to the Modul8 Business, refer to Section 15 – Risks and Uncertainties.

The Moon as the next frontier for global space presence

The Moon is increasingly viewed as a critical staging ground for future space exploration and the long-term establishment of a sustainable human presence beyond Earth. Lunar exploration and surface operations remain strategic priorities of the United States government and its international partners, serving both scientific and geopolitical objectives.

NASA’s Artemis program is designed to return humans to the Moon and establish the underlying Moon Base infrastructure required for sustained lunar activity and eventual crewed missions to Mars. Through a series of progressively more complex missions, the

¹ McKinsey & Company, Space: The \$1.8 Trillion Opportunity for Global Economic Growth (2024)

² Novaspace, Space Economy Report (12th ed., 2025)

³ Seraphim Space, Seraphim Space Index (2026)

program aims to advance scientific discovery, stimulate economic development, and validate technologies necessary for long-duration human space exploration.

In its Ignition program, NASA has outlined a phased approach that includes crewed lunar missions, surface habitation, and recurring operational cadence over time. As the program matures, NASA expects to rely increasingly on commercial partners to deliver critical services and infrastructure including power generation, vehicles (Human Landing Systems, Lunar Terrain Vehicles Pressurized Rovers), Multi-Purpose Habitat (MPH) and communications (surface, orbital, direct-to-Earth). NASA will utilize both CLPS and Artemis missions as a means to deliver and deploy these critical infrastructure assets. These efforts are intended to support the deployment of scientific instruments, mobility systems, and technology demonstrations on the lunar surface. Since 2012, NASA has invested an estimated US\$93 billion in the Artemis program, with cumulative spending projected to reach approximately US\$105 billion by 2028⁴. On March 24, 2026, NASA announced a pause to the Lunar Gateway orbital station to prioritize the build out of a long-term lunar surface Moon Base and an additional US\$20 billion in funding.⁵

Connectivity as a core enabler of lunar and in-space operations

As with all space operations, reliable communications infrastructure is a foundational utility for sustained lunar operations. As exploration efforts evolve from short-duration missions to sustained human and robotic operations, communications infrastructure is expected to become as essential to space activity as power generation, propulsion, and life-support systems. Connectivity enables mission command and control, real-time data, image and video transmission, autonomy, situational awareness, and crew communications, all of which are critical to safe and scalable operations beyond Earth's orbit.

4. Overview of the Modul8 Business

Modul8 is focused on addressing the emerging requirement for reliable space-based communications infrastructure by developing next-generation space-based connectivity solutions. Modul8 applies cellular network technologies adapted from Nokia's terrestrial communications heritage to the unique challenges of Earth orbit, lunar and deep-space environments, to serve as a trusted partner for governments, civil programs and commercial customers.

The Modul8 Business was established as a venture within Nokia Bell Labs, Nokia's industrial research organization, to adapt Nokia's terrestrial communications technology for space environments. Its program activities progressed from laboratory and ground-based demonstrations to space-qualification testing, and subsequently to the operational deployments.

Modul8 operates at the intersection of telecommunications and space infrastructure, delivering integrated, end-to-end communications systems that function as foundational communications infrastructure for sustained human and robotic operations beyond Earth.

Modul8 is structured around the delivery of complete, utility-level communications networks, assuming system-level responsibility for performance, availability, autonomy and lifecycle integration. Its offerings include space-qualified communications hardware, embedded and network management software, systems integration services, testing and mission support services. These solutions are built primarily on adapted, standards-based terrestrial technologies, including cellular (4G and 5G), Wi-Fi and, in development, free-space optical communications.

Modul8 differentiates itself through its system-level integration capability and its demonstrated operational deployment of cellular communications on the lunar surface.

Modul8 serves United States governmental agencies, including the National Aeronautics and Space Administration ("NASA"), and commercial customers, including space exploration, lunar services and in-space mobility companies. Further information on major customers and disaggregation of revenue is set out in Notes 2 and 3 of the Financial Statements.

Modul8 operates primarily in the United States, with certain shared functions historically supported through Nokia's affiliated Legal Entities in the United States and Finland. Refer to Note 2 of the Financial Statements for the geographic distribution of revenue and non-current assets.

In March 2025, the Modul8 team deployed and activated the first operational cellular communications network on the Moon as part of the Intuitive Machines IM-2 mission. The Modul8 Business is also engaged with Axiom Space to integrate cellular communications into next-generation lunar spacesuits as part of NASA's Artemis program.

⁴ The Planetary Society, 3 Charts That Show How NASA's Artemis Compares to Apollo (2026)

⁵ BNN Bloomberg, March 24, 2026

The Modul8 Business remains in an early commercialization stage. The IM-2 and Axiom Space contracts represent technical validation milestones, but it has not yet generated consistent operating profits. Its cost structure is primarily driven by research and development activities, systems engineering, qualification testing and mission integration expenses; a discussion of the components of results of operations and the trends affecting them is set out in Section 5 below. As lunar and cislunar activity evolves toward sustained operations, the Modul8 Business intends to transition toward recurring infrastructure deployment and network operations services.

Following completion of the Transaction, the Modul8 Business will operate as an independent public company and will transition from Nokia's shared-service infrastructure to standalone operations. Refer to Section 11 Proposed Transactions and Note 20 of the Financial Statements for further information on the Transaction.

5. Components of our Results of Operations and Trends Affecting the Modul8 Business

Revenue

Revenue is generated primarily from fixed-price milestone-based contracts for the design, integration and deployment of space-qualified communications systems and related mission support services. Revenue is recognized over time using a cost-to-cost input method. Refer to Note 1 of the Financial Statements for the accounting policy and Note 3 for disaggregation of Revenue.

Because the Modul8's contract portfolio is concentrated in a limited number of programs, period-over-period revenue can vary significantly based on the timing of contract execution, customer acceptance events and cumulative catch-up adjustments arising from changes in estimated contract costs or measure of progress.

