

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**For the quarterly period ended April 30, 2026**

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-7928



**Comtech Telecommunications Corp.**

(Exact name of registrant as specified in its charter)

**Delaware**

**11-2139466**

(State or other jurisdiction of incorporation /organization)

(I.R.S. Employer Identification Number)

**305 N 54th Street,  
Chandler, Arizona**

**85226**

(Address of principal executive offices)

(Zip Code)

**(480) 333-2200**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, par value \$0.10 per share</b>	<b>CMTL</b>	<b>Nasdaq Stock Market LLC</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data file required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Emerging growth company   
Non-accelerated filer  Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of June 11, 2026, the number of outstanding shares of Common Stock, par value \$0.10 per share, of the registrant was 29,961,431 shares.

**COMTECH TELECOMMUNICATIONS CORP.**  
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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

Assets	April 30, 2026	July 31, 2025
Current assets:		
Cash and cash equivalents	\$ 28,499,000	40,019,000
Accounts receivable, net	127,795,000	144,837,000
Inventories, net	61,828,000	68,955,000
Prepaid expenses and other current assets	18,588,000	16,375,000
Total current assets	<u>236,710,000</u>	<u>270,186,000</u>
Property, plant and equipment, net	45,017,000	43,410,000
Operating lease right-of-use assets, net	30,703,000	30,812,000
Goodwill	204,625,000	204,625,000
Intangibles with finite lives, net	158,421,000	173,105,000
Deferred financing costs, net	1,430,000	1,907,000
Other assets, net	16,577,000	16,790,000
Total assets	<u>\$ 693,483,000</u>	<u>740,835,000</u>
Liabilities, Convertible Preferred Stock and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 22,235,000	25,965,000
Accrued expenses and other current liabilities	49,349,000	58,423,000
Current portion of credit facility	4,050,000	4,050,000
Operating lease liabilities, current	6,477,000	7,250,000
Contract liabilities	65,092,000	62,546,000
Interest payable	1,000	15,000
Total current liabilities	<u>147,204,000</u>	<u>158,249,000</u>
Non-current portion of credit facility, net	104,193,000	114,414,000
Non-current portion of subordinated credit facility, net	106,879,000	95,588,000
Operating lease liabilities, non-current	29,880,000	29,376,000
Income taxes payable, non-current	1,621,000	1,818,000
Deferred tax liability, net	5,228,000	4,619,000
Long-term contract liabilities	18,096,000	21,005,000
Warrant and derivative liabilities	12,664,000	17,849,000
Other liabilities	4,441,000	3,950,000
Total liabilities	<u>430,206,000</u>	<u>446,868,000</u>
Commitments and contingencies (See Note 19)		
	—	—
Convertible preferred stock, par value \$0.10 per share; authorized and issued 178,181 shares at April 30, 2026 (redemption value of \$218,245,000 which includes accrued dividends of \$1,625,000) and authorized and issued 178,181 shares at July 31, 2025 (redemption value of \$204,153,000, which includes accrued dividends of \$1,520,000)	210,783,000	189,545,000
Stockholders' equity:		
Preferred stock, par value \$0.10 per share; authorized and unissued 1,821,819 shares at both April 30, 2026 and July 31, 2025, respectively	—	—
Common stock, par value \$0.10 per share; authorized 100,000,000 shares; issued 44,947,742 and 44,443,626 shares at April 30, 2026 and July 31, 2025, respectively	4,495,000	4,444,000
Additional paid-in capital	529,710,000	548,722,000
Retained deficit	<u>(39,862,000)</u>	<u>(6,895,000)</u>
	494,343,000	546,271,000
Less:		
Treasury stock, at cost (15,033,317 shares at April 30, 2026 and July 31, 2025)	<u>(441,849,000)</u>	<u>(441,849,000)</u>
Total stockholders' equity	<u>52,494,000</u>	<u>104,422,000</u>
Total liabilities, convertible preferred stock and stockholders' equity	<u>\$ 693,483,000</u>	<u>740,835,000</u>

See accompanying notes to condensed consolidated financial statements.

**COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
Net sales	\$ 106,004,000	126,787,000	\$ 323,797,000	369,161,000
Cost of sales	69,938,000	87,842,000	214,742,000	281,960,000
Gross profit	<u>36,066,000</u>	<u>38,945,000</u>	<u>109,055,000</u>	<u>87,201,000</u>
<b>Expenses:</b>				
Selling, general and administrative	29,331,000	30,203,000	86,950,000	115,679,000
Research and development	5,220,000	4,425,000	13,440,000	12,492,000
Amortization of intangibles	4,597,000	5,044,000	14,684,000	16,680,000
CEO transition costs	40,000	805,000	1,096,000	1,072,000
Proxy solicitation costs	—	—	—	2,682,000
Impairment of long-lived assets, including goodwill	—	—	—	79,555,000
	<u>39,188,000</u>	<u>40,477,000</u>	<u>116,170,000</u>	<u>228,160,000</u>
Operating loss	(3,122,000)	(1,532,000)	(7,115,000)	(140,959,000)
<b>Other expenses (income):</b>				
Interest expense	11,537,000	12,907,000	34,314,000	33,447,000
Interest (income) and other	5,000	(509,000)	(426,000)	—
Change in fair value of warrants and derivatives	(12,479,000)	(49,542,000)	(9,763,000)	(15,450,000)
Write-off of deferred financing costs and debt discounts	—	3,479,000	—	4,891,000
(Loss) income before provision for (benefit from) income taxes	(2,185,000)	32,133,000	(31,240,000)	(163,847,000)
Provision for (benefit from) income taxes	<u>1,268,000</u>	<u>(1,801,000)</u>	<u>1,727,000</u>	<u>(635,000)</u>
Net (loss) income	\$ (3,453,000)	33,934,000	\$ (32,967,000)	(163,212,000)
Gain on extinguishment of convertible preferred stock	—	—	—	51,179,000
<b>Adjustments to reflect redemption value of convertible preferred stock:</b>				
Dividends on convertible preferred stock, net	(10,810,000)	(48,405,000)	(21,238,000)	(80,656,000)
Net loss attributable to common stockholders	<u>\$ (14,263,000)</u>	<u>(14,471,000)</u>	<u>\$ (54,205,000)</u>	<u>(192,689,000)</u>
<b>Net loss per common share (See Note 5):</b>				
Basic	<u>\$ (0.47)</u>	<u>(0.49)</u>	<u>\$ (1.82)</u>	<u>(6.56)</u>
Diluted	<u>\$ (0.47)</u>	<u>(0.49)</u>	<u>\$ (1.82)</u>	<u>(6.56)</u>
<b>Weighted average number of common shares outstanding</b>				
– basic	<u>30,034,000</u>	<u>29,399,000</u>	<u>29,823,000</u>	<u>29,395,000</u>
<b>Weighted average number of common and common equivalent shares outstanding – diluted</b>				
	<u>30,034,000</u>	<u>29,399,000</u>	<u>29,823,000</u>	<u>29,395,000</u>

See accompanying notes to condensed consolidated financial statements.

**COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY**  
(Unaudited)

	Three months ended April 30, 2026 and 2025								
	Convertible Preferred Stock		Common Stock			Retained Earnings (Deficit)	Treasury Stock		Stockholders' Equity
	Shares	Amount	Shares	Amount	Additional Paid-in Capital		Shares	Amount	
<b>Balance as of January 31, 2025</b>	175,264	\$ 122,317,000	44,380,110	\$ 4,438,000	\$ 614,858,000	\$ (48,739,000)	15,033,317	\$ (441,849,000)	\$ 128,708,000
Equity-classified stock award compensation	—	—	—	—	1,195,000	—	—	—	1,195,000
Issuance of employee stock purchase plan shares	—	—	13,663	1,000	17,000	—	—	—	18,000
Net settlement of stock-based awards	—	—	1,887	1,000	(19,000)	—	—	—	(18,000)
Issuance of convertible preferred stock (at fair value), excluding embedded derivatives	2,917	3,221,000	—	—	(3,221,000)	—	—	—	(3,221,000)
Adjustment to reflect redemption value of convertible preferred stock (including accrued dividends and change in fair value of embedded derivatives)	—	44,534,000	—	—	(44,534,000)	—	—	—	(44,534,000)
Convertible preferred stock amendment fees	—	—	—	—	(650,000)	—	—	—	(650,000)
Reversal of dividend equivalents	—	—	—	—	1,000	—	—	—	1,000
Net income	—	—	—	—	—	33,934,000	—	—	33,934,000
<b>Balance as of April 30, 2025</b>	<u>178,181</u>	<u>\$ 170,072,000</u>	<u>44,395,660</u>	<u>\$ 4,440,000</u>	<u>\$ 567,647,000</u>	<u>\$ (14,805,000)</u>	<u>15,033,317</u>	<u>\$ (441,849,000)</u>	<u>\$ 115,433,000</u>
<b>Balance as of January 31, 2026</b>	178,181	\$ 199,973,000	44,708,747	\$ 4,471,000	\$ 539,393,000	\$ (36,409,000)	15,033,317	\$ (441,849,000)	\$ 65,606,000
Equity-classified stock award compensation	—	—	—	—	1,181,000	—	—	—	1,181,000
Issuance of employee stock purchase plan shares	—	—	10,693	1,000	30,000	—	—	—	31,000
Issuance of restricted stock, net of forfeiture	—	—	146,480	15,000	(15,000)	—	—	—	—
Net settlement of stock-based awards	—	—	81,822	8,000	(69,000)	—	—	—	(61,000)
Adjustment to reflect redemption value of convertible preferred stock (including accrued dividends and change in fair value of embedded derivatives)	—	10,810,000	—	—	(10,810,000)	—	—	—	(10,810,000)
Net loss	—	—	—	—	—	(3,453,000)	—	—	(3,453,000)
<b>Balance as of April 30, 2026</b>	<u>178,181</u>	<u>\$ 210,783,000</u>	<u>44,947,742</u>	<u>\$ 4,495,000</u>	<u>\$ 529,710,000</u>	<u>\$ (39,862,000)</u>	<u>15,033,317</u>	<u>\$ (441,849,000)</u>	<u>\$ 52,494,000</u>

See accompanying notes to condensed consolidated financial statements.

**COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY**  
(Unaudited)

	Nine months ended April 30, 2026 and 2025								
	Convertible Preferred Stock		Common Stock			Retained Earnings (Deficit)	Treasury Stock		Stockholders' Equity
	Shares	Amount	Shares	Amount	Additional Paid-in Capital		Shares	Amount	
<b>Balance as of July 31, 2024</b>	171,827	\$ 180,076,000	43,766,109	\$ 4,377,000	\$ 640,145,000	\$ 103,580,000	15,033,317	\$(441,849,000)	\$ 306,253,000
Equity-classified stock award compensation	—	—	—	—	2,520,000	—	—	—	2,520,000
Issuance of employee stock purchase plan shares	—	—	41,249	4,000	97,000	—	—	—	101,000
Issuance of restricted stock, net of forfeiture	—	—	63,450	6,000	(6,000)	—	—	—	—
Net settlement of stock-based awards	—	—	524,852	53,000	(838,000)	—	—	—	(785,000)
Extinguishment of convertible preferred stock	(171,827)	(183,489,000)	—	—	—	51,179,000	—	—	51,179,000
Issuance of convertible preferred stock (at fair value), excluding embedded derivatives	178,181	96,700,000	—	—	(3,221,000)	—	—	—	(3,221,000)
Adjustment to reflect redemption value of convertible preferred stock (including accrued dividends and change in fair value of embedded derivatives)	—	76,785,000	—	—	(70,406,000)	(6,379,000)	—	—	(76,785,000)
Convertible preferred stock amendment fees	—	—	—	—	(650,000)	—	—	—	(650,000)
Reversal of dividend equivalents	—	—	—	—	6,000	27,000	—	—	33,000
Net loss	—	—	—	—	—	(163,212,000)	—	—	(163,212,000)
<b>Balance as of April 30, 2025</b>	<u>178,181</u>	<u>\$ 170,072,000</u>	<u>44,395,660</u>	<u>\$ 4,440,000</u>	<u>\$ 567,647,000</u>	<u>\$ (14,805,000)</u>	<u>15,033,317</u>	<u>\$(441,849,000)</u>	<u>\$ 115,433,000</u>
<b>Balance as of July 31, 2025</b>	178,181	\$ 189,545,000	44,443,626	\$ 4,444,000	\$ 548,722,000	\$ (6,895,000)	15,033,317	\$(441,849,000)	\$ 104,422,000
Equity-classified stock award compensation	—	—	—	—	2,720,000	—	—	—	2,720,000
Issuance of employee stock purchase plan shares	—	—	32,721	3,000	74,000	—	—	—	77,000
Issuance of restricted stock, net of forfeiture	—	—	146,480	15,000	(15,000)	—	—	—	—
Net settlement of stock-based awards	—	—	324,915	33,000	(553,000)	—	—	—	(520,000)
Adjustment to reflect redemption value of convertible preferred stock (including accrued dividends and change in fair value of embedded derivatives)	—	21,238,000	—	—	(21,238,000)	—	—	—	(21,238,000)
Net loss	—	—	—	—	—	(32,967,000)	—	—	(32,967,000)
<b>Balance as of April 30, 2026</b>	<u>178,181</u>	<u>\$ 210,783,000</u>	<u>44,947,742</u>	<u>\$ 4,495,000</u>	<u>\$ 529,710,000</u>	<u>\$ (39,862,000)</u>	<u>15,033,317</u>	<u>\$(441,849,000)</u>	<u>\$ 52,494,000</u>

See accompanying notes to condensed consolidated financial statements.

**COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

	Nine months ended April 30,	
	2026	2025
Cash flows from operating activities:		
Net loss	\$ (32,967,000)	(163,212,000)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization of property, plant and equipment	9,094,000	8,400,000
Amortization of intangible assets	14,684,000	16,680,000
Amortization of stock-based compensation	2,720,000	2,520,000
Amortization of cost to fulfill assets	—	261,000
Paid-in-kind interest under term loan	—	5,528,000
Amortization of deferred financing costs, debt discount and accreted interest related to subordinated credit facility	16,245,000	4,451,000
Amortization of deferred financing costs and debt discount related to credit facility	4,108,000	3,496,000
Write-off of deferred financing costs and debt discount	—	4,891,000
Change in fair value of warrants and derivatives	(9,763,000)	(15,450,000)
Loss on disposal of property, plant and equipment	52,000	310,000
(Benefit from) provision for allowance for doubtful accounts and contract assets	(935,000)	17,716,000
Provision for excess and obsolete inventory	1,553,000	14,485,000
Deferred income tax expense (benefit)	609,000	(584,000)
Impairment of long-lived assets, including goodwill	—	79,555,000
Changes in assets and liabilities:		
Accounts receivable	17,977,000	26,407,000
Inventories	5,574,000	960,000
Prepaid expenses and other current assets	(3,266,000)	(552,000)
Other assets	(28,000)	(1,609,000)
Accounts payable	(3,660,000)	(13,930,000)
Accrued expenses and other current liabilities	(3,916,000)	(5,243,000)
Contract liabilities	(363,000)	(2,297,000)
Other liabilities, non-current	500,000	34,000
Interest payable	(14,000)	(1,067,000)
Income taxes payable	850,000	(1,489,000)
Net cash provided by (used in) operating activities	<u>19,054,000</u>	<u>(19,739,000)</u>
Cash flows from investing activities:		
Proceeds from sale of indefinite lived intangible asset	13,000	—
Purchases of property, plant and equipment	(13,119,000)	(6,529,000)
Net cash used in investing activities	<u>(13,106,000)</u>	<u>(6,529,000)</u>
Cash flows from financing activities:		
Proceeds from subordinated credit facility	—	65,000,000
Payments under revolving loan	(14,000,000)	(9,084,000)
Repayment of term loan	(3,038,000)	(27,252,000)
Proceeds from issuance of employee stock purchase plan shares	77,000	101,000
Payment of deferred financing costs	—	(4,220,000)
Remittance of employees' statutory tax withholding for stock awards	(463,000)	(1,186,000)
Payment of shelf registration costs	(12,000)	(207,000)
Cash dividends paid on common stock	(32,000)	(157,000)
Payment of convertible preferred stock amendment fees	—	(650,000)
Payment of convertible preferred stock issuance costs	—	(76,000)
Net cash (used in) provided by financing activities	<u>(17,468,000)</u>	<u>22,269,000</u>
Net decrease in cash and cash equivalents	(11,520,000)	(3,999,000)
Cash and cash equivalents at beginning of period	40,019,000	32,433,000
Cash and cash equivalents at end of period	<u>\$ 28,499,000</u>	<u>28,434,000</u>

See accompanying notes to condensed consolidated financial statements.