Operating expenses

Operating expenses comprise Cost of revenue, Research and development expenses, General and administrative expenses, depreciation, and other operating expenses. Operating expenses include allocations of corporate overhead and shared service costs from Nokia; information on the allocation methodology and related limitations is set out in Note 5 of the Financial Statements.

Cost of revenue

Cost of revenue consists of costs directly attributable to the execution of customer contracts, including personnel, materials and subcontractor costs. Refer to Note 5 of the Financial Statements for further information.

Production and development activities remain highly customized and non-recurring, limiting opportunities for cost standardization or margin optimization at this stage.

Research and development expenses

Research and development ("R&D") expenses reflect the cost of developing Modul8's space-communications technologies, including engineering personnel costs, subcontractor and consulting costs, materials, and an allocation of shared research and engineering infrastructure from Nokia Bell Labs. Further information, including the accounting treatment of development costs under IAS 38, is set out in Note 1 and Note 5 of the Financial Statements.

General and administrative expenses

General and administrative ("G&A") expenses comprise personnel-related costs for management and administrative functions, professional fees, and other general operating expenses. These expenses have increased in recent periods in connection with activities undertaken to support Modul8's transition to standalone operations. Further information including disaggregation of G&A by sub-function, is set out in Note 5 of the Financial Statements.

Depreciation

Depreciation of Property, plant and equipment is recognized on a systematic basis over the estimated useful lives of the related assets within G&A. Refer to Note 12 of the Financial Statements for further information.

Income taxes

The Modul8 Business has historically been included in the consolidated tax filings of Nokia in various jurisdictions. Income tax expense in the Financial Statements has been calculated on a separate-return basis, as if the Modul8 Business were a standalone taxpayer in each jurisdiction in which it operates. Given the Modul8 Business's history of operating losses, the recognition of deferred tax assets involves significant judgment as to the probability of future taxable profits. Refer to Note 9 of the Financial Statements.

6. Results of Operations for the years ended December 31, 2025 and 2024

The following discussion and analysis of Modul8's results of operations for the years ended December 31, 2025 and 2024 should be read in conjunction with the Financial Statements and Section 5 above.

Revenue

USDk	2025	2024	\$ Change	% Change
Revenue	\$ 12,066	\$ 3,552	\$ 8,514	240%

Revenue for the year ended December 31, 2025 was \$12,066, compared to \$3,552 for the year ended December 31, 2024, representing an increase of \$8,514, or 240%. The variance was primarily driven by the timing and achievement of contractual milestones under fixed-price arrangements, including (i) deliveries and acceptance events under the Intuitive Machines IM-2 mission; (ii) progress and performance on the Axiom Space lunar spacesuit integration program; and (iii) the award and launch of the Sidelink Mesh contract during 2025.

Cost of revenue

USDk	2025	2024	\$ Change	% Change
Cost of revenue	\$ 8,090	\$ 2,011	\$ 6,079	302%

Cost of revenue was \$8,090 in 2025 compared to \$2,011 in 2024. The increase of \$6,079, or 302%, was primarily attributable to launch of the Sidelink Mesh contract, personnel costs in line with program execution activity, subcontractor and third-party professional services costs directly related to milestone deliveries, travel and accommodation costs associated with mission integration activities. Gross margin remained constrained by the highly customized and non-recurring nature of production and development activities.

Research and development expenses

USDk	2025	2024	\$ Change	% Change
R&D expenses	\$ 314	\$ 470	\$ (156)	(33)%

R&D expenses were \$314 in 2025 compared to \$470 in 2024, a decrease of \$156, or 33%.

The decrease was primarily attributable to the capitalization of qualifying development expenditures under IAS 38 during 2025, which were recorded as Intangible assets rather than expensed as incurred. This decrease was partially offset by the Company's research and development activities during the year continued to focus on space-qualified network architectures, autonomous operations software and next-generation communications technologies, including 4G/5G adaptation work, free-space optical communications development, and Artemis-related systems engineering.

General and administrative expenses

USDk	2025	2024	\$ Change	% Change
G&A expenses	\$ 4,927	\$ 1,858	\$ 3,069	165%

G&A expenses were \$4,927 in 2025 compared to \$1,858 in 2024, an increase of \$3,069, or 165%. The change was primarily driven by higher personnel costs supporting business scale, increased professional fees relating to standalone readiness and the proposed transaction and changes in allocated corporate overhead from Nokia.

Depreciation

USDk	2025	2024	\$ Change	% Change
Depreciation	\$ 178	\$ -	\$ 178	-%

Depreciation was \$178 in 2025 compared to \$- in 2024, reflecting additions to laboratory and test equipment.

Net profit (loss)

USDk	2025	2024	\$ Change	% Change
Net profit (loss)	\$ (1,265)	\$ (787)	\$ (478)	61%

Modul8 reported net loss of \$1,265 in 2025 compared to net loss of \$787 in 2024, reflecting the combined effect of the variances described above.

7. Summary of Annual Information

The following table presents selected annual financial information for Modul8 for the years ended December 31, 2025 and 2024. Amounts for the years ended December 31, 2025 and 2024 have been extracted from the Financial Statements. Amounts for the year ended December 31, 2023, are not presented because standalone carve-out financial information for Modul8 was not prepared for that year.

USDk	2025	2024
Revenue	\$ 12,066	\$ 3,552
Net profit (loss)	\$ (1,265)	\$ (787)
Total comprehensive profit (loss)	\$ (1,265)	\$ (787)
Total assets	\$ 13,282	\$ 3,358
Total non-current liabilities	\$ 3,712	\$ -
Net parent investment	\$ 4,931	\$ 2,645

A discussion of the factors affecting changes in revenue and Net profit (loss) between 2025 and 2024 is set out in Section 6 - Results of Operations above.

8. Liquidity and Capital Resources

Historically, Modul8's cash management and financing activities have been managed through Nokia's central treasury function. Modul8 does not hold dedicated bank accounts or external financing arrangements, and its working capital and capital expenditure requirements have been funded by Nokia through centralized treasury settlements reflected within Net parent investment. Refer to Notes 1, 15 and 17 of the Financial Statements for further information. Modul8 has historically relied on funding from Nokia's centralized treasury function to meet its liquidity requirements. This funding support is expected to continue only until completion of the Transaction (expected to occur in the summer of 2026), after which Modul8 will operate as a standalone entity and will no longer have access to Nokia's centralized treasury funding. In connection with the Transaction, Modul8 and Nokia are expected to enter into transitional services arrangements; however, the material financial terms, including the scope of services and associated costs, have not yet been finalized and, accordingly, the expected impact of such arrangements on Modul8's future cash requirements cannot yet be quantified. Following completion of the Transaction, Modul8 expects to fund its operations through a combination of cash resources available at the closing of the Transaction, proceeds from the Transaction and, to the extent available, new customer contracts and/or external financing. Based on its current estimates of standalone operating and corporate costs, including incremental costs of operating as a standalone public company and corporate functions previously provided by Nokia, Modul8 believes it will have access to sufficient resources to fund its operations for at least the next twelve months.

Working capital

Working capital deficiency of \$ 947 (December 31, 2024: working capital of \$ 2,565), calculated as current assets of \$ 3,692 less current liabilities of \$ 4,639. Working capital is driven primarily by Contract assets and Contract liabilities arising under fixed-price milestone-based customer contracts, Trade receivables, and Accrued expenses and other liabilities.

Cash flow summary

Selected condensed cash flow information for the years ended December 31, 2025 and 2024 is as follows:

USDk	2025	2024
Cash from/(used in) operating activities	\$ 1,162	\$ (3,255)
Cash from/(used in) investing activities	\$ (4,368)	\$ (80)
Cash from/(used in) financing activities	\$ 3,206	\$ 3,335

Despite the net operating loss, cash generated from operating activities for the period ended December 31, 2025 was \$1,162, primarily driven by favourable working capital movements.

Cash used in investing activities of \$4,368 in 2025 (2024: \$ 80) related primarily to capital expenditures for space-qualified test equipment / laboratory and ground infrastructure. Refer to Notes 12, 13 and 14 of the Financial Statements.

Cash from financing activities of \$3,206 in 2025 (2024 – \$3,335) reflect net transfers to/from Nokia (Note 15).

Contractual obligations and commitments

The following table summarizes Modul8's contractual obligations and commitments as at December 31, 2025 classified by expected payment period

USDk	< 1 year	1–5 years	> 5 years	Total
Open purchase orders with development partners and suppliers	\$ 3,661	\$ 469	\$ -	\$ 4,130
Development costs	1,980	778	-	2,758
Service and subscription commitments	266	418	-	684
Lease obligations	293	3,727	659	4,679
Total	\$ 6,200	\$ 5,392	\$ 659	\$ 12,251

Modul8 expects to meet its contractual obligations and commitments primarily through a combination of continued funding from Nokia prior to completion of the Transaction, and, following completion of the Transaction, cash resources available at closing, together with proceeds from the Transaction and, to the extent available, new customer contracts and external financing arrangements; however, there can be no assurance that such sources of funding will be available on acceptable terms, or at all. In addition to the contractual obligations described above, Modul8 expects to incur expenditures not yet committed but required to maintain its operating capacity, support planned growth and fund development activities. Such expenditures are expected to include ongoing personnel, engineering and infrastructure costs required to sustain operations, costs associated with transitioning to a standalone public company (including corporate, administrative and governance functions), and continued investment in research and development and commercialization activities.

9. Off-Balance Sheet Arrangements

The Modul8 Business does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on its financial condition, results of operations, liquidity, capital expenditures or capital resources.

10. Transactions with Related Parties

Modul8's related parties during the periods presented comprised of Nokia Corporation and its affiliates (together, "Nokia"). The nature of related-party transactions with Nokia, the related outstanding balances, and key management personnel compensation during the periods presented are disclosed in Note 18 of the Financial Statements.

The principal categories of transactions were:

- shared services and corporate cost allocations (research and development support, engineering, information technology, finance, legal, human resources and other administrative functions) (Note 1);
- share-based payment expense allocated from Nokia under plans sponsored by Nokia (Note 7);
- pension and other post-employment benefit cost allocations (Note 8);
- intellectual property arrangements (Note 13); and
- intercompany funding and centralized treasury settlements reflected within Net parent investment (Note 15).

Allocated costs reflect management's best estimate of amounts attributable to Modul8 and may not be representative of the costs Modul8 would have incurred on a standalone basis. The allocation methodology is described in Note 1 of the Financial Statements.

Aggregate financial effect:

USDk	2025	2024
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Net transfers (to)/from Nokia	\$	3,206	\$	3,335
Share-based payments allocations	\$	123	\$	146
Pension and post-employment cost allocations	\$	222	\$	86

Following completion of the Transaction, Nokia will remain a related party of Modul8 by virtue of its retained equity interest and is expected to be a counterparty to related party arrangements with the Company in connection with the Transaction. Such arrangements, if entered into, will be measured and disclosed in accordance with IAS 24 and will be subject to applicable Canadian securities law requirements governing related party transactions, including Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions. Further information is set out in Note 20 of the Financial Statements and Section 11 — Proposed Transactions.

11. Proposed Transactions

On April 15, 2026, Nokia Solutions and Networks Oy (“NSN”), Nokia of America Corporation (“NOAC”), Modulate Space Corporation (“MSC US”) and Celestial entered into a Definitive Agreement pursuant to which the Modul8 Business will be transferred into a new, independent public company to be listed on the TSX Venture Exchange. As part of the Transaction, MSC US will receive the Modul8 operating assets and subsequently be acquired by the resulting public company. The transaction is intended to constitute the Qualifying Transaction of Celestial under TSXV Policy 2.4 (the “Transaction”). Nokia will retain an approximate 40% equity interest in Modul8. Closing is expected to occur in the summer of 2026, subject to customary closing conditions, including applicable regulatory approvals, and TSXV acceptance.