(Continued)

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)  
(Unaudited)

	Nine months ended April 30,	
	2026	2025
<u>Supplemental cash flow disclosures:</u>		
Cash paid during the period for:		
Interest	\$ 13,946,000	21,019,000
Income taxes, net	\$ (41,000)	1,396,000
Non-cash investing and financing activities:		
Adjustment to reflect redemption value of convertible preferred stock	\$ 21,238,000	76,785,000
Term loan amendment fee paid-in-kind	\$ 2,809,000	4,654,000
Accrued term loan amendment fee	\$ —	2,809,000
Accrued additions to property, plant and equipment	\$ 584,000	263,000
Accrued shelf registration costs	\$ 225,000	10,000
Accrued deferred financing costs	\$ —	6,000
Issuance of restricted stock	\$ 15,000	6,000
Accrued remittance of employees' statutory tax withholdings	\$ 39,000	1,000
Reversal of dividend equivalents	\$ —	(33,000)

See accompanying notes to condensed consolidated financial statements.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

(1) General

The accompanying *Condensed Consolidated Financial Statements* of Comtech Telecommunications Corp. and its subsidiaries ("Comtech," "we," "us," or "our") as of and for the three and nine months ended April 30, 2026 and 2025 are unaudited. In the opinion of management, the information furnished reflects all material adjustments (which include normal recurring adjustments) necessary for a fair presentation of the results for the unaudited interim periods. Our results of operations for such periods are not necessarily indicative of the results of operations to be expected for the full fiscal year.

The preparation of our *Condensed Consolidated Financial Statements* in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the *Condensed Consolidated Financial Statements*, and the reported amounts of net sales and expenses during the reported period. Actual results may differ from those estimates.

Our *Condensed Consolidated Financial Statements* should be read in conjunction with our audited consolidated financial statements, filed with the Securities and Exchange Commission ("SEC"), for the fiscal year ended July 31, 2025 and the notes thereto contained in our Annual Report on Form 10-K, and all of our other filings with the SEC.

Certain reclassifications have been made to previously reported condensed consolidated financial statements to conform to the current fiscal period presentation.

As discussed in more detail below and in a Current Report on Form 8-K filed by us with the SEC on June 15, 2026, subsequent to quarter end, on June 14, 2026, we entered into a transaction to sell most of Comtech's Satellite and Space Communications ("S&S") business to an affiliate of Gilat Satellite Networks Ltd. As the criteria for reporting the portion of the S&S business being sold as "held for sale" was not met as of April 30, 2026, the *Condensed Consolidated Financial Statements* as of and for the three and nine months ended April 30, 2026 and 2025 reflect the portion of the S&S business being sold as "held and used." The portion of the S&S business being retained by Comtech principally includes advanced cybersecurity training in support of U.S. government and certain commercial and university customers.

Subsequent Events

*Sale of Most of Satellite and Space Communications Business*

On June 14, 2026, we entered into a Securities Purchase Agreement (the "Purchase Agreement"), with Wavestream Corporation (the "Buyer"), an affiliate of Gilat Satellite Networks Ltd (the "Buyer Parent"), under which the Buyer agreed to acquire the ownership interests of certain of our subsidiaries comprising most of our S&S business. The transaction provides for a base purchase price in cash of \$157,500,000, of which \$10,000,000 (the "Advance Payment") was payable upon execution of the Purchase Agreement. The closing is subject to customary adjustments for the acquired entities' cash, indebtedness, net working capital and transaction expenses as of the closing, as well as customary regulatory and other closing conditions, including the waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR") and the Committee on Foreign Investment in the United States ("CFIUS") having been expired or terminated. If the Purchase Agreement is terminated under specified circumstances, we may retain the Advance Payment as our sole remedy (except for knowing and intentional breach by the Buyer). At closing, the parties will enter into customary ancillary agreements, including: a transition services agreement; a parent guarantee from the Buyer Parent; an escrow agreement, pursuant to which \$3,000,000 of the purchase price will be held in escrow to fund negative adjustments to the purchase price; and an intellectual property and information technology assignment agreement in connection with the pre-closing restructuring by Comtech or its applicable subsidiaries.

In accordance with our existing credit facilities, we will use 65% of the net proceeds from the sale of most of S&S' business to prepay the majority of our Credit Facility, with the remaining 35% to prepay subordinated debt outstanding under our Subordinated Credit Facility, starting with repaying the subordinated priority term loan.

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*Credit Facility*

In connection with entering into the Purchase Agreement, on June 14, 2026, we entered into an additional amendment to our existing Credit Facility (the “Fourth Amendment”). Effective upon execution, the Fourth Amendment, among other things: (a) provides consent to the consummation of the transactions related to the sale of most of our S&S business; (b) acknowledges and agrees that the transactions related to the sale of most of our S&S business shall not result in a Change of Control as defined in the Credit Facility, as amended; (c) suspends, through the four quarter period ending July 31, 2027, testing of the Net Leverage Ratio, Fixed Charge Coverage Ratio and Minimum EBITDA covenants; (d) clarifies that the Advance Payment received under the Purchase Agreement will not be required to be applied to prepay the applicable obligations in accordance with the terms of the Subordinated Credit Facility until the transaction closes; (e) provides that the Maximum Revolver Amount under the Credit Facility shall not be reduced to an amount less than \$27,250,000 as a result of the prepayment of the Term Loan in accordance with the terms of Credit Facility. The Fourth Amendment also: (i) sets the applicable margin for Base Rate Loans and SOFR Loans at 9.50% and 10.50%, respectively, through maturity of the Credit Facility; (ii) provides for a 1.00% interest rate to be applied to the Term Loan balance outstanding at various intervals after the closing of the sale of most of S&S' business; and (iii) reduces the prepayment penalty associated with the application of the net proceeds from the sale of most of S&S' business from 2.00% to 1.00%.

*Subordinated Credit Facility*

In connection with entering into the Purchase Agreement, on June 14, 2026, the Subordinated Credit Facility was further amended (“Amendment No. 3”). Effective upon execution, Amendment No. 3, among other things: (a) provides consent to the consummation of the transactions related to the sale of most of our S&S business; (b) acknowledges and agrees that the transactions related to the sale of most of our S&S business shall not result in a Change of Control as defined in the Subordinated Credit Facility; (c) suspends, through the four quarter period ending July 31, 2027, testing of the Net Leverage Ratio, Fixed Charge Coverage Ratio and Minimum EBITDA covenants; (d) clarifies that the Advance Payment received under the Purchase Agreement will not be required to be applied to prepay the applicable obligations in accordance with the terms of the Subordinated Credit Facility until the transaction closes; and (e) modifies the calculation of the Make-Whole Amount applicable to certain tranches of subordinated term loans by deferring the respective trigger dates for such Make-Whole Amount adjustments to April 1, 2027. Amendment No. 3 also provides for the issuance to certain subordinated lenders warrants to purchase up to 625,000 shares of our common stock at an exercise price of \$0.10 per share, vesting on October 17, 2026, and which are forfeitable if the related subordinated term loans are repaid in full prior to vesting.

*Convertible Preferred Stock*

In connection with entering into the Purchase Agreement, on June 14, 2026, we entered into an exchange agreement (the “Exchange Agreement”) with the holders of Series B-3 Convertible Preferred Stock, pursuant to which the holders, among other things: (a) provided consent to the consummation of the transactions related to the sale of most of our S&S business; (b) waived any rights to repayment or repurchase of shares of Series B-3 Convertible Preferred Stock in connection with the transactions; (c) agreed that holders of Series B-3 Convertible Preferred Stock may not (i) exercise their optional repurchase rights until October 31, 2029, except upon consummation of certain qualified asset sales by us or upon a Change of Control as defined in the Series B-4 Certificate of Designations, or (ii) elect to receive dividends in cash earlier than October 31, 2028. To effect these changes, upon closing of the sale of most of S&S' business: (i) all 178,180.34 shares of Series B-3 Convertible Preferred Stock will be exchanged for 178,180.34 shares of Series B-4 Convertible Preferred Stock; and (ii) new Voting Agreements with the holders will automatically take effect. The Series B-4 Convertible Preferred Stock and Voting Agreements have substantially consistent terms with existing agreements. The Series B-4 Convertible Preferred Stock maintains the \$7.99 conversion price of the Series B-3 Convertible Preferred Stock. To effect these changes, we also did not incur any fees to the holders of Series B-3 Convertible Preferred Stock.

Additional information about the Purchase Agreement, the Fourth Amendment, Amendment No. 3 and the Exchange Agreement is set forth in our a Current Report on Form 8-K filed by us with the SEC on June 15, 2026.

Liquidity

At April 30, 2026 and June 12, 2026 (the date closest to the issuance date):

- total outstanding borrowings under our Credit Facility was \$119,672,000 and \$116,031,000, respectively; of such amount, \$3,641,000 was drawn on the Revolver Loan at April 30, 2026; in May 2026, we repaid the remaining \$3,641,000 outstanding Revolver Loan balance;

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- total outstanding borrowings under our Subordinated Credit Facility were \$104,135,000 and \$104,796,000, respectively, including interest paid-in-kind or accrued on the \$35,000,000 subordinated priority term loan; such amount does not include the \$32,500,000 Make-Whole Amount associated with the \$65,000,000 portion of the Subordinated Credit Facility (pursuant to the terms discussed in *Note (10) - Subordinated Credit Facility*, as of April 30, 2026 and the issuance date, the Make-Whole Amount percentage for each tranche within the \$65,000,000 of principal is 50.0%);
- the liquidation preference of our outstanding convertible preferred stock was \$218,245,000 and \$220,466,000, respectively (excluding potential increases in the liquidation preference and other obligations that could be triggered by, among other things, breaches of covenants and/or asset sales resulting in a change in control of the Company); and
- our available sources of liquidity totaled \$49,389,000 and \$50,010,000, respectively, which includes qualified cash and cash equivalents of \$25,780,000 and \$22,760,000, respectively, and the remaining available portion of the Revolver Loan of \$23,609,000 and \$27,250,000, respectively.

As of the issuance date, we expect cash and cash equivalents and cash flows from both operating and financing activities to be our principal sources of liquidity. We believe these sources of liquidity will be sufficient to fund our operating and cash commitments for investing and financing activities over the next year beyond the issuance date. Over the next year beyond the issuance date, we believe that we will be able to generate sufficient positive cash inflows and maximize the remaining available portion of the Revolver Loan under our Credit Facility to continue as a going concern and comply with the covenants contained in our credit facilities. Our ability to meet future anticipated liquidity needs over the next year beyond the issuance date will largely depend on our ability to execute on our operational strategy, generate positive cash inflows from operations, maximize the remaining available portion of the Revolver Loan under our Credit Facility and or secure outside capital. Our ability to do so may also be affected by general economic, financial and other factors which are beyond our control.

CEO Transition Costs and Related

During the three months ended April 30, 2026 and 2025, CEO transition costs were \$40,000 and \$805,000, respectively, and consisted primarily of net legal expenses related to a former CEO and residual expense related to a sign-on bonus for our current CEO. During the nine months ended April 30, 2026 and 2025, CEO transition costs were \$1,096,000 and \$1,072,000, respectively. In addition to those items discussed above, such costs also included severance related to a former CEO and third party CEO search firm expenses.

(2) Adoption of Accounting Standards and Updates

We are required to prepare our *Condensed Consolidated Financial Statements* in accordance with the FASB ASC, which is the source for all authoritative U.S. generally accepted accounting principles, which are commonly referred to as "GAAP." The FASB ASC is subject to updates by the FASB, which are known as Accounting Standards Updates ("ASUs"). The following FASB ASUs have been issued and incorporated into the FASB ASC and have not yet been adopted by us:

- FASB ASU No. 2023-09, which among other things, enhances and establishes new income tax disclosure requirements, in addition to modifying and eliminating certain existing requirements. Most notably this ASU requires greater disaggregation of information in the effective tax rate reconciliation, including the inclusion of both percentages and amounts, specific categories, and additional information for reconciling items meeting a quantitative threshold defined by the guidance. Additionally, disclosures of income taxes paid and income tax expense must be disaggregated by federal, state and foreign taxes, with income taxes paid further disaggregated for individual jurisdictions that represent 5 percent or more of total income taxes paid. This ASU is effective for fiscal years beginning after December 15, 2024 (our fiscal 2026), with early adoption permitted. We are evaluating the impact of this ASU on our *Condensed Consolidated Financial Statements* and disclosures.

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- FASB ASU No. 2024-03, which among other things, requires more detailed disclosures of certain categories of expenses (including purchases of inventory, employee compensation, depreciation and amortization) that are components of existing expense captions presented on the face of the income statement. All entities are required to apply the guidance prospectively with an option for retrospective application. This ASU is effective for annual reporting periods beginning after December 15, 2026 (our fiscal 2028), and interim periods within annual reporting periods beginning after December 15, 2027 (our first interim period of fiscal 2029), with early adoption permitted, as clarified in ASU No. 2025-01. The adoption of this ASU will impact our disclosures only and we do not expect it to have a material impact on our *Condensed Consolidated Financial Statements*.
- FASB ASU No. 2025-05, which among other things, provides all entities with a practical expedient that allows for the assumption that current conditions as of the balance sheet date do not change for the remaining life of the asset when estimating credit losses for such assets. This ASU is effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual periods (our fiscal 2027), with early adoption permitted. We are evaluating the impact of this ASU on our *Condensed Consolidated Financial Statements* and disclosures.
- FASB ASU 2025-06, which among other things, amends the criteria for recognizing and capitalizing costs related to internal-use software by replacing the previous project stage model with a principles-based framework. Under this ASU, costs are capitalized when management has authorized and committed to funding a software project, and it is probable that the project will be completed and the software used as intended. This ASU is effective for annual reporting periods beginning after December 15, 2027, and interim periods within those annual periods (our fiscal 2029), on either a prospective, retrospective or modified prospective transition method. We are evaluating the impact of this ASU on our *Condensed Consolidated Financial Statements* and disclosures.
- FASB ASU 2025-07, which among other things, refines the scope of the guidance on derivatives in ASC 815 and clarifies the guidance on share-based payments from a customer in ASC 606. The ASU is intended to address concerns about the application of derivative accounting to contracts that have features based on the operations or activities of one of the parties to the contract and to reduce diversity in the accounting for share-based payments in revenue contracts. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual periods (our fiscal 2028), with early adoption permitted. We are evaluating the impact of this ASU on our *Condensed Consolidated Financial Statements* and disclosures.
- FASB ASU No. 2025-10, which among other things, establishes guidance for the recognition, measurement and presentation of government grants received by business entities. The ASU requires that government grants be recognized when it is probable that we will comply with the conditions of the grant and that the grant will be received, and provides models for presenting grants related to assets or income. The ASU also requires enhanced disclosures about the nature and terms of government grants and the financial statement line items affected. This ASU is effective for annual reporting periods beginning after December 15, 2028, and interim periods within those annual reporting periods (our fiscal 2030), with early adoption permitted. We are evaluating the impact of this ASU on our *Condensed Consolidated Financial Statements* and disclosures.
- FASB ASU No. 2025-11, which among other things, clarifies the guidance in Topic 270 - *Interim Reporting* to improve the consistency of interim financial reporting. The ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. This ASU is effective for annual reporting periods beginning after December 15, 2027, and interim periods within those annual reporting periods (our fiscal 2029), with early adoption permitted. We are evaluating the impact of this ASU on our *Condensed Consolidated Financial Statements* and disclosures.
- FASB ASU 2026-01, which among other things, provides authoritative guidance regarding the initial measurement of paid-in-kind (“PIK”) dividends on preferred stock classified as permanent or temporary equity. The amendments require that PIK dividends be initially measured based on the PIK dividend rate stated in the preferred stock agreement, such as multiplying a stated rate by the liquidation value of the preferred stock, rather than at fair value. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods (our fiscal 2028), with early adoption permitted. We are evaluating the impact of this ASU on our *Condensed Consolidated Financial Statements* and disclosures.

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(3) Revenue Recognition

In accordance with FASB ASC 606 - "*Revenue from Contracts with Customers*" ("ASC 606"), we record revenue in an amount that reflects the consideration to which we expect to be entitled in exchange for goods or services promised to customers. Under ASC 606, we follow a five-step model to: (1) identify the contract with our customer; (2) identify our performance obligations in our contract; (3) determine the transaction price for our contract; (4) allocate the transaction price to our performance obligations; and (5) recognize revenue using one of the following two methods:

- Over time - We recognize revenue using the over time method when control transfers to the customer over the contractual period of performance. This generally occurs when we enter into a long-term contract relating to the design, development or manufacture of complex equipment or technology platforms to a buyer's specification (or to provide services related to the performance of such contracts), for which we have determined that the customer controls the asset as it is created or there is no alternative use, as defined in ASC 606. Transfer of control is typically supported by contract clauses which allow our customers to unilaterally terminate a contract for convenience, pay for costs incurred plus a reasonable profit and take control of work-in-process. Work-in-process includes components for which we have commenced the manufacturing or integration process and obtained the right to payment for work performed. Revenue recognized over time is generally based on the extent of progress toward completion of the related performance obligations. The selection of the method to measure progress requires judgment and is based on the nature of the products or services provided. In certain instances, typically for firm fixed-price contracts, we use the cost-to-cost measure because it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure, the extent of progress toward completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion, including warranty costs. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Costs to fulfill generally include direct labor, materials, subcontractor costs, other direct costs and an allocation of indirect costs. When these contracts are modified, the additional goods or services are generally not distinct from those already provided. As a result, these modifications form part of an existing contract and we must update the transaction price and our measure of progress for the single performance obligation and recognize a cumulative catch-up to revenue and gross profits.

A cost-to-cost measure of progress is principally used to account for contracts in our Satellite and Space Communications segment and, to a lesser extent, certain location-based and messaging infrastructure contracts in our public safety and location technologies product lines within our Allerium segment.