The Transaction is expected to result in the Modul8 Business transitioning from a carve-out business within Nokia to a standalone operating business. In connection with the Transaction, Modul8 and Nokia are expected to enter into certain arrangements, including intellectual property arrangements and transitional services to be provided by Nokia for a limited period following the Closing. The scope, pricing and other terms of these arrangements have not been finalized as at the date of this MD&A, and there can be no assurance as to the final terms of any such arrangements or that all contemplated arrangements will be entered into.

The financial effect of the Transaction on the Modul8 Business’s post-Closing financial position, results of operations and cash flows has not been finalized and cannot be reasonably estimated as at the date of this MD&A.

A detailed description of the Transaction, including the terms of the Definitive Agreement and the proposed share structure of Modul8, is set out in the Prospectus under the heading “*Information Concerning the Proposed Qualifying Transaction*”. Refer also to Note 20 of the Financial Statements, Section 15, Section 10 and Section 2 of this MD&A.

12. Critical Accounting Estimates and Judgments

The preparation of the Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The areas involving the most significant judgments and estimates include:

- Estimating total contract costs to measure progress to complete contracts** – Modul8 recognizes revenue primarily from long-term fixed-price contracts involving the design, development, integration and delivery of space-qualified systems and related services. Significant judgment is required in determining whether revenue should be recognized over time or at a point in time, identifying performance obligations and measuring progress toward completion. For contracts recognized over time, revenue is measured using a cost-to-cost method based on costs incurred relative to estimated total contract costs. The determination of total estimated contract costs requires significant estimates relating to engineering hours, subcontractor and supplier costs, testing and qualification activities, technical complexity, schedule performance and potential rework. Changes in these estimates may materially impact the amount and timing of revenue and gross profit recognized in a reporting period. Management also exercises judgment in assessing contract modifications, variable consideration and whether contracts are expected to become loss-making.

13. Changes in Accounting Policies and Recent Accounting Pronouncements

Refer to Note 1 to the Financial Statements for a discussion of accounting standards issued but not yet adopted by Modul8.

Standards adopted during the year

Modul8 adopted the following new and amended standards effective January 1, 2025, none of which had a material effect on the Financial Statements:

- Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*;
- Amendments to IFRS 16 – *Lease Liability in a Sale and Leaseback*;
- Amendments to IAS 7 and IFRS 7 – *Supplier Finance Arrangements*; and
- Amendments to IAS 21 – *Lack of Exchangeability*.

Standards issued but not yet effective

The following new and amended IFRS standards have been issued but are not yet effective for the year ended December 31, 2025 and have not been early adopted:

IFRS 18 – presentation and disclosure in financial statements (effective January 1, 2027)

IFRS 18 replaces IAS 1 and introduces new requirements for the presentation of the income statement (including defined categories and subtotals), management-defined performance measures, and the aggregation and disaggregation of information. Management is currently assessing the impact of IFRS 18 on the Financial Statements. The adoption of IFRS 18 is expected to result in changes to the presentation of the income statement and additional disclosures, but is not expected to have a material impact on the recognition or measurement of assets, liabilities, income or expenses.

IFRS 19 – subsidiaries without public accountability: disclosures (effective January 1, 2027)

IFRS 19 is not expected to be applicable to Modul8 following completion of the proposed transaction, as Modul8 will have public accountability.

Other amendments

Modul8 does not expect the adoption of other issued but not yet effective amendments to have a material impact on the Financial Statements.

14. Financial Instruments and Financial Risk Management

The categories and carrying amounts of the Company's financial instruments, and Modul8's exposure to financial risks, are set out in Note 17 of the Financial Statements.

Modul8 has no external debt and does not hold or issue derivative financial instruments. All financial instruments are measured at amortized cost and carrying values approximate fair value due to their short-term maturity. Risk management has historically been administered by Nokia's central treasury function; following Closing, the Modul8's Board of Directors will assume oversight of the risk management framework.

Credit risk

Modul8's exposure to credit risk arises primarily from trade receivables and contract assets. A significant portion of revenue is derived from a limited number of customers, including governmental agencies and space program partners, resulting in concentration of credit risk. As at December 31, 2025, Modul8's largest customer accounted for approximately 100% of trade receivables and contract assets and approximately 83% of revenue for the year.

Liquidity risk

Modul8's financial liabilities consist of trade payables, accrued expenses and related-party balances with Nokia, all of which are due within twelve months of the reporting date. Modul8 has not historically held standalone credit facilities; working capital requirements have been funded through Nokia's centralized treasury settlements, and management monitors cash flow forecasts on an ongoing basis. Following Closing, Modul8 will manage liquidity on a standalone basis, relying on cash on hand at Closing, customer receipts, and any external financing arrangements entered into in connection with or following the Transaction.

Market risk

Market risk comprises currency risk, interest rate risk and other price risk. Modul8 has no exposure to other price risk, as it does not hold equity- or commodity-linked instruments.

Foreign currency risk: Modul8's functional and presentation currency is USD. Euro exposure arises principally from share-based compensation recharges, corporate allocations, and other intercompany transactions with Nokia, which are settled within the reporting period. Modul8 does not use derivative instruments to hedge foreign currency exposure.

Interest rate risk: Modul8's exposure to interest rate risk is not significant, as it has no interest-bearing debt other than lease liabilities.

15. Risks and Uncertainties

Modul8 is subject to a number of risks and uncertainties that could materially affect its operations, financial condition and future performance. The principal categories of risk relevant to the Modul8's Business during the periods under review and going forward are summarized below. A more comprehensive discussion of the risk factors applicable to Modul8 following completion of the Transaction is set out under the heading "*Information Concerning the Resulting Issuer – Risk Factors*" in the Prospectus, which should be read in conjunction with this MD&A.

Additional risks and uncertainties not presently known to management, or currently considered immaterial, may also adversely affect Modul8's business, financial condition or results of operations.

Modul8 is subject to risks associated with its carve-out nature and transition from Nokia, which may adversely affect its results of operations and financial condition.

The Financial Statements have been prepared on a carve-out basis and may not be indicative of the results that would have been achieved had Modul8 operated as a standalone entity. Following Closing, Modul8 will rely on Nokia to provide certain services under the Transitional Services Agreement for a limited period. Any failure or delay in the provision of those services, or an inability of Modul8 to establish replacement capabilities and infrastructure on a timely basis, could disrupt operations and adversely affect Modul8's financial condition and results of operations.

Changes in accounting standards or interpretations may affect Modul8's reported financial results.

Financial reporting is subject to accounting standards, interpretations and regulatory guidance that may change from time to time. The adoption of new accounting standards or changes in existing standards or interpretations could affect the manner in which financial position, results of operations or cash flows are reported. Accounting standards and related guidance are complex and subject to interpretation. Future changes in accounting requirements could result in increased compliance costs, changes to accounting policies or material changes to financial statements in future reporting periods.

Additional information on risks and uncertainties is set out under the section titled "*Information Concerning the Resulting Issuer - Risk Factors*" in the Prospectus.

16. Outstanding Share Data

The Modul8 Business is not a separate legal entity and does not have outstanding share capital presented in a manner comparable to a standalone issuer. Parent company investment is presented within the carve-out statement of changes in Net parent investment in the Financial Statements.

17. Additional Information

Additional information relating to the Modul8 business and Celestial is available under Celestial's profile on SEDAR+ at www.sedarplus.ca.

MODUL8

(A Carve-Out Business of Nokia Corporation)

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2026, and 2025

Presented in thousands of United States dollars

Prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards")

Management's Discussion and Analysis

As at and for the three months ended March 31, 2026, and 2025 and year ended December 31, 2025

1. General

This Management's Discussion and Analysis (the "MD&A") of Modul8 (the "Modul8 Business" or "Modul8") should be read in conjunction with the unaudited Carve-Out Condensed Interim Financial Statements for the three months ended March 31, 2026 and year ended December 31, 2025 (the "Financial Statements"), together with the related notes. This MD&A provides the quarterly highlights required under NI 51-102, s.4.3(2) and Form 51-102F1, s.2.2.1 for venture issuers.

The Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting on a carve-out basis from Nokia Corporation's ("Nokia") consolidated financial statements. The carve-out methodology, limitations and the Legal Entities through which the Modul8 Business was conducted are described in Note 1 of the Financial Statements and in the annual carve-out financial statements for the year ended December 31, 2025. The Financial Statements may not be indicative of the Modul8 Business's future results as a standalone entity.

This MD&A has been prepared in accordance with National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102") in connection with the Transaction described in Note 19 of the Financial Statements and in Section 8 of this MD&A.

All dollar amounts are in thousands of United States dollars unless otherwise noted. Defined terms used in this MD&A that are not otherwise defined have the meaning given to them in the Financial Statements.

This MD&A is dated June 18, 2026 and discusses material changes in respect of the Modul8 Business through that date.

2. Forward-Looking Statements

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). All statements other than statements of historical fact that address activities, events or developments that Modul8 believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "believe," "expect," "plan," "intend," "anticipate," "estimate," "project," "forecast," "goal," "target," "schedule," "potential," "proposed," "likely," "may," "will," "should" and other similar expressions, including negative and grammatical variations of such words, or by discussions of strategy or future events.

Forward-looking statements are based on management's current expectations, including assumptions regarding the timely satisfaction of closing conditions, the achievement of contractual milestones, the availability of financing, the retention of key personnel, continued demand for space-based communications, and the stability of the regulatory environment. These assumptions may prove incorrect.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially, including those described in Section 12 of this MD&A and under "*Information Concerning Resulting Issuer- Risk Factors*" in the Prospectus. Modul8 undertakes no obligation to update forward-looking statements except as required by applicable securities laws.

3. Results of Operations for the three months ended March 31, 2026 and 2025

The following discussion and analysis of Modul8's results of operations for the three months ended March 31, 2026, and 2025 should be read in conjunction with the Carve-Out Condensed Interim Financial Statements.

Revenue

USDk	2026	2025	\$ Change	% Change
Revenue	\$ 3,662	\$ 2,818	\$ 844	30%

Revenue for the three months ended March 31, 2026, was \$3,662, compared to \$2,818 for the three months ended March 31, 2025, representing an increase of \$844, or 30%. The variance was primarily driven by the timing and achievement of contractual milestones under fixed-price customer arrangements, including progress on mission integration and development activities associated with key customer programs.

Cost of revenue

USDk	2026	2025	\$ Change	% Change
Cost of revenue	\$ 2,413	\$ 2,176	\$ 237	11%

Cost of revenue was \$2,413 in 2026 compared to \$2,176 in 2025. The increase of \$237, or 11%, was primarily attributable to personnel costs, subcontractor and professional service costs and other program execution activities associated with customer contract delivery and milestone achievement. Gross margin remained constrained by the highly customized and non-recurring nature of production and development activities.

Research and development expenses

USDk	2026	2025	\$ Change	% Change
R&D expenses	\$ 29	\$ 84	\$ (55)	(65)%

R&D expenses were \$29 in 2026 compared to \$84 in 2025, a decrease of \$55, or 65%. The decrease was primarily attributable to the capitalization of development expenditures that met the recognition criteria under IAS 38 during the current period (Note 12), partially offset by continued investment in next-generation communications and space-qualified technologies.

General and administrative expenses

USDk	2026	2025	\$ Change	% Change
G&A expenses	\$ 928	\$ 820	\$ 108	13%

G&A expenses were \$928 in 2026 compared to \$820 in 2025, an increase of \$108, or 13%. The change was primarily driven by higher personnel costs supporting business scale, increased professional fees relating to standalone readiness and the proposed transaction and changes in allocated corporate overhead from Nokia.

Depreciation

USDk	2026	2025	\$ Change	% Change
Depreciation	\$ 56	\$ 9	\$ 47	522%

Depreciation was \$56 in 2026 compared to \$9 in 2025, reflecting additions to laboratory and test equipment.