For over time contracts using a cost-to-cost measure of progress, we have an estimate at completion ("EAC") process in which segment management reviews the progress and execution of our performance obligations and calculates an estimated contract profit based on total estimated contract revenue and cost. Since certain contracts extend over a long period of time, the impact of revisions in revenue and/or cost estimates during the progress of work may impact current period earnings through a cumulative adjustment. Additionally, if the EAC process indicates a loss, a provision is made for the total anticipated loss in the period that it becomes evident. Contract revenue and cost estimates for significant contracts are generally reviewed and reassessed at least quarterly.

For service-based contracts in our Allerium segment, we also recognize revenue over time. These services are typically recognized as a series of services performed over the contract term using the straight-line method, or based on our customers' actual usage of the networks and platforms which we provide.

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- *Point in time* - When a performance obligation is not satisfied over time, we must record revenue using the point in time accounting method which generally results in revenue being recognized upon shipment or delivery of a promised good or service to a customer. This generally occurs when we enter into short term contracts or purchase orders where items are provided to customers with relatively quick turn-around times. Modifications to such contracts and/or purchase orders, which typically provide for additional quantities or services, are accounted for as a new contract because the pricing for these additional quantities or services are based on standalone selling prices.

Point in time accounting is principally applied to contracts in our satellite ground infrastructure product line (which includes satellite modems and traveling wave tube amplifiers). The contracts related to these product lines do not meet the requirements for over time revenue recognition because our customers cannot utilize the equipment for its intended purpose during any phase of our manufacturing process; customers do not simultaneously receive and/or consume the benefits provided by our performance; customers do not control the asset (i.e., prior to delivery, customers cannot direct the use of the asset, sell or exchange the equipment, etc.); and, although many of our contracts have termination for convenience clauses and/or an enforceable right to payment for performance completed to date, our performance creates an asset with an alternative use through the point of delivery.

In determining that our equipment has alternative use, we considered the underlying manufacturing process for our products. In the early phases of manufacturing, raw materials and work-in-process (including subassemblies) consist of common parts that are highly fungible among many different types of products and customer applications. Finished products are either configured to our standard configuration or based on our customers' specifications. Finished products, whether built to our standard specification or to a customers' specification, can be sold to a variety of customers and across many different end use applications with minimal rework, if needed, and without incurring a significant economic loss.

When identifying a contract with our customer, at inception, we consider approvals and commitments from both parties, if the rights of the parties are identified, if the payment terms are identified, if it has commercial substance, the transaction price to which we are entitled and if collectability is probable.

When identifying performance obligations, we consider whether there are multiple promises and how to account for them. In our contracts, multiple promises are separated if they are distinct, both individually and in the context of the contract. If multiple promises in a contract are highly interrelated or comprise a series of distinct services performed over time, they are combined into a single performance obligation. In some cases, we may also provide the customer with an additional service-type warranty, which we recognize as a separate performance obligation. Service-type warranties do not represent a significant portion of our consolidated net sales. When service-type warranties represent a separate performance obligation, the revenue is deferred and recognized ratably over the extended warranty period. Our contracts, from time-to-time, may also include options for additional goods and services. To date, these options have not represented material rights to the customer as the pricing for them reflects standalone selling prices. As a result, we do not consider options we offer to be performance obligations for which we must allocate a portion of the transaction price. In many cases, we provide assurance-type warranty coverage for some of our products for a period of at least one year from the date of delivery.

When identifying the transaction price, we typically utilize the contract's stated price as a starting point. The transaction price in certain arrangements may include estimated amounts of variable consideration, including award fees, incentive fees or other provisions that can either increase or decrease the transaction price. We estimate variable consideration as the amount to which we expect to be entitled, and we include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the estimation uncertainty is resolved. The estimation of this variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of our anticipated performance and all information (e.g., historical, current and forecasted) that is reasonably available to us.

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When allocating the contract's transaction price, we consider each distinct performance obligation. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract. We determine standalone selling price based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, we estimate the standalone selling price taking into account available information such as market conditions, including geographic or regional specific factors, competitive positioning, internal costs, profit objectives and internally approved pricing guidelines related to the performance obligations.

Most of our contracts with customers are denominated in U.S. dollars and are typically firm fixed-price; however, we may receive cost reimbursable type contracts from time to time (including fixed-fee, incentive-fee and time-and-material type contracts). In almost all of our contracts with customers, we are the principal in the arrangement and report revenue on a gross basis. Transaction prices for contracts with U.S. domestic and international customers are usually based on specific negotiations with each customer and in the case of the U.S. government, sometimes based on estimated or actual costs of providing the goods or services in accordance with applicable regulations. Sales by geography and customer type, as a percentage of consolidated net sales, are as follows:

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
<u>United States</u>				
U.S. government	22.0 %	25.6 %	17.8 %	32.0 %
Domestic	54.6 %	51.0 %	54.8 %	48.3 %
Total United States	76.6 %	76.6 %	72.6 %	80.3 %
International	23.4 %	23.4 %	27.4 %	19.7 %
Total	100.0 %	100.0 %	100.0 %	100.0 %

Sales to U.S. government customers include sales to the U.S. Department of Defense ("DoD"), intelligence and civilian agencies, as well as sales directly to or through prime contractors. Domestic sales include sales to commercial customers, as well as to U.S. state and local governments. For the three and nine months ended April 30, 2026 and 2025, except for the U.S. government, there were no customers that represented 10.0% or more of consolidated net sales. Except for the U.S., no individual country (including sales to U.S. domestic companies for inclusion in products that are sold to a foreign country) represented 10.0% or more of consolidated net sales for the three and nine months ended April 30, 2026 and 2025.

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The following tables summarize our disaggregation of revenue consistent with information reviewed by our Chief Operating Decision Maker ("CODM") for the three and nine months ended April 30, 2026 and 2025. We believe these categories best depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors which impact our business:

	Three months ended April 30, 2026			Nine months ended April 30, 2026		
	Satellite and Space Communications	Allerium	Total	Satellite and Space Communications	Allerium	Total
<b>Geographical region and customer type</b>						
U.S. government	\$ 22,855,000	491,000	\$ 23,346,000	\$ 55,637,000	2,051,000	\$ 57,688,000
Domestic	7,508,000	50,356,000	57,864,000	26,606,000	150,849,000	177,455,000
Total United States	30,363,000	50,847,000	81,210,000	82,243,000	152,900,000	235,143,000
International	19,968,000	4,826,000	24,794,000	73,798,000	14,856,000	88,654,000
Total	\$ 50,331,000	55,673,000	\$ 106,004,000	\$ 156,041,000	167,756,000	\$ 323,797,000
<b>Contract type</b>						
Firm fixed-price	\$ 48,074,000	55,673,000	\$ 103,747,000	\$ 148,262,000	167,756,000	\$ 316,018,000
Cost reimbursable	2,257,000	—	2,257,000	7,779,000	—	7,779,000
Total	\$ 50,331,000	55,673,000	\$ 106,004,000	\$ 156,041,000	167,756,000	\$ 323,797,000
<b>Transfer of control</b>						
Point in time	\$ 23,824,000	407,000	\$ 24,231,000	\$ 101,467,000	736,000	\$ 102,203,000
Over time	26,507,000	55,266,000	81,773,000	54,574,000	167,020,000	221,594,000
Total	\$ 50,331,000	55,673,000	\$ 106,004,000	\$ 156,041,000	167,756,000	\$ 323,797,000
<b>Three months ended April 30, 2025</b>						
	Satellite and Space Communications	Allerium	Total	Satellite and Space Communications	Allerium	Total
<b>Geographical region and customer type</b>						
U.S. government	\$ 31,790,000	629,000	\$ 32,419,000	\$ 116,409,000	1,825,000	\$ 118,234,000
Domestic	10,085,000	54,630,000	64,715,000	23,919,000	154,393,000	178,312,000
Total United States	41,875,000	55,259,000	97,134,000	140,328,000	156,218,000	296,546,000
International	25,691,000	3,962,000	29,653,000	59,892,000	12,723,000	72,615,000
Total	\$ 67,566,000	59,221,000	\$ 126,787,000	\$ 200,220,000	168,941,000	\$ 369,161,000
<b>Contract type</b>						
Firm fixed-price	\$ 54,091,000	59,221,000	\$ 113,312,000	\$ 154,976,000	168,941,000	\$ 323,917,000
Cost reimbursable	13,475,000	—	13,475,000	45,244,000	—	45,244,000
Total	\$ 67,566,000	59,221,000	\$ 126,787,000	\$ 200,220,000	168,941,000	\$ 369,161,000
<b>Transfer of control</b>						
Point in time	\$ 37,682,000	200,000	\$ 37,882,000	\$ 102,708,000	1,537,000	\$ 104,245,000
Over time	29,884,000	59,021,000	88,905,000	97,512,000	167,404,000	264,916,000
Total	\$ 67,566,000	59,221,000	\$ 126,787,000	\$ 200,220,000	168,941,000	\$ 369,161,000

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The timing of revenue recognition, billings and collections results in receivables, unbilled receivables and contract liabilities on our *Condensed Consolidated Balance Sheets*. Under typical payment terms for our contracts accounted for over time, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly) or upon achievement of contractual milestones. For certain contracts with provisions that are intended to protect customers in the event we do not satisfy our performance obligations, billings occur subsequent to revenue recognition, resulting in unbilled receivables. Under ASC 606, unbilled receivables constitute contract assets. Except for impairments to certain unbilled receivables and work-in-process inventory during the nine months ended April 30, 2025, there were no other material impairment losses recognized on contract assets during the nine months ended April 30, 2026 and 2025, respectively. On large long-term contracts, and for contracts with international customers that do not do business with us regularly, payment terms typically require advanced payments and deposits. Under ASC 606, payments received from customers in excess of revenue recognized to-date results in a contract liability. These contract liabilities are not considered to represent a significant financing component of the contract because we believe these cash advances and deposits are generally used to meet working capital demands which can be higher in the earlier stages of a contract. Also, advanced payments and deposits provide us with some measure of assurance that the customer will perform on its obligations under the contract. Under the typical payment terms for our contracts accounted for at a point in time, costs are accumulated in inventory until the time of billing, which generally coincides with revenue recognition. Of the current contract liability balance of \$62,546,000 at July 31, 2025 and \$65,834,000 at July 31, 2024, \$46,516,000 and \$48,661,000 was recognized as revenue during the nine months ended April 30, 2026 and 2025, respectively.

We recognize the incremental costs to obtain or fulfill a contract as an expense when incurred if the amortization period of the asset is one year or less; otherwise, such costs are capitalized and amortized over the estimated life of the contract. Costs to obtain or fulfill a contract that were capitalized are presented in the table below:

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
<u>Capitalized:</u>				
Costs to obtain a contract	\$ 47,000	242,000	\$ 955,000	599,000
Costs to fulfill a contract	409,000	763,000	514,000	2,717,000

Commissions payable to our internal sales and marketing employees or contractors that are incremental to the acquisition of long-term customer contracts are capitalized and amortized consistent with the pattern of revenue recognition through cost of sales on our *Condensed Consolidated Statements of Operations*. Commissions payable that are not incremental to the acquisition of long-term contracts are expensed as incurred in selling, general and administrative expenses on our *Condensed Consolidated Statements of Operations*. As for commissions payable to our third-party sales representatives related to large long-term contracts, we consider these types of commissions both direct and incremental costs to obtain and fulfill such contracts. Therefore, such commissions are included in total estimated costs at completion for such contracts and expensed over time through cost of sales on our *Condensed Consolidated Statements of Operations*.

Remaining performance obligations represent the transaction price of firm orders for which work has not been performed as of the end of a fiscal period. Remaining performance obligations, which we refer to as backlog, exclude unexercised contract options and potential orders under indefinite delivery / indefinite quantity ("IDIQ") contracts. As of April 30, 2026, the aggregate amount of the transaction price allocated to remaining performance obligations was \$696,120,000 (which represents the amount of our consolidated funded backlog). We estimate that a substantial portion of our remaining performance obligations at April 30, 2026 will be completed and recognized as revenue during the next twenty-four month period, with the rest thereafter. During the nine months ended April 30, 2026, revenue recognized from performance obligations satisfied, or partially satisfied, in previous periods (for example due to changes in the transaction price) was not material.

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(4) Fair Value Measurements and Financial Instruments

Using the fair value hierarchy described in FASB ASC 820 "*Fair Value Measurements and Disclosures*," we valued our cash and cash equivalents using Level 1 inputs that were based on quoted market prices. We believe that the carrying amounts of our other current financial assets (such as accounts receivable) and other current liabilities (including accounts payable, accrued expenses and the current portion of long-term debt) approximate their fair values due to their short-term maturities. Additionally, the carrying amount of the non-current portion of our Credit Facility approximated its fair value due to the variable interest rates and pricing grid related to such debt.

Level 3 inputs are unobservable inputs developed using the best available information under the circumstances. Level 3 inputs are supported by little or no market activity, are significant to the fair value of the assets or liabilities and reflect our assumptions related to how market participants would use similar inputs to price the asset or liability.

As further discussed in *Note (9) - Credit Facility*, we used Level 3 inputs to value the warrants issued to lenders in connection with our Credit Facility. As of April 30, 2026, we determined the fair value of such warrants based on the Black-Scholes option pricing model using the following estimates: exercise price of \$0.10; risk free rate of 4.0%; volatility of 65.0%; expected life of 5.1 years; and dividend yield of 0%. We also used Level 3 inputs to value the combined embedded derivative liability associated with our Credit Facility. As of April 30, 2026, we determined the fair value of the combined embedded derivative liability using a with-and-without scenario-based discounted cash flow method, which reflected our estimates regarding the probability and timing of events that could result in additional payments of interest and/or fees to such lenders as stated in our Credit Facility.

As further discussed in *Note (10) - Subordinated Credit Facility*, we used Level 3 inputs to value the make-whole amount and combined embedded derivative liability associated with our Subordinated Credit Facility. As of April 30, 2026, we determined the fair value of the combined embedded derivative liability using a with-and-without scenario-based discounted cash flow method, which reflected our estimates regarding the probability and timing of events that could result in additional payments of interest and/or accelerated payments of principal and make-whole amounts to such lenders as stated in our Subordinated Credit Facility. The calculated fair value of the debt outstanding under the Subordinated Credit Facility approximated its carrying value as of April 30, 2026.

As further discussed in *Note (17) - Convertible Preferred Stock*, we used Level 3 inputs to value the warrants contingently issuable and the combined embedded derivative liability associated with our Convertible Preferred Stock. As of April 30, 2026, we determined the fair value of Convertible Preferred Stock warrants using the Monte Carlo simulation model with the following assumptions: expected life of 6.2 years; risk free rate of 4.0%; expected volatility of 65.0%; and dividend yield of 0%. As of April 30, 2026, we determined the fair value of the combined embedded derivative liability using a with-and-without scenario-based discounted cash flow method, which reflected our estimates regarding the probability and timing of events that could result in additional and/or accelerated payments to our preferred shareholders, or the conversion of the Convertible Preferred Stock into common stock, pursuant to the terms of our Convertible Preferred Stock.

As of April 30, 2026 and July 31, 2025, other than the financial instruments discussed above, we had no other significant assets or liabilities included in our *Condensed Consolidated Balance Sheets* recorded at fair value, as such term is defined by FASB ASC 820.

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(5) Earnings Per Share

Our basic earnings per share ("EPS") is computed based on the weighted average number of common shares (including vested but unissued stock units, share units, performance shares and restricted stock units ("RSUs")) outstanding during each respective period. Our diluted EPS reflects the dilution from potential common stock issuable pursuant to the exercise of equity-classified stock-based awards, warrants issued to our lenders in connection with entering the Credit Facility and the assumed conversion of Convertible Preferred Stock, if dilutive, outstanding during each respective period. The warrants contingently issuable to our preferred shareholders upon a repurchase of the respective series of Convertible Preferred Stock are not reflected in diluted EPS. Pursuant to FASB ASC 260 "Earnings Per Share" ("ASC 260"), shares whose issuance is contingent upon the satisfaction of certain conditions are included in diluted EPS based on the number of shares, if any, that would be issuable if the end of the reporting period were the end of the contingency period. When calculating our diluted earnings per share, we consider the amount an employee must pay upon assumed exercise of stock-based awards, the amount of stock-based compensation cost attributed to future services and not yet recognized and the amount a holder must pay upon assumed exercise of warrants.

There were no repurchases of our common stock during the three and nine months ended April 30, 2026 and 2025. See *Note (18) - Stockholders' Equity* for more information.

Weighted average stock options, RSUs and restricted stock outstanding representing 2,529,000 and 1,211,000 shares for the three months ended April 30, 2026 and 2025, respectively, and 1,986,000 and 1,172,000 for the nine months ended April 30, 2026 and 2025, respectively, were not included in our diluted EPS calculation because their effect would have been anti-dilutive.

Our EPS calculations exclude 783,000 and 662,000 weighted average performance shares outstanding for the three months ended April 30, 2026 and 2025, respectively, and 708,000 and 558,000 weighted average performance shares outstanding for the nine months ended April 30, 2026 and 2025, respectively, as the performance conditions have not yet been satisfied. However, the numerator for EPS calculations for each respective period is reduced by the compensation expense related to these awards.

Weighted average common shares related to warrants issued in connection with entering the Credit Facility on June 17, 2024 of 1,401,000 and 1,390,000 for the three months ended April 30, 2026 and 2025, respectively, and 1,383,000 and 1,400,000 for the nine months ended April 30, 2026 and 2025, respectively, were not included in our diluted EPS calculation because their effect would have been anti-dilutive.

Weighted average common shares underlying the assumed conversion of Convertible Preferred Stock, on an if-converted basis, of 27,112,000 and 24,732,000 for the three months ended April 30, 2026 and 2025, respectively, and 26,513,000 and 23,932,000, for the nine months ended April 30, 2026 and 2025, respectively, were not included in our diluted EPS calculation because their effect would have been anti-dilutive. As a result, the numerator for our basic and diluted EPS calculation for the three and nine months ended April 30, 2026 and 2025 is the respective net loss attributable to common stockholders.

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The following table reconciles the numerators and denominators used in the basic and diluted EPS calculations:

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
<b>Numerator:</b>				
Net (loss) income	\$ (3,453,000)	33,934,000	\$ (32,967,000)	(163,212,000)
Gain on extinguishment of convertible preferred stock	—	—	—	51,179,000
Dividends on convertible preferred stock, net	(10,810,000)	(48,405,000)	(21,238,000)	(80,656,000)
Net loss attributable to common stockholders	<u>\$ (14,263,000)</u>	<u>(14,471,000)</u>	<u>\$ (54,205,000)</u>	<u>(192,689,000)</u>
<b>Denominator:</b>				
Denominator for basic and diluted calculation	<u>30,034,000</u>	<u>29,399,000</u>	<u>29,823,000</u>	<u>29,395,000</u>

As discussed further in *Note (17) - Convertible Preferred Stock*, such shares of preferred stock represent a "participating security" as defined in ASC 260. As a result, our EPS calculations for the three and nine months ended April 30, 2026 and 2025 were based on the two-class method. Given the net loss attributable to common stockholders for the three and nine months ended April 30, 2026 and 2025, there was no impact of applying the two-class method to our reported basic or diluted earnings per common share.

(6) Accounts Receivable

Accounts receivable consist of the following at:

	April 30, 2026	July 31, 2025
Receivables from commercial and international customers	\$ 57,775,000	57,713,000
Unbilled receivables from commercial and international customers	54,368,000	69,987,000
Receivables from the U.S. government and its agencies	9,418,000	15,610,000
Unbilled receivables from the U.S. government and its agencies	24,325,000	20,683,000
Total accounts receivable	145,886,000	163,993,000
Less allowance for doubtful accounts	18,091,000	19,156,000
Accounts receivable, net	<u>\$ 127,795,000</u>	<u>144,837,000</u>

Unbilled receivables as of April 30, 2026 relate to contracts-in-progress for which revenue has been recognized, but for which we have not yet earned the right to bill the customer for work performed to-date. Under ASC 606, unbilled receivables constitute contract assets. Excluding unbilled receivables related to the U.S. Marine Corps contract discussed below, management estimates that a substantial portion of the remaining net contract assets not yet billed at April 30, 2026 will be billed and collected within one year. Accounts receivable in the table above excludes \$363,000 of long-term unbilled receivables presented within "*Other assets, net*" in the *Condensed Consolidated Balance Sheet* as of April 30, 2026.

As of April 30, 2026, the U.S. government (and its agencies) and a large multinational telecommunications company represented 26.4% and 10.0% of net accounts receivable, respectively. There were no other customers which accounted for 10% or more of net accounts receivable.

As of July 31, 2025, the U.S. government (and its agencies) and two domestic top tier mobile network operators represented 25.1%, 14.5% and 10.5% of net accounts receivable, respectively. There were no other customers which accounted for 10% or more of net accounts receivable.

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In December 2024 (fiscal 2025), we received notice from our prime contractor to stop work associated with a legacy U.S. Marine Corps contract, which has since been terminated for convenience and for which we have submitted a termination claim. Total receivables related to such contract were \$10,543,000 as of April 30, 2026. While we believe that we have meritorious termination claims, some or all of our receivable could be at risk of not being collected. Future results of operations related to our troposcatter solutions product line depend, in part, on the nature, timing and amount associated with resolving this matter.

(7) Inventories

Inventories consist of the following at:

	<u>April 30, 2026</u>	<u>July 31, 2025</u>
Raw materials and components	\$ 63,676,000	64,022,000
Work-in-process and finished goods	23,368,000	31,356,000
Total inventories	<u>87,044,000</u>	<u>95,378,000</u>
Less reserve for excess and obsolete inventories	25,216,000	26,423,000
Inventories, net	<u>\$ 61,828,000</u>	<u>68,955,000</u>

As of April 30, 2026 and July 31, 2025, the amount of inventory directly related to long-term contracts (including contracts-in-progress) was \$3,469,000 and \$2,612,000, respectively.

(8) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following at:

	<u>April 30, 2026</u>	<u>July 31, 2025</u>
Accrued wages and benefits	\$ 21,705,000	21,158,000
Accrued contract costs	7,931,000	6,676,000
Accrued warranty obligations	5,577,000	8,475,000
Accrued commissions and royalties	3,322,000	4,867,000
Accrued contributions for constructing long-lived assets	164,000	2,789,000
Accrued legal costs	2,340,000	2,004,000
Other	<u>8,310,000</u>	<u>12,454,000</u>
Accrued expenses and other current liabilities	<u>\$ 49,349,000</u>	<u>58,423,000</u>

Accrued contract costs represent direct and indirect costs on contracts as well as estimates of amounts owed for invoices not yet received from vendors or reflected in accounts payable.

Accrued warranty obligations as of April 30, 2026 relate to estimated liabilities for assurance type warranty coverage that we provide to our customers. We generally provide warranty coverage for some of our products for a period of at least one year from the date of delivery. We record a liability for estimated warranty expense based on historical claims, product failure rates, consideration of contractual obligations, future costs to resolve software issues and other factors. Some of our product warranties are provided under long-term contracts, the costs of which are incorporated into our estimates of total contract costs.

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Changes in our accrued warranty obligations during the nine months ended April 30, 2026 and 2025 were as follows:

	Nine months ended April 30,	
	2026	2025
Balance at beginning of period	\$ 8,475,000	7,049,000
Provision for warranty obligations	474,000	3,721,000
Charges incurred	(3,372,000)	(2,225,000)
Balance at end of period	<u>\$ 5,577,000</u>	<u>8,545,000</u>

(9) Credit Facility

On June 17, 2024, we entered into a senior secured loan facility with a syndicate of lenders, which replaced our prior credit facility. As further discussed below, we subsequently amended the credit facility on October 17, 2024, March 3, 2025 and July 21, 2025 (the "Credit Facility"). At April 30, 2026, the Credit Facility consists of a remaining \$116,031,000 term loan (the "Term Loan" facility) and (ii) an asset-based revolving credit facility with revolving commitments in an aggregate principal amount of \$54,750,000, subject to borrowing base limitations as described below (the "Revolving Loan" facility). At closing, the proceeds were used to repay the prior credit facility in full and for working capital and other general corporate purposes. The obligations under the Credit Facility are guaranteed by certain of our domestic and foreign subsidiaries (the "Guarantors"), who have granted for the benefit of the lenders, a lien on, and first priority security interest in, substantially all of our tangible and intangible assets.

The Credit Facility was amended on October 17, 2024 (the "First Amendment") which, among other things: (i) waived all defaults under the Credit Facility, specifically in connection with our Net Leverage Ratio and Fixed Charge Coverage Ratio covenants as of July 31, 2024; (ii) increased the interest rate margins applicable to the Term Loan to 12.00% per annum for Base Rate Loans and 13.00% per annum for SOFR Loans and increased interest rate margins applicable to the Revolving Loan by 1.00% at each level; (iii) permitted the incurrence of \$25,000,000 of total unsecured subordinated debt (as described below); (iv) suspended testing of the Net Leverage Ratio and the Fixed Charge Coverage Ratio covenants until January 31, 2025; (v) provided the lenders a consent right with respect to Revolver Loan borrowings above \$32,500,000; and (vi) amended the maturity date to the earlier of: (x) July 31, 2028; or (y) 90 days prior to the earliest date that the debt under the Subordinated Credit Facility (as defined below) becomes due and payable.

The Credit Facility was amended again on March 3, 2025 (the "Second Amendment") which, among other things: (i) waived all defaults under the Credit Facility, specifically in connection with our Net Leverage Ratio and Fixed Charge Coverage Ratio covenants as of January 31, 2025; (ii) decreased the interest rate margins applicable to the Term Loan from 12.00% per annum to 9.50% per annum for Base Rate Loans and from 13.00% per annum to 10.50% per annum for SOFR Loans; (iii) permitted the incurrence of an additional \$40,000,000 of total unsecured subordinated debt (as described below); (iv) suspended testing of the Net Leverage Ratio and the Fixed Charge Coverage Ratio covenants until October 31, 2025; (v) suspended our ability to pay interest in-kind until after the interest rate margins are tested based on net leverage ratios; (vi) permitted partial principal repayments of \$27,252,000 and \$9,084,000 on the Term Loan and Revolving Loan, respectively, and waived the prepayment fees that would have been payable under the Credit Facility with regard to such repayments; (vii) permanently reduced commitments under the Revolving Loan Facility by \$3,179,000 and provided the lenders a consent right with respect to Revolver Loan borrowings above \$29,321,000; (viii) reduced the minimum quarterly average liquidity requirement from \$20,000,000 to \$17,500,000; and (ix) provided the lenders the right to appoint an independent director to our Board of Directors after May 31, 2025 (which has been satisfied as of the issuance date).

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The Credit Facility was further amended on July 21, 2025 (the "Third Amendment") which, among other things: (i) suspends, until the four-quarter period ending January 31, 2027, testing of the Net Leverage Ratio, the Fixed Charge Coverage Ratio and the Minimum EBITDA covenants; (ii) altered the interest rate margins applicable to Term Loans (as described in further detail below); (iii) delays the scheduled repayment of a portion of the principal of the Term Loans (as described in further detail below); (iv) delays the scheduled repayment of fees due pursuant to the Second Amendment; (v) reduced the minimum EBITDA requirement (as described in further detail below); (vi) reduced the minimum quarterly average liquidity requirement from \$17,500,000 to \$15,000,000; (vii) permits us to engage in the sale or disposition of certain properties and assets approved by the Administrative Agent (the "Specified Permitted Individual Disposition"), on the terms, and subject to documentation, reasonably acceptable to the Administrative Agent, so long as 65% of the net cash proceeds are applied against the outstanding principal amount of the obligations under the Credit Facility and 35% of the net cash proceeds are applied against the outstanding principal amount of the subordinated term loans under the Subordinated Credit Facility (as defined below); and (viii) required us to adopt management incentive and retention arrangements for our key personnel.

The Third Amendment provides that the interest rate margins on the Term Loans are 9.50% and 10.50% for Base Rate Loans and SOFR Loans, respectively, until the first business day of the month following January 31, 2027, when we have delivered financial statements demonstrating compliance with the financial covenants under the Credit Facility. If demonstrated, the interest rate margins revert to: (i) for Base Rate Loans, a margin ranging from 7.50% to 9.00% and (ii) for SOFR Loans, a margin ranging from 8.50% to 10.00%, in each case, based on whether our Net Leverage Ratio during the applicable determination period ranges from less than 1.75x to greater than or equal to 3.25x, respectively.

In accordance with the terms of the Third Amendment, with the filing of our fiscal 2025 Form 10-K on November 10, 2025, we met the criteria to defer \$3,037,500 of scheduled term loan repayments (otherwise due on July 31, 2025) until the maturity of the Credit Facility.

Under the Third Amendment, once financial covenant testing resumes on January 31, 2027, in addition to complying with the minimum quarterly average liquidity requirement, we will be required to comply with: (i) a maximum Net Leverage Ratio of 2.75x as of January 31, 2027; 2.75x as of April 30, 2027 and 2.65x as of July 31, 2027 and thereafter; (ii) a minimum Fixed Charge Coverage Ratio of 1.30x commencing with the four fiscal quarter period ending January 31, 2027 and 1.35x commencing with the four fiscal quarter period ending July 31, 2027 and thereafter; and (iii) minimum EBITDA of: (a) \$32,500,000 for the four-quarter period ending January 31, 2027; (b) \$35,000,000 for the four-quarter period ending April 30, 2027; (c) \$37,500,000 for the four-quarter period ending July 31, 2027; and \$40,000,000 for the four-quarter period ending October 31, 2027 and thereafter.

We accounted for the October 17, 2024, March 3, 2025 and July 21, 2025 amendments to our Credit Facility as debt modifications.

At the time of entering into the Third Amendment, and through and including the issuance date, there were no ongoing events of default. Over the next twelve months beyond the issuance date, we believe that it is probable we will be able to comply with the covenants required by the Credit Facility. As a result, we have presented our debt obligations as either current or long-term on the *Condensed Consolidated Balance Sheet*, based on their scheduled repayment or maturity dates.

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*Additional Credit Facility Details*

In connection with entering the Credit Facility, the Term Loan lenders received 1,435,884 detachable warrants ("Lender warrants") granted at an exercise price of \$0.10 per common share which entitles the Term Loan lenders to purchase 1,435,884 shares of our common stock from us at any time and from time to time after the Closing Date and on or prior to June 17, 2031, subject to certain adjustments. If the Term Loan is refinanced, the Term Loan lenders have the right to sell up to 50.0% of the warrants back to us for cash, at a 10.0% discount to the 30-day volume weighted average price of our common stock, subject to certain adjustments. We determined that the Lender warrants met the definition of a freestanding financial instrument that should be accounted for as a liability. We established an initial Lender warrant liability of \$3,011,000, which was allocated as a discount against the Term Loan proceeds. The Lender warrant liability is classified in *Warrant and derivative liabilities* on the *Condensed Consolidated Balance Sheets* and is remeasured to its estimated fair value each reporting period, using Level 3 fair value inputs, until the Lender warrants are exercised or expire. Changes in the estimated fair value of the Lender warrant liability are recognized in our *Condensed Consolidated Statements of Operations* as a non-cash expense or benefit. As of April 30, 2026 and July 31, 2025, the Lender warrant liability was remeasured to \$4,939,000 and \$3,007,000, respectively. For the three months ended April 30, 2026 and 2025, we recorded a non-cash benefit of \$2,928,000 and \$907,000, respectively, and for the nine months ended April 30, 2026 and 2025, we recorded a non-cash expense of \$1,932,000 and a non-cash benefit of \$2,682,000, respectively, in *Other expenses (income) - Change in fair value of warrants and derivatives* on the *Condensed Consolidated Statements of Operations*.

Additionally, we identified several embedded derivatives that require bifurcation from the Credit Facility under ASC 815-15 "Embedded Derivatives" ("ASC 815"). Certain of these embedded features include contingent event of default and going concern interest rate increases and/or fees, which qualify for accounting as one combined embedded derivative liability. We established an initial embedded derivative liability of \$3,116,000, which was allocated as a discount against the Term Loan proceeds. The combined embedded derivative liability is presented with the host instrument as part of the amount outstanding under the Credit Facility on the *Condensed Consolidated Balance Sheets*, and is remeasured to its estimated fair value each reporting period, using Level 3 fair value inputs, until the embedded derivative features have zero probability of occurring or expire. Changes in the estimated fair value of the combined embedded derivative liability are recognized in our *Condensed Consolidated Statements of Operations* as a non-cash expense or benefit. As of April 30, 2026 and July 31, 2025, the combined embedded derivative liability was remeasured to \$2,267,000 and \$1,890,000, respectively. For the three months ended April 30, 2026 and 2025, we recorded a non-cash expense of \$311,000 and a non-cash benefit of \$2,214,000, respectively, and for the nine months ended April 30, 2026 and 2025, we recorded non-cash expense of \$377,000 and a non-cash benefit of \$710,000, respectively, in *Other expenses (income) - Change in fair value of warrants and derivatives* on the *Condensed Consolidated Statements of Operations*.

The following table summarizes the cumulative activity relating to deferred financing costs and discounts under the Credit Facility:

	Deferred Financing Costs			Discount	
	Term Loan	Revolver	Total	Term Loan	Total
Credit facility and amendment fees	\$ 6,626,000	4,328,000	\$ 10,954,000	\$ 16,812,000	\$ 27,766,000
Term loan proceeds allocated to Lender warrants	—	—	—	3,011,000	3,011,000
Term loan proceeds allocated to embedded derivative	—	—	—	3,116,000	3,116,000
Write-off due to prepayments and reduced commitments	(1,788,000)	(1,707,000)	(3,495,000)	(5,482,000)	(8,977,000)
Amortization	(1,315,000)	(714,000)	(2,029,000)	(3,653,000)	(5,682,000)
Balance at July 31, 2025	\$ 3,523,000	1,907,000	\$ 5,430,000	\$ 13,804,000	\$ 19,234,000
Amortization	(738,000)	(477,000)	(1,215,000)	(2,893,000)	(4,108,000)
Balance at April 30, 2026	\$ 2,785,000	1,430,000	\$ 4,215,000	\$ 10,911,000	\$ 15,126,000

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Deferred financing fees and discounts attributable to the Term Loan are amortized as interest expense over the life of the debt through the maturity date using the effective interest method and are presented as a deduction to the non-current borrowings outstanding under the Term Loan. Deferred financing fees attributable to the Revolving Loan are capitalized on the *Condensed Consolidated Balance Sheets* and amortized as interest expense over the life of the debt using the straight-line method.