Net profit (loss)

USDk	2026	2025	\$ Change	% Change
Net profit (loss)	\$ 292	\$ (262)	\$ 554	(211)%

Modul8 reported net profit of \$292 in 2026 compared to net loss of \$262 in 2025, reflecting the combined effect of the variances described above.

4. Summary of Quarter Information

The following table presents selected financial information for Modul8 for the three months ended March 31, 2026, and 2025 and the year ended December 31, 2025. Amounts for the three months ended March 31, 2026, and 2025 and the year ended December 31, 2025 have been extracted from the Carve-Out Condensed Interim Financial Statements.

USDk	Mar 31, 2026	Mar 31, 2025
Revenue	\$ 3,662	\$ 2,818
Net profit (loss)	\$ 292	\$ (262)
Total comprehensive income (loss)	\$ 292	\$ (262)

USDk	Mar 31, 2026	Dec 31, 2025
Total assets	\$ 17,020	\$ 13,282
Total non-current liabilities	\$ 7,624	\$ 3,712
Net parent investment	\$ 5,976	\$ 4,931

A discussion of the factors affecting changes in revenue and net profit (loss) between 2026 and 2025 is set out in Section 3-Results of Operations above.

5. Liquidity and Capital Resources

Historically, Modul8's liquidity requirements have been managed through Nokia's central treasury function. Modul8 does not hold dedicated bank accounts or external financing arrangements, and its working capital and capital expenditure requirements have been funded by Nokia through centralized treasury settlements reflected within Net parent investment. Refer to Notes 1, 14 and 16 of the Carve-Out Condensed Interim Financial Statements for further information. Modul8 has historically relied on funding from Nokia's centralized treasury function to meet its liquidity requirements. This funding support is expected to continue only until completion of the Transaction (expected to occur in the summer of 2026), after which Modul8 will operate as a standalone entity and will no longer have access to Nokia's centralized treasury funding. In connection with the Transaction, Modul8 and Nokia are expected to enter into transitional services arrangements; however, the material financial terms, including the scope of services and associated costs, have not yet been finalized and, accordingly, the expected impact of such arrangements on Modul8's future cash requirements cannot yet be quantified. Following completion of the Transaction, Modul8 expects to fund its operations through a combination of cash resources available at the closing of the Transaction, proceeds from the Transaction and, to the extent available, new customer contracts and/or external financing. Based on its current estimates of standalone operating and corporate costs, including incremental costs of operating as a standalone public company and corporate functions previously provided by Nokia, Modul8 believes it will have access to sufficient resources to fund its operations for at least the next twelve months.

Working capital

Working capital deficiency of \$ 980 (December 31, 2025: \$ 947), calculated as current assets of \$2,440 less current liabilities of \$3,420. Working capital is driven primarily by Contract assets and Contract liabilities arising under fixed-price milestone-based customer contracts, Trade receivables, and Accrued expenses and other liabilities.

Cash flow summary

Selected condensed cash flow information for the three months ended March 31, 2026, and 2025 is as follows:

USDk	Mar 31, 2026		Mar 31, 2025	
Cash from/(used in) operating activities	\$	1,979	\$	3,388
Cash from/(used in) investing activities	\$	(2,639)	\$	(146)
Cash from/(used in) financing activities	\$	660	\$	(3,242)

Cash from operating activities during the three months ended March 31, 2026, was \$1,979, driven primarily by the collection of receivables and positive working capital movements and partially offset by the growth in contract assets.

Cash used in investing activities of \$2,639 in 2026 (2025: \$ 146) related primarily to capital expenditures for space-qualified test equipment. Refer to Notes 11 and 12 of the Carve-Out Condensed Interim Financial Statements.

Cash from financing activities of \$660 in 2026 (cash used in 2025: \$3,242) reflect net transfers to/from Nokia (Note 14).

Contractual obligations and commitments

The following table summarizes Modul8's contractual obligations and commitments as at March 31, 2026, classified by expected payment period

USDk	< 1 year		1–5 years		> 5 years		Total
Open purchase orders with development partners and suppliers	\$	2,872	\$	-	\$	-	2,872
Development costs		2,423		253		-	2,676
Service and subscription commitments		249		305		-	554
Leases obligations		146		6,135		3,018	9,299
Total	\$	5,690	\$	6,693	\$	3,018	\$ 15,401

Modul8 expects to meet its contractual obligations and commitments primarily through a combination of continued funding from Nokia prior to completion of the Transaction, and, following completion of the Transaction, cash resources available at closing, together with proceeds from the Transaction and, to the extent available, new customer contracts and external financing arrangements; however, there can be no assurance that such sources of funding will be available on acceptable terms, or at all. In

addition to the contractual obligations described above, Modul8 expects to incur expenditures not yet committed but required to maintain its operating capacity, support planned growth and fund development activities. Such expenditures are expected to include ongoing personnel, engineering and infrastructure costs required to sustain operations, costs associated with transitioning to a standalone public company (including corporate, administrative and governance functions), and continued investment in research and development and commercialization activities.

6. Off-Balance Sheet Arrangements

The Modul8 Business does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on its financial condition, results of operations, liquidity, capital expenditures or capital resources.

7. Transactions with Related Parties

Modul8's related parties and the nature of the transactions are as disclosed in the annual financial statements for the year ended December 31, 2025. The related-party transactions with Nokia, outstanding balances, and key management personnel compensation during the periods presented are disclosed in Note 17 of the Carve-out Condensed Interim Financial Statements.

The table below presents the aggregate financial effect of the related party transactions for the three months ended March 31, 2026 and 2025, respectively.