The amount of debt outstanding under our Credit Facility was as follows:

	April 30, 2026	July 31, 2025
Term Loan	\$ 116,031,000	\$ 116,260,000
Less: Unamortized deferred financing costs related to term loan	2,785,000	3,523,000
Less: Unamortized discount related to term loan	10,911,000	13,804,000
Term loan, net	102,335,000	98,933,000
Revolving Loan	3,641,000	17,641,000
Embedded derivative related to credit facility	2,267,000	1,890,000
Amount outstanding under credit facility, net	\$ 108,243,000	118,464,000
Less: Current portion of credit facility	4,050,000	4,050,000
Non-current portion of credit facility, net	\$ 104,193,000	\$ 114,414,000

During the nine months ended April 30, 2026, we had outstanding balances under our Credit Facility ranging from \$119,672,000 to \$135,305,000.

Subject to the lender's Revolving Loan commitment amount and consent right, availability under the Revolving Loan is subject to eligibility criteria set forth in the Credit Facility, and equal to a borrowing base in an amount equal to, from time to time: (a) 85% of the net book value of billed and invoiced accounts receivables; plus (b) 85% of the net book value of accounts receivables we have the right to bill but have not yet billed up to the lesser of (i) 12.5% of the amount calculated pursuant to the sum of clauses (a) and (b) and (ii) \$15,000,000 of such accounts; plus (c) 60% of the net book value of all inventory, less (d) customary reserves. As of April 30, 2026 and July 31, 2025, our eligible Borrowing Base collateral, as defined under the Revolving Loan, was \$92,980,000 and \$101,222,000, respectively.

Interest expense related to our Credit Facility, including amortization of deferred financing costs and debt discount, recorded during the three months ended April 30, 2026 and 2025 was \$5,681,000 and \$8,330,000, respectively, and during the nine months ended April 30, 2026 and 2025 was \$17,961,000 and \$27,257,000, respectively. Our blended interest rate related to the Credit Facility was 18.5% and 18.4%, respectively, for the three months ended April 30, 2026 and 2025 and 18.2% and 18.7%, respectively, for the nine months ended April 30, 2026 and 2025.

Interest expense related to our Credit Facility also includes an unused line fee of 0.50% per annum on the average unused Revolving Loan commitment, with no fee payable on the \$27,500,000 of the \$54,750,000 commitment that is subject to the consent right of the revolving lender and Agent.

The Term Loan is subject to 2.50% amortization per annum. Quarterly Term Loan repayments of \$1,012,500 are payable on the last business day of each fiscal quarter, with the remaining Term Loan balance due on the maturity date.

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The Credit Facility contains: (a) customary representations, warranties and affirmative covenants; (b) customary conditions to drawing the Revolver Loan; (c) customary negative covenants, subject to negotiated exceptions, including but not limited to: (i) liens, (ii) investments, (iii) indebtedness, (iv) significant corporate changes, including mergers and acquisitions, (v) dispositions, including the disposition of assets by any Loan Party to any Subsidiary that is not a Loan Party, (vi) restricted payments, including stockholder dividends, (vii) distributions, including the repayment of subordinated intercompany and third party indebtedness, and (viii) certain other restrictive agreements; (d) certain financial covenants (see above); (e) customary optional and mandatory prepayment events; and (f) customary events of default (subject to grace periods, as appropriate), such as payment defaults, cross-defaults to other material indebtedness, bankruptcy and insolvency, the occurrence of a defined change in control and the failure to observe the negative covenants and other covenants related to the operation of our business. In addition, under certain circumstances, we may be required to enter into amendments to the Credit Facility in connection with any further syndication of the Credit Facility.

Capitalized terms used but not defined herein have the meanings set forth for such terms in the Credit Facility, which has been documented and filed with the SEC.

Subsequent Event

See *Note (1) - General - Subsequent Event - Credit Facility* for further information.

(10) Subordinated Credit Facility

On October 17, 2024, we entered into a subordinated credit facility with the existing holders of our convertible preferred stock and U.S. Bank Trust Company, National Association, as agent, which provided an initial subordinated unsecured term loan facility in the aggregate principal amount of \$25,000,000 (the "Subordinated Credit Agreement"). As further discussed below, on March 3, 2025 and July 21, 2025, we entered into amendments to the Subordinated Credit Agreement (the "Subordinated Credit Facility").

On March 3, 2025, we entered into an amendment ("Amendment No. 1") which, in addition to providing incremental aggregate principal of \$40,000,000, waived all defaults under the Subordinated Credit Facility, specifically in connection with our Net Leverage Ratio and Fixed Charge Coverage Ratio covenants as of January 31, 2025 and suspended testing of the Net Leverage Ratio and the Fixed Charge Coverage Ratio covenants under the Subordinated Credit Facility until October 31, 2025. The net proceeds were principally used to repay a portion of the Term Loan and Revolver Loan on March 3, 2025, fund our general working capital needs and enabled us to negotiate the Second Amendment to the Credit Facility, including the waiver of existing defaults.

On July 21, 2025, we entered into a second amendment ("Amendment No. 2") which, among other things: (i) provided for the incurrence of a \$35,000,000 incremental facility (as described in further detail below); (ii) suspends, until the four-quarter period ending January 31, 2027, testing of the Net Leverage Ratio, the Fixed Charge Coverage Ratio and the Minimum EBITDA covenants in the Subordinated Credit Facility; (iii) modified the interest rate applicable to the subordinated term loans (as described in further detail below); (iv) reduced the minimum EBITDA requirement (as described in further detail below); (v) reduced the minimum quarterly average liquidity requirement from \$17,500,000 to \$15,000,000; (vi) permits us to engage in the Specified Permitted Individual Disposition, on the terms, and subject to documentation, reasonably acceptable to the Subordinated Agent (subject to the same requirement with respect to the application of any net cash proceeds as discussed in *Note (9) - Credit Facility*; and (vii) required us to adopt management incentive and retention arrangements for our key personnel (also as discussed in *Note (9) - Credit Facility*).

Amendment No. 2 provides for an incremental priority subordinated unsecured term loan facility in the aggregate principal amount of \$35,000,000. We used the net proceeds to pay certain transaction costs, fees and expenses incurred in connection with amendments to our credit facilities and to prepay, without premium: (i) \$28,481,000 of the outstanding Term Loans under the Credit Facility, and (ii) \$5,775,000 of the outstanding Revolver Loan under the Credit Facility. As part of this prepayment, we permanently reduced Revolver Loan commitments under the Credit Facility by \$2,071,000. The interest on the principal amount of \$35,000,000 shall be paid-in-kind quarterly, in arrears, by capitalizing and adding the unpaid and accrued amount of such interest to the aggregate outstanding principal amount of the incremental priority subordinated credit facility on the last business day of each quarter. This tranche of subordinated debt will rank senior in right of payment to the existing subordinated term loans under the Subordinated

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Credit Facility. Unlike the existing subordinated term loans, the incremental priority subordinated credit facility is not subject to any make-whole premium.

Under Amendment No. 2, the interest rate applicable to the incremental priority subordinated credit facility shall be the greater of: (x) the highest per annum interest rate then-applicable to the Term Loans under the Credit Facility, and (y) Term SOFR (as defined in the Credit Facility) plus 10.5%.

Under Amendment No. 2, once financial covenant testing resumes on January 31, 2027 and provided that all Credit Facility obligations have been discharged, in addition to complying with the minimum quarterly average liquidity requirement, we will be required to comply with: (i) a maximum Net Leverage Ratio of 3.30x as of January 31, 2027, 3.30x as of April 30, 2027 and 3.18x as of July 31, 2027 and thereafter; (ii) a minimum Fixed Charge Coverage Ratio of 1.04x commencing with the four fiscal quarter period ending January 31, 2027 and 1.08x commencing with the four fiscal quarter period ending July 31, 2027 and thereafter; and (iii) minimum EBITDA of: (a) \$26,000,000 for the four-quarter period ending January 31, 2027; (b) \$28,000,000 for the four-quarter period ending April 30, 2027; (c) \$30,000,000 for the four-quarter period ending July 31, 2027; and \$32,000,000 for the four-quarter period ending October 31, 2027 and thereafter.

At the time of entering into Amendment No. 2, and through and including the issuance date, there were no ongoing events of default. Over the next twelve months beyond the issuance date, we believe that it is probable we will be able to comply with the covenants required by the Subordinated Credit Facility. As a result, we have presented our debt obligations as long-term on the *Condensed Consolidated Balance Sheet*, based on their scheduled maturity dates.

The outstanding portion of debt related to the Subordinated Credit Facility will not be considered debt for purposes of our financial covenant testing under the Credit Facility. However, the Subordinated Credit Facility includes a cross-default provision, whereby a default under the Credit Facility constitutes a default under the Subordinated Credit Facility.

*Additional Subordinated Credit Facility Details*

The obligations under the Subordinated Credit Facility mature 90 days after the Credit Facility. Unlike the \$35,000,000 tranche discussed above, the other two tranches of the Subordinated Credit Facility, which aggregate \$65,000,000 of principal, are subject to Make-Whole Amounts with respect to certain repayments or prepayments equal to: (i) from the respective closing date of each tranche through (but not including) the date that is nine months thereafter, the principal repayment amount multiplied by 33.0%; (ii) from the date that is nine months after the applicable closing date through (but not including) the date that is the second anniversary of such closing date, the principal repayment amount multiplied by 50.0%; (iii) from the second anniversary of the applicable closing date and thereafter, the principal repayment amount multiplied by 75.0% plus, in the case of clause (iii), interest accrued on the principal amount outstanding at the Make-Whole Interest Rate (as defined below) starting on the second anniversary of the applicable closing date and calculated as of any such date of determination. The Make-Whole Interest Rate is a rate equal to 16.0% per annum, which is increased by 2.0% per annum upon the occurrence and during the continuation of an event of default under the Subordinated Credit Facility. As of the issuance date, the Make-Whole Amount percentage for each tranche within the \$65,000,000 of principal is 50.0%.

We identified an embedded derivative related to redemption features that requires bifurcation from the Subordinated Credit Facility under ASC 815. We established a total embedded derivative liability of \$16,864,000, which was allocated as a discount against the Subordinated Credit Facility proceeds. The embedded derivative liability is presented with the *Non-current portion of subordinated credit facility, net* on the *Condensed Consolidated Balance Sheet* and is remeasured to its estimated fair value each reporting period, using Level 3 fair value inputs. Changes in the estimated fair value of the embedded derivative liability are recognized in our *Condensed Consolidated Statements of Operations* as a non-cash expense or benefit. As of April 30, 2026 and July 31, 2025, the embedded derivative liability was remeasured to \$798,000 and \$5,753,000, respectively. For the three months ended April 30, 2026 and 2025, we recorded a non-cash benefit of \$2,437,000 and \$6,146,000, respectively, and for the nine months ended April 30, 2026 and 2025, we recorded a non-cash benefit of \$4,955,000 and \$2,219,000, respectively, in *Other expenses (income) - Change in fair value of warrants and derivatives* on the *Condensed Consolidated Statements of Operations*.

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Deferred financing costs, discounts and the Make-Whole Amount are amortized as interest expense through the Subordinated Credit Facility maturity date using the effective interest method, and are presented as adjustments to the borrowings outstanding under such debt. Interest expense related to our Subordinated Credit Facility for the three months ended April 30, 2026 and 2025 was \$5,850,000 and \$4,555,000, respectively, and for the nine months ended April 30, 2026 and 2025 was \$16,327,000 and \$6,118,000, respectively. Amendment No. 1 and Amendment No. 2 were accounted for as debt modifications.

The following table reconciles the amount outstanding under the Subordinated Credit Facility to its net carrying value:

	April 30, 2026	July 31, 2025
Subordinated credit facility, including interest paid-in-kind	\$ 104,135,000	100,144,000
Less: Unamortized deferred financing costs	1,287,000	1,528,000
Less: Unamortized discount	12,978,000	15,404,000
Plus: Accretion of make-whole amount	16,211,000	6,623,000
Subordinated credit facility, net - subtotal	106,081,000	89,835,000
Embedded derivative related to redemption features	798,000	5,753,000
Amount outstanding under the subordinated credit facility, net	106,879,000	95,588,000
Less: Current portion of subordinated credit facility	—	—
Non-current portion of subordinated credit facility, net	<u>\$ 106,879,000</u>	<u>95,588,000</u>

The obligations under the Subordinated Credit Facility are guaranteed by the same guarantors under the Credit Facility and contain customary representations, warranties and affirmative covenants, in each case substantially consistent with the representations and warranties and affirmative covenants under the Credit Facility. The Subordinated Credit Facility contains customary negative covenants, subject to negotiated exceptions, including but not limited to: (i) liens, (ii) investments, (iii) indebtedness, (iv) significant corporate changes, including mergers and acquisitions, (v) dispositions, (vi) restricted payments, including stockholder dividends, (vii) customary optional and mandatory prepayment events, and (viii) certain other restrictive agreements.

Capitalized terms used but not defined herein have the meanings set forth for such terms in the Subordinated Credit Facility, which has been documented and filed with the SEC.

Subsequent Event

See Note (1) - General - Subsequent Event - Subordinated Credit Facility for further information.

(11) Leases

Our leases historically relate to the leasing of facilities and equipment. In accordance with *FASB ASC 842 - "Leases"* ("ASC 842"), we determine at inception whether an arrangement is, or contains, a lease and whether the lease should be classified as an operating or a financing lease. At lease commencement, we recognize a right-of-use ("ROU") asset and lease liability based on the present value of the future lease payments over the estimated lease term. We elected to not recognize a ROU asset or lease liability for any leases with terms of twelve months or less. Instead, for such short-term leases, we recognize lease expense on a straight-line basis over the lease term. Certain of our leases include options to extend the term of the lease or to terminate the lease early. When it is reasonably certain that we will exercise a renewal option or will not exercise a termination option, we include the impact of exercising or not exercising such option, respectively, in the estimate of the lease term. As our lease agreements do not explicitly state the discount rate implicit in the lease, we use our incremental borrowing rate ("IBR") on the commencement date to calculate the present value of future lease payments. Such IBR represents our estimated rate of interest to borrow on a collateralized basis over a term commensurate with the expected lease term.

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Some of our leases include payments that are based on the Consumer Price Index ("CPI") or other similar indices. These variable lease payments are included in the calculation of the ROU asset and lease liability using the index as of the lease commencement date. Other variable lease payments, such as common area maintenance, property taxes, and usage-based amounts, are required by ASC 842 to be excluded from the ROU asset and lease liability and expensed as incurred. In addition to the present value of the future lease payments, the calculation of the ROU asset would also consider, to the extent applicable, any deferred rent upon adoption, lease pre-payments or initial direct costs of obtaining the lease (e.g., such as commissions).

For all classes of leased assets, we elected the practical expedient to not separate lease components (i.e., the actual item being leased, such as the facility or piece of equipment) from non-lease components (i.e., the distinct elements of a contract not related to securing the use of the leased asset, such as common area maintenance and consumable supplies).

Certain of our facility lease agreements (which are classified as operating leases) contain rent holidays or rent escalation clauses. For rent holidays and rent escalation clauses during the lease term, we record rental expense on a straight-line basis over the term of the lease. As of April 30, 2026, none of our leases contained a residual value guarantee and covenants included in our lease agreements are customary for the types of facilities and equipment being leased.

The components of lease expense are as follows:

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
Operating lease expense	\$ 1,910,000	1,863,000	\$ 5,828,000	5,637,000
Short-term lease expense	44,000	35,000	122,000	99,000
Variable lease expense	1,065,000	1,214,000	2,908,000	3,514,000
Sublease income	—	—	—	(28,000)
<b>Total lease expense</b>	<b>\$ 3,019,000</b>	<b>3,112,000</b>	<b>\$ 8,858,000</b>	<b>9,222,000</b>

Additional information related to leases is as follows:

	Nine months ended April 30,	
	2026	2025
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating leases - Operating cash outflows	\$ 6,130,000	\$ 6,236,000
<b>ROU assets obtained in the exchange for lease liabilities (non-cash):</b>		
Operating leases	\$ 4,390,000	\$ 4,271,000

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The following table is a reconciliation of future cash flows relating to operating lease liabilities presented on our *Condensed Consolidated Balance Sheet* as of April 30, 2026:

Remainder of fiscal 2026	\$ 1,453,000
Fiscal 2027	7,577,000
Fiscal 2028	6,905,000
Fiscal 2029	5,645,000
Fiscal 2030	5,176,000
Thereafter	15,712,000
Total future undiscounted cash flows	42,468,000
Less: Present value discount	6,111,000
Lease liabilities	<u>\$ 36,357,000</u>
Weighted-average remaining lease terms (in years)	7.11
Weighted-average discount rate	5.22%

The table above includes future cash outflows related to our Basingstoke, UK facility which ceased operations in fiscal 2025. Such outflows were based on the contractual lease terms in place as of April 30, 2026. Subsequent to quarter end, we paid \$1,948,000 to the landlord to terminate the lease earlier than its November 2030 expiration date.

As of April 30, 2026, we do not have any material rental commitments that have not already commenced.

(12) Income Taxes

Our effective tax rate (including discrete tax items) for the three months ended April 30, 2026 was (58.0)%, compared to (5.6)% for the three months ended April 30, 2025. Our effective tax rate (including discrete tax items) for the nine months ended April 30, 2026 and 2025 was (5.5)% and nominal, respectively. In addition to discrete items recorded during each respective period, the change in rates also reflects changes in expected product and geographical mix.

For purposes of determining our estimated annual effective tax rate ("AETR") to apply to earnings from continuing operations for fiscal 2026, the change in fair value of warrants and derivatives and CEO transition costs are considered significant, unusual or infrequently occurring discrete tax items and were excluded from the computation of such AETR.

During the three and nine months ended April 30, 2026, we recorded net discrete tax expense of \$1,084,000 and \$841,000, respectively, primarily due to the establishment of a valuation allowance on certain net deferred tax assets associated with our Canadian operations, offset in part by the reversal of tax contingencies no longer required due to the expiration of applicable statute of limitations. During the three and nine months ended April 30, 2025, we recorded net discrete tax benefits of \$498,000 and \$683,000, respectively, primarily related to proxy solicitation costs and CEO transition costs.

At April 30, 2026 and July 31, 2025, total unrecognized tax benefits were \$7,935,000 and \$8,084,000, respectively, including interest of \$273,000 and \$240,000, respectively. At April 30, 2026 and July 31, 2025, \$1,621,000 and \$1,818,000, respectively, of our unrecognized tax benefits were recorded as non-current income taxes payable on our *Condensed Consolidated Balance Sheets*. The remaining unrecognized tax benefits of \$6,314,000 and \$6,266,000 at April 30, 2026 and July 31, 2025, respectively, were presented as an offset to the associated deferred tax assets on our *Condensed Consolidated Balance Sheets* (which are subject to a full valuation allowance). We believe it is reasonably possible that the gross unrecognized tax benefits could decrease by as much as \$92,000 in the next 12 months due to the expiration of statute of limitations related to federal, state and foreign tax positions.

Our U.S. federal income tax returns for fiscal 2022 through 2025 are subject to Internal Revenue Service ("IRS") audit, including our fiscal 2023 income tax return which was recently selected by the IRS for examination. None of our state and foreign income tax returns prior to fiscal 2021 are subject to audit. Future tax assessments or settlements could have a material adverse effect on our consolidated results of operations and financial condition.

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In July 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted, resulting in significant changes to U.S. tax law. U.S. GAAP, specifically ASC 740, requires that the effects of an applicable change in tax law be recognized in the period of enactment. Accordingly, our financial statements and footnote disclosures reflect the impact of those provisions of the OBBBA that are currently applicable to us, such as bonus depreciation, changes in the tax treatment of U.S. research and experimental expenditures (and related deductions) and limitations imposed on business interest expense deductions. We continue to assess the potential impact of the OBBBA on U.S. research and experimental expenditures incurred in prior years, as the OBBBA provides optionality as to when these costs may be deducted.

(13) Stock-Based Compensation

*Overview*

In December 2023, our stockholders approved the Comtech Telecommunications Corp. 2023 Equity and Incentive Plan (the "2023 Plan"), which replaced the Amended and Restated 2000 Stock Incentive Plan. Under the 2023 Plan, the initial number of shares of common stock available for all awards, other than substitute awards granted in connection with a corporate transaction, was 1,669,683 shares of common stock plus certain expired or cancelled awards recycled back into the 2023 Plan. On January 13, 2025 and March 9, 2026, our stockholders approved an amendment to the 2023 Plan to increase the number of available shares of common stock authorized for issuance under the 2023 Plan by 2,195,000 and 2,800,000 shares, respectively. Accordingly, under the terms of the 2023 Plan, as amended, the maximum number of shares of common stock authorized for issuance is equal to 6,664,683 shares, including 69,683 shares from the 2000 Stock Incentive Plan.

We issue stock-based awards to certain of our employees and our Board of Directors pursuant to the 2023 Plan, as amended and/or restated from time to time, and our 2001 Employee Stock Purchase Plan, as amended and/or restated from time to time (the "ESPP"), and recognize related stock-based compensation in our condensed consolidated financial statements. The 2023 Plan provides for the granting to employees and consultants of Comtech (including prospective employees and consultants): (i) incentive and non-qualified stock options, (ii) restricted stock units ("RSUs"), (iii) RSUs with performance measures (which we refer to as "performance shares"), (iv) restricted stock, (v) stock units (reserved for issuance to non-employee directors) and share units (reserved for issuance to employees) (collectively, "share units") and (vi) stock appreciation rights ("SARs"), among other types of awards. Our non-employee directors are eligible to receive non-discretionary grants of stock-based awards, subject to certain limitations.

As of April 30, 2026, the aggregate number of shares of common stock which may be issued may not exceed 15,757,500. Stock options granted may not have a term exceeding ten years or, in the case of an incentive stock award granted to a stockholder who owns stock representing more than 10.0% of the voting power, no more than five years. We expect to settle all outstanding awards under the Plan and employee purchases under the ESPP with the issuance of new shares of our common stock.

As of April 30, 2026, we had granted stock-based awards representing the right to purchase and/or acquire an aggregate of 14,505,669 shares (net of 8,056,704 expired and canceled awards), of which an aggregate of 10,916,026 have been exercised or settled.

As of April 30, 2026, the following stock-based awards, by award type, were outstanding:

	April 30, 2026
Stock options	96,250
Performance shares	788,150
RSUs, restricted stock and share units	2,705,243
Total	<u>3,589,643</u>

Our ESPP provides for the issuance of up to 1,300,000 shares of our common stock. Our ESPP is intended to provide our eligible employees the opportunity to acquire our common stock at 85% of fair market value on the first or last day of each calendar quarter, whichever is lower. Through April 30, 2026, we have cumulatively issued 1,137,632 shares of our common stock to participating employees in connection with our ESPP.

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Stock-based compensation for awards issued is reflected in the following line items in our *Condensed Consolidated Statements of Operations*:

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
Cost of sales	\$ 51,000	99,000	\$ 165,000	299,000
Selling, general and administrative expenses	1,089,000	1,033,000	2,445,000	2,033,000
Research and development expenses	41,000	63,000	110,000	188,000
Stock-based compensation expense before income tax benefit	1,181,000	1,195,000	2,720,000	2,520,000
Estimated income tax benefit	—	(252,000)	—	(516,000)
Net stock-based compensation expense	\$ 1,181,000	943,000	\$ 2,720,000	2,004,000

Stock-based compensation for equity-classified awards is measured at the date of grant, based on an estimate of the fair value of the award and is generally expensed over the vesting period of the award. At April 30, 2026, unrecognized stock-based compensation of \$8,446,000, net of estimated forfeitures of \$361,000, is expected to be recognized over a weighted average period of 2.0 years. Total stock-based compensation capitalized and included in ending inventory at both April 30, 2026 and July 31, 2025 was \$198,000. There are no liability-classified stock-based awards outstanding as of April 30, 2026 or July 31, 2025.

Stock-based compensation expense, by award type, is summarized as follows:

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
Stock options	\$ —	6,000	\$ —	26,000
Performance shares	277,000	384,000	121,000	289,000
RSUs, restricted stock and share units	893,000	794,000	2,574,000	2,165,000
ESPP	11,000	11,000	25,000	40,000
Stock-based compensation expense before income tax benefit	1,181,000	1,195,000	2,720,000	2,520,000
Estimated income tax benefit	—	(252,000)	—	(516,000)
Net stock-based compensation expense	\$ 1,181,000	943,000	\$ 2,720,000	2,004,000

ESPP stock-based compensation expense includes the 15% discount offered to participants in the ESPP.

The estimated income tax benefit as shown in the above table was computed using income tax rates expected to apply when the awards are settled. Such deferred tax asset was recorded net as part of our non-current deferred tax liability on our *Condensed Consolidated Balance Sheets* as of April 30, 2026 and July 31, 2025. The actual income tax benefit recognized for tax reporting is based on the fair market value of our common stock at the time of settlement and can significantly differ from the estimated income tax benefit recorded for financial reporting. There is no estimated income tax benefit recognized for three and nine months ended April 30, 2026 in light of the valuation allowance established on all U.S. deferred tax assets.

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*Stock Options*

The following table summarizes the Plan's activity:

	Awards (in Shares)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at July 31, 2025	124,470	\$ 20.45		
Expired	(28,220)	28.35		
Outstanding at October 31, 2025	96,250	18.13		
Outstanding at January 31, 2026	96,250	\$ 18.13		
Outstanding at April 30, 2026	96,250	\$ 18.13	3.87	\$ —
Exercisable at April 30, 2026	96,250	\$ 18.13	3.87	\$ —
Vested and expected to vest at April 30, 2026	96,250	\$ 18.13	3.87	\$ —

Stock options outstanding as of April 30, 2026 have exercise prices ranging from \$17.88 - \$22.75, representing the fair market value of our common stock on the date of grant, a contractual term of ten years and a vesting period of five years.

*Performance Shares, RSUs, Restricted Stock, Share Units and Other Stock-based Awards*

The following table summarizes the Plan's activity:

	Awards (in Shares)	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at July 31, 2025	1,675,105	\$ 6.53	
Granted	439,624	2.26	
Settled	(337,984)	6.67	
Canceled/Forfeited	(16,231)	5.86	
Outstanding at October 31, 2025	1,760,514	\$ 5.45	
Granted	2,009,343	3.16	
Settled	(124,752)	5.00	
Canceled/Forfeited	(289,516)	6.98	
Outstanding at January 31, 2026	3,355,589	\$ 3.96	
Granted	287,902	3.59	
Settled	(95,982)	8.66	
Canceled/Forfeited	(54,116)	3.11	
Outstanding at April 30, 2026	3,493,393	\$ 3.81	\$ 12,297,000
Vested at April 30, 2026	177,814	\$ 9.55	\$ 626,000
Vested and expected to vest at April 30, 2026	3,397,506	\$ 3.82	\$ 11,959,000

The total intrinsic value relating to fully-vested awards settled during the three and nine months ended April 30, 2026 was \$437,000 and \$1,864,000, respectively. The total intrinsic value relating to fully-vested awards settled during the three and nine months ended April 30, 2025 was \$13,000 and \$2,281,000, respectively.

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The performance shares granted to employees principally vest over a three-year performance period, if pre-established performance goals are attained, or as specified pursuant to the Plan and related agreements. As of April 30, 2026, the number of outstanding performance shares included in the above table, and the related compensation expense prior to consideration of estimated pre-vesting forfeitures, assume achievement of the pre-established goals at a target level, except for performance shares granted in fiscal 2024 and fiscal 2025, which reflect net lower-than-estimated achievement.

RSUs and restricted stock granted to non-employee directors prior to August 2022 had a vesting period of five years and are convertible into shares of our common stock generally at the time of termination, on a one-for-one basis for no cash consideration, or earlier under certain circumstances. Commencing in August 2022, such awards have a vesting period of one year.

RSUs granted to employees prior to August 2022 have a vesting period of five years and are convertible into shares of our common stock generally at the time of vesting, on a one-for-one basis for no cash consideration. Commencing in August 2022, such RSUs have a vesting period of three years.

The fair value of performance shares, RSUs, restricted stock, share units and other stock-based awards is determined using the closing market price of our common stock on the date of grant, less the present value of any estimated future dividend equivalents such awards are not entitled to receive and an applicable estimated discount for any post-vesting transfer restrictions.

Dividend equivalents are subject to forfeiture, similar to the terms of the underlying stock-based awards, and are payable in cash generally at the time of settlement of the underlying award. During the three and nine months ended April 30, 2026, we paid out \$5,000 and \$33,000, respectively. During the three and nine months ended April 30, 2025, we reversed \$1,000 and \$33,000, respectively, of previously accrued dividend equivalents due to forfeitures and paid out \$157,000 during the nine months ended April 30, 2025. Accrued dividend equivalents were recorded as a reduction to retained earnings. As of April 30, 2026 and July 31, 2025, accrued dividend equivalents were \$84,000 and \$117,000, respectively.

With respect to the actual settlement of stock-based awards for income tax reporting, during the three and nine months ended April 30, 2026, we have not recognized any tax benefit or expense in light of the valuation allowance established for all U.S. deferred tax assets. During the three months ended April 30, 2025, we recorded a nominal income tax benefit. During the nine months ended April 30, 2025, we recorded an income tax benefit of \$120,000.

(14) Segment Information

Reportable operating segments are determined based on Comtech's management approach. The management approach, as defined by FASB ASC 280 "Segment Reporting" ("ASC 280") is based on the way that the CODM organizes the segments within an enterprise for making decisions about resources to be allocated and assessing their performance. On January 13, 2025, the Board of Directors appointed Kenneth H. Traub as President and Chief Executive Officer in addition to his role as Chairman. Mr. Traub is our CODM for purposes of ASC 280. Our two reportable operating segments are described below.

Our Satellite and Space Communications reportable operating segment is organized into four technology areas: satellite modem and amplifier technologies, troposcatter technologies, cybersecurity training and space components. This segment offers customers: satellite ground infrastructure technologies, services and system integration that facilitate the transmission of voice, video and data over GEO, MEO and LEO satellite constellations, including traveling wave tube power amplifiers, satellite modems, VSAT platforms and frequency converters; over-the-horizon microwave solutions that can transmit digitized voice, video, and data over distances up to 200 miles using the troposphere and diffraction; advanced cybersecurity training in support of U.S. government and certain commercial and university customers; and procurement and supply chain management of high reliability Electrical, Electronic and Electromechanical ("EEE") parts for satellite, launch vehicle and manned space applications.

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Our Allerium reportable operating segment is organized into three service areas: Emergency Routing Solutions ("ERS"), which includes our next-generation 9-1-1 and carrier emergency routing offerings; Agency Solutions ("AS"), which includes our 9-1-1 call handling solutions; and Mobile Network Solutions ("MNS"), which includes our trusted location, messaging and alerting solutions sold primarily into wireless carriers. This segment offers customers: Wireless/VoIP 9-1-1 location and routing services to connect emergency calls to Public Safety Answering Points ("PSAPs"); SMS text to 9-1-1 services; next generation 9-1-1 solutions, providing emergency call routing, location validation, and policy-based routing rules, logging and security functionality; Emergency Services IP Network transport infrastructure for emergency services communications and support of next generation 9-1-1 services; call handling applications for PSAPs; wireless emergency alert solutions for network operators; and software and equipment for location-based and text messaging services for various applications, including for public safety, commercial and government services. The rebranding to Allerium did not change the composition of this reportable operating segment.

In connection with our adoption of ASU No. 2023-07 in fiscal 2025, and considering our transformation plan and most recent CODM's increased focus on profitability and cash flow generation on a GAAP basis, our CODM determined in fiscal 2025 to use GAAP operating income to measure our reportable operating segments' performance and to make decisions about resources to be allocated to each segment. Accordingly, historical segment tables below have been recast on that basis.

The CODM uses GAAP operating income to assess the results of each reportable operating segment against their respective plans and forecasts and, more generally, to peers and competitors in the markets in which we operate. The CODM also uses such metric to make decisions about allocating capital and personnel resources to the segments, evaluating which project(s) to undertake and or to prioritize, and determining the compensation of employees.

The amounts shown for segment GAAP operating income include expenses which are directly attributable to the segment and considers both cash and non-cash expenses such as: depreciation, amortization of intangibles, impairment of long-lived assets, including goodwill, amortization of cost to fulfill assets, restructuring costs and strategic emerging technology costs (for next-generation satellite technology). Our GAAP operating income metric for each segment does not include the allocation of any indirect expenses which are unrelated to the segment's operations.