Aggregate financial effect:

USDk	2026	2025
Centralized cash management and general financing activities	\$ 660	\$ (3,242)
Share-based payments allocations	\$ 24	\$ 33
Pension and post-employment cost allocations	\$ 69	\$ 46

8. Proposed Transactions

On April 15, 2026, Nokia Solutions and Networks Oy ("NSN"), Nokia of America Corporation ("NOAC"), Modulate Space Corporation ("MSC US") and Celestial entered into a Definitive Agreement pursuant to which the Modul8 Business will be transferred into a new, independent public company to be listed on the TSX Venture Exchange. As part of the Transaction, MSC US will receive the Modul8 operating assets and subsequently be acquired by the resulting public company. The transaction is intended to constitute the Qualifying Transaction of Celestial under TSXV Policy 2.4 (the "Transaction"). Nokia will retain an approximate 40% equity interest in Modul8. Closing is expected to occur in the summer of 2026, subject to customary closing conditions, including applicable regulatory approvals, and TSXV acceptance. Closing is expected to occur in the summer of 2026, subject to customary closing conditions, including applicable regulatory approvals, and TSXV acceptance.

In connection with the Transaction, Modul8 and Nokia are expected to enter into certain intellectual property and transitional services arrangements.

The specific financial effect of the Transaction on the Modul8 Business's post-closing financial position, results of operations and cash flows cannot yet be reasonably estimated. A detailed description of the Transaction is set out in the Prospectus. Refer to Note 19 of the Financial Statements.

9. Critical Accounting Estimates and Judgments

There have been no material changes to the critical accounting estimates and judgments described in the annual MD&A for the year ended December 31, 2025. The areas involving the most significant estimate remains revenue recognition under long-term fixed-price contracts (cost-to-cost method). Refer to Note 1 of the Financial Statements.

10. Changes in Accounting Policies and Recent Accounting Pronouncements

The accounting policies applied in the preparation of the Carve-Out Condensed Interim Financial Statements are consistent with those applied in the carve-out financial statements for the year ended December 31, 2025. There were no changes in accounting policies during the three months ended March 31, 2026.

For a discussion of new and amended IFRS standards issued but not yet effective, including IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures, refer to Note 1 of the Carve-Out Condensed Interim Financial Statements.

11. Financial Instruments and Financial Risk Management

The categories and carrying amounts of Modul8's financial instruments, and Modul8's exposure to financial risks, are set out in Notes 15 and 16 of the Carve-Out Condensed Interim Financial Statements.

Modul8 has no external debt and does not hold or issue derivative financial instruments. All financial instruments are measured at amortized cost and carrying values approximate fair value due to their short-term maturity.

Credit risk

Modul8's exposure to credit risk arises primarily from Trade receivables and Contract assets. A significant portion of revenue is derived from a limited number of customers, including governmental agencies and space program partners. As at March 31 2026, Modul8's largest customer accounted for approximately 100% of Contract assets and approximately 57% of Revenue for the period.

Liquidity risk

Modul8's financial liabilities consist of Trade payables, Accrued expenses and related-party balances with Nokia, all of which are due within twelve months of the reporting date.

Foreign currency risk: Modul8's functional and presentation currency is USD. Euro exposure arises principally from share-based compensation recharges, corporate allocations, and other intercompany transactions with Nokia, which are settled within the reporting period. Modul8 does not use derivative instruments to hedge foreign currency exposure.

Interest rate risk: Modul8's exposure to interest rate risk is not significant, as it has no interest-bearing debt other than lease liabilities.

12. Risks and Uncertainties

The following summarizes the principal risks that have materially affected, or could reasonably be expected to materially affect, Modul8's operations during the three months ended March 31, 2026:

Modul8 depends on a limited number of customers and governmental contracts, which may expose it to revenue concentration and funding risks.

A significant portion of Modul8's revenue is derived from a limited number of customers, including governmental agencies and space program partners. Contracts with governmental agencies may be subject to termination for convenience, non-renewal, budgetary constraints or changes in governmental priorities. The loss of, or reduction in business from, one or more significant customers could materially affect Modul8's revenue and operating results.

Modul8 may require additional financing and depends on its ability to attract and retain key personnel.

Additional financing may be required to fund operations, capital expenditures, product development and future growth initiatives. There can be no assurance that financing will be available on acceptable terms, or at all. An inability to obtain additional financing when required could limit Modul8's ability to execute its business strategy and continue operations.

Success also depends on the ability to attract, retain and motivate highly skilled technical, engineering and management personnel in a competitive labour market. The loss of key employees or an inability to recruit qualified personnel could adversely affect operations and future growth.

Catastrophic space events, infrastructure failures and other disruptions could adversely affect operations and financial condition.

Modul8 relies on the continued performance and availability of space-based assets, communications systems, information technology infrastructure and related ground systems. Catastrophic space events and other disruptions beyond Modul8's control, including launch failures, collisions with orbital debris, solar activity, spacecraft malfunctions, telecommunications failures, cybersecurity incidents and other operational disruptions, could impair the delivery of products and services and adversely affect operations.

The space industry is experiencing increased orbital congestion, which may increase the risk of collisions and operational interference affecting satellites and other space-based infrastructure. Damage to, or failure of, systems used in the delivery of products and services could result in service interruptions, project delays, increased costs, loss of data, contractual liabilities or reputational harm.

The proposed transaction with Celestial may not be completed on the anticipated terms, timeline or at all.

Completion of the proposed transaction with Celestial is subject to customary closing conditions, including regulatory approvals and other requirements outside the control of the parties. There can be no assurance that the proposed transaction will be completed on the anticipated terms or timeline, or at all. Delays in completing the transaction, the failure to satisfy closing conditions or the termination of the transaction could create uncertainty for customers, employees and other stakeholders, disrupt business operations and adversely affect the Modul8 Business's financial condition and prospects.

A comprehensive discussion of all risk factors applicable to Modul8 is set out in the annual carve-out financial statement MD&A, which should be read in conjunction with this MD&A. Additional risks not presently known to management, or currently considered immaterial, may also adversely affect Modul8's business.

13. Outstanding Share Data

The Modul8 Business is not a separate legal entity and does not have outstanding share capital. Net parent investment is presented within the carve-out condensed interim statement of changes in Net parent investment in the Financial Statements.

14. Disclosure of Internal Controls

In accordance with National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, Modul8 is classified as a venture issuer and, the certifying officers are not required to, and have not, certified the design or operating effectiveness of disclosure controls and procedures ("DC&P") or internal control over financial reporting ("ICFR").

There were no changes in Modul8's internal control over financial reporting during the three months ended March 31, 2026, that materially affected, or are reasonably likely to materially affect, Modul8's internal control over financial reporting.

15. Additional Information

Additional information relating to the Modul8 business and Celestial is available under Celestial's profile on SEDAR+ at www.sedarplus.ca.

**SCHEDULE F
AUDIT COMMITTEE CHARTER**

CELESTIAL ACQUISITION CORP.

(the “Corporation”)

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 – Audit Committees)

National Instrument 52-110 – Audit Committees (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange (“**TSXV**”) listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as a TSXV-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors of the Corporation (the “**Board**”) in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or the Committee to alter or vary procedures in order to comply more fully with the Instrument or any other such requirement of the TSXV, as applicable from time to time.

ARTICLE 1

Purpose:

The purpose of the Committee is to:

- improve the quality of the Corporation’s financial reporting;
- assist the Board to properly and fully discharge its responsibilities;
- provide an avenue of enhanced communication between the directors and external auditors;
- enhance the external auditor’s independence;
- ensure the credibility and objectivity of financial reports; and
- strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“**Affiliate**” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Charter**” means this audit committee charter;

“**Committee**” means the Audit Committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2;

“**immediate family member**” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home;

“**Instrument**” means National Instrument 52-110 – *Audit Committees*;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*; and

“**non-audit services**” means services other than audit services.

1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

ARTICLE 2

2.1 Audit Committee

The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors and Other Parties

The Corporation will require its external auditor to report directly to the Committee and its Members shall ensure that such is the case.

Each Member shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such other persons or organizations.

2.3 Committee Responsibilities

- (a) The Committee shall be responsible for making the following recommendations to the Board of directors:

- (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - (ii) the compensation of the external auditor.
- (b) The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
- (i) reviewing the audit plan with management and the external auditor;
 - (ii) making appropriate inquiries of management and the head of internal audit, if applicable, whether there is inappropriate scope or resource limitations;
 - (iii) reviewing with management and the external auditor before the filing of financial statements, all critical accounting policies and any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates, alternative treatments and judgements of management that may be material to financial reporting;
 - (iv) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (v) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - (vi) reviewing audited financial statements, in conjunction with the report of the external auditor, and obtaining and reviewing an explanation from management of all significant variances between comparative reporting periods;
 - (vii) reviewing the differences that were noted or proposed by the auditors but were passed as immaterial or otherwise and any management or internal control letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - (viii) reviewing interim unaudited financial statements before release to the public;
 - (ix) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
 - (x) reviewing the evaluation of internal controls by the external auditor, together with management's response;
 - (xi) reviewing the terms of reference of the internal auditor, if any;
 - (xii) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses;

- (xiii) reviewing the appointments of the chief financial officer, the Corporation's head of internal audit, if any, and any key financial executives involved in the financial reporting process, as applicable;
 - (xiv) reviewing annually the Charter and annually obtain approval from the Board; and
 - (xv) if an internal auditor is appointed, reviewing and annually approving the internal audit charter and the risk based internal audit plan.
- (c) The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.
 - (d) The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
 - (e) The Committee shall review and discuss the quality of the Corporation's accounting principles, internal controls, and financial statements.
 - (f) The Committee shall review and assess the adequacy of risk management policies, procedures, and processes and review updates on risks.
 - (g) The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
 - (h) When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
 - (i) The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
 - (j) The Committee shall, as applicable, establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 - (k) The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.
 - (l) While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Corporation's external auditors.

2.4 De Minimis Non-Audit Services

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) of National Instrument 52-110 – *Audit Committees* (“NI 52-110”) if:

- (i) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent (5%) of the total amount of fees paid by the Corporation and its subsidiary entities to the Corporation’s external auditor during the financial year in which the services are provided;
- (ii) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (iii) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

- (a) The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3) of NI 52-110.
- (b) The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) of NI 52-110 must be presented to the Committee at its first scheduled meeting following such pre-approval.

ARTICLE 3

3.1 Composition

- (a) The Committee shall be composed of a minimum of three Members.
- (b) Every Member shall be a director of the Corporation.
- (c) A majority of the Members shall not be employees, Control Persons or executive officers of the Corporation or any affiliate of the Corporation.
- (d) If practicable, given the composition of the Board, every Member shall be financially literate.
- (e) If practicable, given the composition of the Board, every Member shall be independent.
- (f) The Board shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

ARTICLE 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have the authority to:

- (i) engage independent legal counsel and other advisors as it determines necessary to carry out its duties;
- (ii) set and pay the compensation for any advisors employed by the Committee;
- (iii) communicate directly with the internal and external auditors; and
- (iv) recommend the amendment or approval of audited and interim financial statements to the Board.

ARTICLE 5

5.1 Disclosure in Information Circular

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

ARTICLE 6

6.1 Meetings

- (a) Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
- (b) Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members .
- (c) Minutes shall be kept of all meetings of the Committee.
- (d) The quorum for meetings shall be a majority of the Members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

Currency of this Charter

This Charter was last approved by the Board on November 11, 2022.

CERTIFICATE OF THE COMPANY

DATED: June 18, 2026

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of the Provinces of Ontario, British Columbia, Alberta, Prince Edward Island and Nova Scotia.

(s) "Jared Bottoms"

Jared Bottoms
Chief Executive Officer

(s) "Jonathan Leong"

Jonathan Leong
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(s) "Marek Lorenc"

Marek Lorenc
Director

(s) "Gary Lifshits"

Gary Lifshits
Director

CERTIFICATE OF THE PROMOTERS

DATED: June 18, 2026

This prospectus constitutes full, true and plain disclosure of all material facts relating to the Modul8 Business as required by the securities legislation of the Provinces of Ontario, British Columbia, Alberta, Prince Edward Island and Nova Scotia.

(s) *“John Dow”*

John Dow

(s) *“Thierry Klein”*

Thierry Klein