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Reportable operating segment information, along with a reconciliation of segment GAAP operating income to consolidated income (loss) before income taxes is presented in the tables below:

	Three months ended April 30, 2026			Three months ended April 30, 2025		
	Satellite and Space Communications	Allerium	Total	Satellite and Space Communications	Allerium	Total
Net sales	\$ 50,331,000	55,673,000	\$ 106,004,000	\$ 67,566,000	59,221,000	\$ 126,787,000
Cost of sales	36,142,000	33,745,000		52,900,000	34,844,000	
Selling, general and administrative	9,664,000	10,745,000		9,082,000	9,482,000	
Research and development	1,877,000	3,301,000		1,441,000	2,921,000	
Amortization of intangibles	1,073,000	3,524,000		1,426,000	3,618,000	
Segment operating income	\$ 1,575,000	4,358,000	\$ 5,933,000	\$ 2,717,000	8,356,000	\$ 11,073,000
Unallocated corporate expenses			9,015,000			11,800,000
CEO transition costs			40,000			805,000
Interest expense			11,537,000			12,907,000
Interest (income) and other			5,000			(509,000)
Change in fair value of warrants and derivatives			(12,479,000)			(49,542,000)
Write-off of deferred financing costs			—			3,479,000
(Loss) income before income taxes			<u>\$ (2,185,000)</u>			<u>\$ 32,133,000</u>
Purchases of property, plant and equipment	\$ 617,000	4,811,000	\$ 5,428,000	\$ 171,000	2,290,000	\$ 2,461,000
Unallocated purchases of property, plant and equipment			7,000			—
Consolidated purchases of property, plant and equipment			<u>\$ 5,435,000</u>			<u>\$ 2,461,000</u>
Depreciation expense	\$ 674,000	2,349,000	\$ 3,023,000	\$ 680,000	1,925,000	\$ 2,605,000
Unallocated depreciation expense			106,000			121,000
Consolidated depreciation expense			<u>\$ 3,129,000</u>			<u>\$ 2,726,000</u>
Assets:						
Total segment assets	\$ 228,553,000	438,151,000	\$ 666,704,000	\$ 268,261,000	451,121,000	\$ 719,382,000
Unallocated assets			26,779,000			31,762,000
Consolidated assets			<u>\$ 693,483,000</u>			<u>\$ 751,144,000</u>

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	Nine months ended April 30, 2026			Nine months ended April 30, 2025		
	Satellite and Space Communications	Allerium	Total	Satellite and Space Communications	Allerium	Total
Net sales	\$ 156,041,000	167,756,000	\$ 323,797,000	\$ 200,220,000	168,941,000	\$ 369,161,000
Cost of sales	112,537,000	102,040,000		175,755,000	105,906,000	
Selling, general and administrative	27,627,000	30,965,000		50,154,000	26,690,000	
Research and development	4,676,000	8,654,000		3,839,000	8,465,000	
Amortization of intangibles	3,925,000	10,759,000		5,828,000	10,852,000	
Impairment of long-lived assets, including goodwill	—	—		79,555,000	—	
Segment operating income (loss)	<u>\$ 7,276,000</u>	<u>15,338,000</u>	<u>\$ 22,614,000</u>	<u>\$ (114,911,000)</u>	<u>17,028,000</u>	<u>\$ (97,883,000)</u>
Unallocated corporate expenses			28,633,000			39,322,000
Proxy solicitation costs			—			2,682,000
CEO transition costs			1,096,000			1,072,000
Interest expense			34,314,000			33,447,000
Interest (income) and other			(426,000)			—
Change in fair value of warrants and derivatives			(9,763,000)			(15,450,000)
Write-off of deferred financing costs			—			4,891,000
Loss before income taxes			<u>\$ (31,240,000)</u>			<u>\$ (163,847,000)</u>
Purchases of property, plant and equipment	\$ 1,183,000	11,929,000	\$ 13,112,000	\$ 310,000	5,808,000	\$ 6,118,000
Unallocated purchases of property, plant and equipment			7,000			411,000
Consolidated purchases of property, plant and equipment			<u>\$ 13,119,000</u>			<u>\$ 6,529,000</u>
Depreciation expense	\$ 1,996,000	6,772,000	\$ 8,768,000	\$ 2,197,000	5,833,000	\$ 8,030,000
Unallocated depreciation expense			326,000			370,000
Consolidated depreciation expense			<u>\$ 9,094,000</u>			<u>\$ 8,400,000</u>
Assets						
Total segment assets	\$ 228,553,000	438,151,000	\$ 666,704,000	\$ 268,261,000	451,121,000	\$ 719,382,000
Unallocated assets			26,779,000			31,762,000
Consolidated assets			<u>\$ 693,483,000</u>			<u>\$ 751,144,000</u>

Unallocated expenses result from corporate expenses, such as executive compensation, accounting, legal and other regulatory compliance related costs and also includes all of our amortization of stock-based compensation.

During the three months ended April 30, 2026 and 2025, our Unallocated segment incurred restructuring costs of \$1,446,000 and \$3,438,000, respectively, and during the nine months ended April 30, 2026 and 2025, incurred restructuring costs of \$4,014,000 and \$9,431,000, respectively, primarily focused on legal and other expenses related to strategic alternatives and divestiture activities, as well as other initiatives to streamline our operations, align our cost structure with our future anticipated business and improve our liquidity.

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During the nine months ended April 30, 2025, our Unallocated segment incurred \$2,682,000 of proxy solicitation costs, consisting principally of legal and advisory fees. In November 2024, we entered into a cooperation agreement (the "Cooperation Agreement") with Fred Kornberg, Michael Porcelain and Oleg Timoshenko (collectively the "Investor Group"). Pursuant to the Cooperation Agreement, our Board appointed Michael J. Hildebrandt to serve on the Board and agreed to nominate, support and recommend Mr. Hildebrandt for election at our Fiscal 2024 Annual Meeting of Stockholders (the "2024 Annual Meeting"). Also, we agreed not to renominate two incumbent directors for election at the 2024 Annual Meeting and the Investor Group agreed to withdraw its nomination of candidates for election to the Board at the 2024 Annual Meeting to, instead, support our slate of directors for election. Pursuant to the Cooperation Agreement, we and the Investor Group agreed to cooperate in good faith to identify an additional candidate to be appointed to the Board at a later date as an independent director. In September 2025, we provided notice to the Investor Group regarding our renomination of Mr. Hildebrandt at the Fiscal 2025 Annual Meeting of Stockholders. Accordingly, the Cooperation Agreement was extended until 30 days prior to the nomination deadline of our Fiscal 2026 Annual Meeting of Stockholders.

During the three months ended April 30, 2026 and 2025, our Unallocated segment recorded CEO transition costs of \$40,000 and \$805,000, respectively, and during the nine months ended April 30, 2026 and 2025, recorded CEO transition costs of \$1,096,000 and \$1,072,000, respectively. See *Note (1) - General - CEO Transition Costs and Related* for further information.

Interest expense in the above tables includes accreted interest related to our Subordinated Credit Facility, the amortization of deferred financing costs and debt discounts related to both credit facilities and the immediate expensing of certain financing fees related to refinancing and or amending our credit facilities. See *Note (9) - Credit Facility* and *Note (10) - Subordinated Credit Facility* for further discussion.

There were no intersegment sales between the Satellite and Space Communications segment and the Allerium segment for both the three and nine months ended April 30, 2026 and 2025.

Unallocated assets at April 30, 2026 consist principally of cash and cash equivalents, income taxes receivable, corporate property, plant and equipment and deferred financing costs. The large majority of our long-lived assets are located in the U.S.

(15) Long-lived Assets, including Goodwill

The following table represents goodwill by reportable operating segment:

	Satellite and Space Communications	Allerium	Total
Balance as of April 30, 2026 and July 31, 2025	\$ 30,535,000	174,090,000	\$ 204,625,000

In accordance with FASB ASC 350, we perform a goodwill impairment analysis at least annually (on the first day of each fiscal year, August 1st), unless indicators of impairment exist in interim periods. If we fail the quantitative assessment of goodwill impairment, we would be required to recognize an impairment loss equal to the amount that a reporting unit's carrying value exceeded its fair value; however, any loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.

On August 1, 2025 (the first day of fiscal 2026), we performed our annual quantitative assessment using market participant assumptions to determine if the fair value of each of our reporting units with goodwill exceeded its carrying value. In making this assessment, we considered, among other things, expectations of projected net sales and cash flows, assumptions impacting the weighted average cost of capital, trends in trading multiples of comparable companies, changes in our stock price and changes in the carrying values of our reporting units with goodwill. We also considered overall business conditions.

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In performing the quantitative assessment, we estimated the fair value of each of our reporting units using a combination of the income and market approaches. The income approach, also known as the discounted cash flow ("DCF") method, utilizes the present value of cash flows to estimate fair value. The future cash flows for our reporting units were projected based on our estimates, at that time, of future revenues, operating income and other factors (such as working capital and capital expenditures). For purposes of conducting our impairment analysis, we assumed revenue growth rates and cash flow projections that are below our actual long-term expectations. The discount rates used in our DCF method were based on a weighted-average cost of capital ("WACC") determined from relevant market comparisons, adjusted upward for specific reporting unit risks (primarily the uncertainty of achieving projected operating cash flows). A terminal value growth rate was applied to the final year of the projected period, which reflects our estimate of stable, perpetual growth. We then calculated a present value of the respective cash flows for each reporting unit to arrive at an estimate of fair value under the income approach. Under the market approach, we estimated a fair value based on comparable companies' market multiples of revenues and earnings before interest, taxes, depreciation and amortization and factored in a control premium. Finally, we compared our estimates of fair values to our total public market capitalization and assessed implied control premiums based on our common stock price of \$2.05 as of the date of testing.

Ultimately, based on our quantitative evaluation, we determined that our Satellite and Space Communications and Allerium reporting units had estimated fair values in excess of their carrying values of at least 19.9% and 7.3%, respectively, and concluded that our goodwill was not impaired and that neither of our two reporting units was at risk of failing the quantitative assessment.

It is possible that, during the remainder of fiscal 2026 or beyond, business conditions (both in the U.S. and internationally) could deteriorate from the current state, our current or prospective customers could materially postpone, reduce or even forgo purchases of our products and services to a greater extent than we currently anticipate, or our common stock price could further fluctuate. A significant decline in our customers' spending that is greater than we anticipate or a shift in funding priorities may also have a negative effect on future orders, sales, income and cash flows and we might be required to perform a quantitative assessment during fiscal 2026 or beyond. If assumed net sales and cash flow projections are not achieved in future periods, our common stock price significantly declines from current levels, and or we complete certain actions related to our transformation plan, our Satellite and Space Communications and Allerium reporting units could be at risk of failing the quantitative assessment and goodwill and intangibles assigned to the respective reporting units could be impaired.

In any event, we are required to perform our next annual goodwill impairment analysis on August 1, 2026 (the start of our fiscal 2027). If our assumptions and related estimates change in the future, or if we change our reporting unit structure or other events and circumstances change (e.g., a sustained decrease in the price of our common stock (considered on both absolute terms and relative to peers)), we may be required to record impairment charges when we perform these tests, or in other future periods. Any impairment charges that we may record in the future could be material to our results of operations and financial condition.

At both April 30, 2026 and July 31, 2025, accumulated goodwill impairment losses related to our Satellite and Space Communications segment totaled \$128,480,000. Of such amount, \$79,555,000 was recorded in the first quarter of the prior fiscal year, 2025. There are no accumulated impairments for our Allerium segment.

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(16) Intangible Assets

Intangible assets with finite lives are as follows:

April 30, 2026				
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	20.2	\$ 294,258,000	159,557,000	\$ 134,701,000
Technologies	14.4	106,149,000	88,158,000	17,991,000
Trademarks and other	20.0	31,826,000	26,097,000	5,729,000
Total		<u>\$ 432,233,000</u>	<u>273,812,000</u>	<u>\$ 158,421,000</u>

  

July 31, 2025				
	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	20.2	\$ 294,258,000	148,863,000	\$ 145,395,000
Technologies	13.6	106,149,000	85,439,000	20,710,000
Trademarks and other	16.9	31,826,000	24,826,000	7,000,000
Total		<u>\$ 432,233,000</u>	<u>259,128,000</u>	<u>\$ 173,105,000</u>

The weighted average amortization period in the above table excludes fully amortized intangible assets.

Amortization expense for the three and nine months ended April 30, 2026 was \$4,597,000 and \$14,684,000, respectively. Amortization expense for the three and nine months ended April 30, 2025 was \$5,044,000 and \$16,680,000, respectively.

The estimated amortization expense consists of the following for the fiscal years ending July 31:

2026	\$ 19,128,000
2027	17,774,000
2028	17,774,000
2029	16,353,000
2030	14,446,000

We review net intangible assets with finite lives for impairment when an event occurs indicating the potential for impairment. Based on our assessment, we believe that the carrying values of our net intangible assets were recoverable as of April 30, 2026. If business conditions deteriorate, we may be required to record impairment losses, and/or increase the amortization of intangibles in the future. Any impairment charges that we may record in the future could be material to our results of operations and financial condition.

(17) Convertible Preferred Stock

*Fiscal 2024 and Prior*

On October 18, 2021, we entered into a Subscription Agreement (the “Subscription Agreement”) with certain affiliates and related funds of White Hat Capital Partners LP and Magnetar Capital LLC (collectively, the “Investors”). On October 19, 2021, pursuant to the terms of the Subscription Agreement, the Investors purchased an aggregate of 100,000 shares of Series A Convertible Preferred Stock, with a par value of \$0.10 per share, for an aggregate purchase price of \$100,000,000. White Hat Capital Partners LP is affiliated with Mark Quinlan, who serves as a member of our Board of Directors and was chairman of our Board of Directors through November 26, 2024.

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On December 13, 2023, we and the Investors agreed to change certain terms of the Series A Convertible Preferred Stock, effected through an Exchange Agreement, pursuant to which the Investors exchanged (the "Series A Exchange") all 100,000 shares of Series A Convertible Preferred Stock outstanding for 100,000 shares of our newly issued Series A-1 Convertible Preferred Stock, par value \$0.10 per share (the "Series A-1 Convertible Preferred Stock"), with an initial liquidation preference of \$1,134.20 per share. As a result of the Series A Exchange, no shares of Series A Convertible Preferred Stock remain outstanding.

On January 22, 2024, we entered into a Subscription and Exchange Agreement with the Investors, relating to: (i) the issuance and sale of 45,000 shares of Series B Convertible Preferred Stock, par value \$0.10 per share (the "Series B Convertible Preferred Stock"), for an aggregate purchase price of \$45,000,000, or \$1,000 per share (the "Primary Issuance"), (ii) the exchange of 100,000 shares of our Series A-1 Convertible Preferred Stock for 115,721.22 shares of Series B Convertible Preferred Stock (the "Series B Exchange") and (iii) the issuance to the Investors of 5,400 shares of Series B Convertible Preferred Stock in lieu of cash for certain expense reimbursements (the "Series B Reimbursement" and, together with the Primary Issuance and the Series B Exchange, the "Series B Issuance"). As a result of the Series B Exchange, no shares of Series A-1 Convertible Preferred Stock remain outstanding. We received \$43,200,000 of cash proceeds from the Primary Issuance, net of \$1,800,000 for certain expense reimbursements.

On June 17, 2024, in connection with entering into the Credit Facility discussed in *Note (9) - Credit Facility*, we and the Investors agreed to change certain terms of the Series B Convertible Preferred Stock. The changes altered the preferred holders' existing consent rights and existing put rights alongside payments upon a change of control following specified asset sales, in each case consistent with the Credit Facility. To effect these changes, we and the Investors entered into a Subscription and Exchange Agreement, pursuant to which the Investors: (i) exchanged, in a transaction exempt from registration under the Securities Act of 1933, all of the 166,121.22 shares of Series B Convertible Preferred Stock outstanding for 166,121.22 shares of our newly issued Series B-1 Convertible Preferred Stock, par value \$0.10 per share (the "Series B-1 Exchange"), with an initial liquidation preference of \$1,036.58 per share, and (ii) received 5,705.83 additional shares of Series B-1 Convertible Preferred Stock as a consent fee (the "Series B-1 Fee"). As a result of the Series B-1 Exchange, no shares of Series B Convertible Preferred Stock remain outstanding. We did not receive any cash proceeds from the Series B-1 Exchange.

*Post Fiscal 2024*

On October 17, 2024, in connection with amending the Credit Facility, we and the Investors agreed to change certain terms of the Series B-1 Convertible Preferred Stock. The changes: altered the date on which preferred holders can opt to have us repurchase their Series B-2 Convertible Preferred Shares (as discussed below) in certain circumstances; provided for increases to the dividend rate in certain circumstances; and provided for an option for the preferred holders to elect to receive dividends in cash (to the extent permitted by law). To effect the changes described above, we and the Investors entered into a Subscription and Exchange Agreement, pursuant to which the Investors: (i) exchanged all of the 171,827.05 shares of Series B-1 Convertible Preferred Stock outstanding for 171,827.05 shares of our newly issued Series B-2 Convertible Preferred Stock, par value \$0.10 per share (the "Series B-2 Exchange"), with an initial liquidation preference of \$1,067.87 per share; and (ii) received 3,436.53 additional shares of Series B-2 Convertible Preferred Stock as a consent fee (the "Series B-2 Fee"). As a result of the Series B-2 Exchange, no shares of Series B-1 Convertible Preferred Stock remain outstanding. We did not receive any cash proceeds from the Series B-2 Exchange.

On March 3, 2025, in connection with amending the Credit Facility and Subordinated Credit Facility (as discussed in *Note (10) - "Subordinated Credit Facility"*), we and the Investors agreed to change certain terms of the Series B-2 Convertible Preferred Stock. The changes provided the Investors with a board observer right and certain information access rights. These changes were effected through a Subscription and Exchange Agreement (the "Series B-3 Subscription and Exchange Agreement"), pursuant to which the Investors: (i) exchanged (the "Series B-3 Exchange") all of the 175,263.58 shares of Series B-2 Convertible Preferred Stock outstanding for 175,263.58 shares of our newly issued Series B-3 Convertible Preferred Stock, par value \$0.10 per share, with an initial liquidation preference of \$1,104.48 per share (the per share liquidation preference of the Series B-2 Convertible Preferred Stock as of the date of issuance); and (ii) received 2,916.76 additional shares of Series B-3 Convertible Preferred Stock (the "Series B-3 Fee" and, together with the Series B Reimbursement, the Series B-1 Fee and the Series B-2 Fee, the "Additional Issuances") and \$650,000 in cash as a consent fee. As a result of the Series B-3 Exchange, no shares of Series B-2 Convertible Preferred Stock remain outstanding. We did not receive any cash proceeds from the Series B-3 Exchange.

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The Series B-3 Convertible Preferred Stock ranks senior to the shares of our common stock, with respect to the payment of dividends and the distribution of assets upon a liquidation, dissolution or winding up of the Company. Each share of Series B-3 Convertible Preferred Stock is entitled to a cumulative dividend (the "Dividend") at the rate of 9.00% per annum, compounding quarterly, paid-in-kind, or 7.75% per annum, compounding quarterly, paid in cash, at our election (except as described below), or 6.50% per annum, in respect of any shares of Series B-3 Convertible Preferred Stock that remain outstanding following the redemption of at least fifty percent (50%) of the Series B-3 Convertible Preferred Stock pursuant to the exercise of an asset sale or change in control put right or an asset sale call right, as described below. The Dividend rate may also increase following certain events, including certain asset sales that constitute a change in control, as set forth in the certificate of designations governing the Series B-3 Convertible Preferred Stock (the "Series B-3 Certificate of Designations"). For any quarter in which the Dividend is not paid in cash, such Dividend becomes part of the liquidation preference of the Series B-3 Convertible Preferred Stock. In addition, no dividend or other distribution on our common stock will be declared or paid on our common stock unless, at the time of such declaration and payment, an equivalent dividend or distribution is declared and paid on the Series B-3 Convertible Preferred Stock (the "Participating Dividend"), provided that in the case of any such dividend in the form of cash, in lieu of a cash payment, such Participating Dividend will become part of the liquidation preference of the Series B-3 Convertible Preferred Stock. Such Participating Dividend results in the Series B-3 Convertible Preferred Stock meeting the definition of a "participating security" for purposes of our earnings per share calculations. Following the satisfaction of all obligations under the Credit Facility in full and the termination of all of commitments under the Credit Facility (a "CA Satisfaction"), and (i) our failure to fully satisfy an exercised put right (other than a put right exercised in connection with an Asset Sale that constitutes a change in control) or (ii) beginning on or after April 30, 2027 (or later in certain circumstances), holders of the Series B-3 Convertible Preferred Stock will be entitled to elect to have us pay the Dividend in cash (to the extent permitted by law).

The shares of Series B-3 Convertible Preferred Stock are convertible into shares of common stock at the option of the holder thereof at any time. At any time after July 22, 2027, we have the right to mandate conversion of the Series B-3 Convertible Preferred Stock, subject to certain restrictions based on the price of our common stock in the preceding thirty (30) trading days. The conversion price for the Series B-3 Convertible Preferred Stock is \$7.99, subject to certain adjustments set forth in the Series B-3 Certificate of Designations.

Holders of the Series B-3 Convertible Preferred Stock are entitled to vote with the holders of our common stock on an as-converted basis, and are entitled to a separate class vote with respect to, among other things, amendments to our organizational documents that have an adverse effect on the Series B-3 Convertible Preferred Stock, authorizations or issuances of securities of the Company (other than certain qualified or private offerings of up to \$50,000,000 of shares of common stock), the payment of dividends, related party transactions, repurchases or redemptions of securities of the Company, dispositions of businesses or assets involving consideration having a fair value in excess of \$75,000,000 (or \$20,000,000 following a CA Satisfaction), the incurrence of certain indebtedness and certain amendments or extensions of our Credit Facility on terms and conditions that, taken as a whole, (A) are materially different from the existing Credit Facility or (B) adversely affect our ability to perform our obligations in connection with an optional repurchase of the Series B-3 Convertible Preferred Stock, in each case, subject to the exceptions and qualifications set forth in the Series B-3 Certificate of Designations.

Holders have the right to require us to repurchase their Series B-3 Convertible Preferred Stock (at 1.0x the liquidation preference, plus accrued and unpaid dividends) on a date occurring either: (a) on or after October 31, 2028, (b) upon the consummation of an asset sale meeting certain criteria, or (c) on or after April 30, 2027 following a CA Satisfaction. We have the right to repurchase all, or less than all, of the Series B-3 Convertible Preferred Stock upon the consummation of an asset sale meeting the same criteria, other than an asset sale that would result in a change-of-control. In addition, each holder will have the right to cause us to repurchase its Series B-3 Convertible Preferred Stock in connection with a Change of Control (as defined in the Series B-3 Certificate of Designations) at 1.5x (or 1.0x in the case of Series B-3 Convertible Preferred Stock issued in the Additional Issuances) the liquidation preference, plus accrued and unpaid dividends. Any repurchase described above would be subject to the terms set forth in the Series B-3 Certificate of Designations.

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Upon a repurchase of the Series B-3 Convertible Preferred Stock at 1.0x the liquidation preference, we will issue each respective holder a warrant (a "Warrant"). A Warrant will represent the right to acquire our common stock, as further described in the Series B-3 Subscription and Exchange Agreement, for a term of five years and six months from the issuance of such Warrant, at an initial exercise price equal to the conversion price on the date of issuance of such Warrant, subject to certain adjustments. We determined that our obligation to issue a Warrant met the definition of a freestanding financial instrument that should be accounted for as a liability. The Warrant liability is classified in *Warrant and Derivative Liabilities* on the *Condensed Consolidated Balance Sheets* and is remeasured to its estimated fair value each reporting period, using Level 3 fair value inputs, until the Warrant is exercised or expires. Changes in the estimated fair value of the Warrant are recognized in our *Condensed Consolidated Statements of Operations* as a non-cash expense or benefit. As of April 30, 2026 and July 31, 2025, the Warrant liability was remeasured to \$262,000 and \$234,000, respectively. For the three months ended April 30, 2026, we recorded a non-cash benefit of \$1,417,000 and for the nine months ended April 30, 2026 we recorded a non-cash expense of \$28,000. For the three and nine months ended April 30, 2025 we recorded a non-cash benefit of \$130,000 and \$597,000, respectively, in *Other expenses (income) - Change in fair value of warrants and derivatives* on the *Condensed Consolidated Statements of Operations*.

We accounted for the cancellation of our Series B-1 Convertible Preferred Stock as an extinguishment based on a qualitative and quantitative assessment of the terms of the preferred shares exchanged. We recognized a \$51,179,000 gain on extinguishment in the first quarter of fiscal 2025, representing the difference between the carrying value of the Series B-1 Convertible Preferred Stock and the issuance date fair value of the Series B-2 Convertible Preferred Stock. As the Series B-1 Convertible Preferred Stock was classified as temporary equity, the gain on extinguishment was included as an offset in determining net loss attributable to common stockholders and credited to retained earnings as a return from the holders. We accounted for the Series B-3 Exchange as a modification.

We identified several embedded derivatives that require bifurcation from the Series B-2 Convertible Preferred Stock (and subsequent issuance of the Series B-3 Convertible Preferred Stock) under ASC 815, including the holders' right to: (i) require us to repurchase Series B-3 Convertible Preferred Stock upon the consummation of an asset sale meeting certain criteria, or in connection with a change in control; (ii) convert Series B-3 Convertible Preferred Shares into shares of our common stock; (iii) increase the dividend rate in certain circumstances; and (iv) elect to receive cash dividends in certain circumstances. When evaluating such embedded derivatives, we determined that the Series B-3 Convertible Preferred Stock was more akin to a debt-like host than an equity-like host. We also determined that such features qualify for accounting as one combined embedded derivative liability. We established an initial embedded derivative liability of \$38,832,000, which was recorded as a reduction to the initial fair value of the Series B-2 Convertible Preferred Stock and presented with *Warrant and Derivative Liabilities* on the *Condensed Consolidated Balance Sheets*. The combined embedded derivative liability is remeasured to its estimated fair value each reporting period, using Level 3 fair value inputs. Changes in the estimated fair value of the combined embedded derivative liability are recognized in our *Condensed Consolidated Statements of Operations* as a non-cash expense or benefit. As of April 30, 2026 and July 31, 2025, the embedded derivative liability was remeasured to \$7,462,000 and \$14,608,000, respectively. For the three and nine months ended April 30, 2026, we recorded a non-cash benefit of \$6,008,000 and \$7,146,000, respectively, and for the three and nine months ended April 30, 2025 recorded a non-cash benefit of \$40,145,000 and \$9,243,000, respectively, in *Other expenses (income) - Change in fair value of warrants and derivatives* on the *Condensed Consolidated Statements of Operations*.

Upon the Series B-2 Exchange, the initial estimated fair value of the Series B-2 Convertible Preferred Stock was \$132,310,000. We reduced the initial estimated fair value of the Series B-2 Convertible Preferred Stock to establish the initial combined embedded derivative liability, as discussed above. We also adjusted the carrying value of the Series B-3 Convertible Preferred Stock at April 30, 2026 based on its redemption value of \$218,245,000, which includes \$1,625,000 of accrued dividends. Through April 30, 2026, as presented in the table below, the adjustments charged against retained earnings and additional paid in capital to increase the carrying value of each respective Series B Convertible Preferred Stock, while outstanding, to their respective redemption values totaled \$117,496,000.

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The following table presents the allocation of the initial estimated fair value of the Series B-2 Convertible Preferred Stock to its host instrument and combined embedded derivatives on October 17, 2024:

Initial estimated fair value of Series B-2 Convertible Preferred Stock	\$ 132,310,000
Initial estimated fair value and carrying value of combined embedded derivatives	38,832,000
Initial carrying value of Series B-2 Convertible Preferred Stock	<u>\$ 93,478,000</u>

The following table presents a reconciliation of the adjustments to increase the carrying values of the Convertible Preferred Stock to their redemption values while outstanding:

Redemption value of Series B-3 Convertible Preferred Stock at April 30, 2026	\$ 218,245,000
Less: Carrying value of combined embedded derivatives at April 30, 2026	7,462,000
Carrying value of Series B-3 Convertible Preferred Stock at April 30, 2026	210,783,000
Less: Initial carrying value of Series B-2 Convertible Preferred Stock on October 17, 2024	93,478,000
Less: Initial carrying value of Series B-3 Fee on March 3, 2025	3,221,000
Adjustment to increase the carrying value of Series B-3 Convertible Preferred Stock to its redemption value at April 30, 2026 and Series B-2 Convertible Preferred Stock (while outstanding)	114,084,000
Adjustment to increase carrying value of Series B-1 Convertible Preferred Stock to its redemption value (while outstanding)	3,412,000
Total adjustments to redemption values charged to Stockholder's Equity:	
Through April 30, 2026	117,496,000
Less: January 31, 2026 and prior	106,686,000
Three months ended April 30, 2026	<u>\$ 10,810,000</u>

In accordance with ASC 480, Distinguishing Liabilities from Equity, specifically ASC 480-10-S99-3A(2), *SEC Staff Announcement: Classification and Measurement of Redeemable Securities*, we classified the respective Series B Convertible Preferred Stock outside of permanent equity, as temporary equity, since the redemption of such shares is at the option of the holder on a fixed date or upon the occurrence of certain events that are not solely within our control.

Subsequent Event

See Note (1) - General - Subsequent Event - Convertible Preferred Stock for further information.

(18) Stockholders' Equity

Shelf Registration

On March 23, 2026, we filed a \$125,000,000 shelf registration statement with the SEC for the sale of various types of securities, including debt securities. This shelf registration was declared effective by the SEC as of April 6, 2026 and expires on April 6, 2029. To-date, we have not issued any securities pursuant to this shelf registration statement.

Common Stock Repurchase Program

On September 29, 2020, our Board of Directors authorized a \$100,000,000 stock repurchase program, which replaced our prior program. The \$100,000,000 stock repurchase program has no time restrictions and repurchases may be made from time to time in open-market or privately negotiated transactions, or by other means in accordance with federal securities laws. There were no repurchases during the nine months ended April 30, 2026 and 2025.

Additional Paid in Capital

Cumulatively through April 30, 2026, \$111,117,000 of the adjustments to the carrying values of outstanding Convertible Preferred Stock to their respective redemption values, while outstanding, were charged to additional paid in capital so as not to exceed the available amount of retained earnings at the time of such adjustments.

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(19) Legal Proceedings and Other Matters

*Former CEO Related Matters*

On March 12, 2024, we terminated Ken Peterman, our President and CEO at the time, for Cause pursuant to the terms of his employment agreement dated September 12, 2022 (the "Employment Agreement"). On November 21, 2024 (as amended on December 31, 2024), Mr. Peterman filed a claim with the American Arbitration Association, alleging that Comtech materially breached the Employment Agreement in the termination for Cause and that the termination was a retaliation for whistleblowing by Mr. Peterman in connection with certain of our prior financial and accounting practices. Mr. Peterman claimed he was owed direct contractual damages in an amount in excess of \$6,000,000 and consequential damages for injury to his professional reputation in excess of \$35,000,000. We believed Mr. Peterman's claims to be entirely without merit and defended ourselves vigorously in the matter. We filed an initial counterclaim against Mr. Peterman alleging that his misconduct and attempts to conceal the same constituted a breach of his fiduciary duties. Subsequently, on November 24, 2025, we filed an amended counterclaim seeking damages for malicious prosecution, abuse of process, breach of contract and defamation, as well as further claims for Mr. Peterman's breach of his fiduciary duties in addition to the initial counterclaim. On January 9, 2026, Mr. Peterman's counsel wrote to the Arbitrator with two motions, (i) voluntarily withdrawing Mr. Peterman's claims against Comtech, and (ii) seeking dismissal of Comtech's counterclaims against Mr. Peterman. On or about January 23, 2026, the Arbitrator granted Mr. Peterman's motion to withdraw all of his claims against Comtech in the arbitration, but rejected Mr. Peterman's motion for dismissal of Comtech's counterclaims. Comtech's counterclaims are still pending against Mr. Peterman. On or about February 6, 2026, Mr. Peterman's counsel notified the Arbitrator that he was resigning from his representation of Mr. Peterman. Mr. Peterman has retained new counsel in connection with his defense of Comtech's counterclaims. Discovery continues as the parties prepare for a hearing on Comtech's counterclaims.

Mr. Peterman also filed a separate administrative complaint with the Department of Labor (Occupational Safety and Health Administration) making similar allegations and claiming that we retaliated against him in violation of the Sarbanes-Oxley Act of 2002. We independently investigated, with the assistance of an outside advisor, Mr. Peterman's allegations that he was a whistleblower and determined that such allegations were not substantiated. The U.S. Department of Labor dismissed Mr. Peterman's administrative complaint on or about April 22, 2025. The appeal period has expired. Nevertheless, on July 18, 2025, Mr. Peterman filed a complaint in the U.S. District Court for the Southern District of New York (the "Court"), largely reciting the same claims he made in the prior Sarbanes-Oxley complaint with the Department of Labor. We promptly informed Mr. Peterman's attorney that the suit was frivolous and sought leave of the Court to seek dismissal. Mr. Peterman's attorney responded by withdrawing the lawsuit on September 5, 2025.

Separately, on December 11, 2024, Mr. Peterman was indicted by the United States Attorney for the Eastern District of New York and arrested on charges of insider trading and securities fraud. He was also charged with similar allegations by the SEC in a civil lawsuit filed in the Eastern District of New York the same day. We are not named as a defendant in either proceeding.

*U.S. Export Matter*

In late 2023, we initiated an export compliance review pertaining to certain variants of our modems and determined that we potentially violated U.S. export compliance laws. Upon learning of the potential violations and due to our commitment to comply with global export compliance laws, we immediately and voluntarily initiated a historical review of our exports of the associated products, as well as related documentation submitted to export control authorities. Based on such review, in February and June 2024, we voluntarily disclosed to the Directorate of Defense Trade Controls ("DDTC") a potential misclassification of certain exports under an EAR classification and promptly sought export licenses under the more restrictive ITAR classification for future exports pending the outcome of the matter. At that time, we concluded that the likelihood of a loss contingency associated with such potential violations was remote.

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While our review is ongoing, we estimate there were approximately 70 exports for which export licenses were not obtained, with an estimated total transaction value of less than \$2,000,000. Our review efforts to date indicate that the countries exported to were: the United Kingdom, Canada, Italy, Singapore, India, Germany, Australia, Hungary, Spain, Denmark, South Korea, Greece, Indonesia, Philippines and New Zealand. DDTC may choose to close the matter without penalty or to impose penalties on us in connection with the above-referenced shipments. Penalties, if imposed, can be the greater of twice the amount of the transaction that is the basis for the violation, or \$1,271,078 per violation, with discretionary adjustment downward by the DDTC for voluntary disclosure and other positive mitigating factors.

On May 22, 2025, DDTC issued a Request for Information, to which we replied. The DDTC investigation remains pending, however, in light of this request, we reevaluated our prior assessment of loss contingencies associated with this matter and determined that we may no longer conclude that the likelihood of a loss contingency is remote. Rather, it is now reasonably possible that a loss contingency (e.g., monetary penalties) exists related to this matter. Such penalties, if any, are not currently estimable by us given the early stage of our review, as well as that of the DDTC, and multiple positive mitigating factors that could affect the ultimate outcome, including but not limited to: the voluntary nature of our disclosure; our historical compliance record; the number of exports involved; the parties to whom the units were shipped; and the nature of the potential violation(s). Based on such determination, we have not accrued for any loss contingencies related to this matter as of April 30, 2026.

In parallel, we submitted a Commodity Jurisdiction ("CJ") request to DDTC on July 30, 2025, in support of our initial classifications of the exports under investigation. On January 27, 2026, the DDTC issued its Commodity Jurisdiction Determination, finding that SLM-5650 satellite modems with DSSS firmware, Models A, B, and C, are subject to its jurisdiction in accordance with the ITAR. Our voluntary self-disclosure remains pending.

Other Matters

In the ordinary course of business, we include indemnification provisions in certain of our customer contracts to indemnify, hold harmless and reimburse such customers for certain losses, including but not limited to losses related to third-party claims of intellectual property infringement arising from the customer's use of our products or services. We may also, from time to time, receive indemnification requests from customers related to third-party claims that 9-1-1 calls were improperly routed during an emergency. We evaluate such claims as and when they arise. We do not always agree with customers that they are entitled to indemnification and in such cases reject their claims. Despite maintaining that we have properly carried out our duties, we may seek coverage under our various insurance policies; however, we cannot be sure that we will be able to maintain or obtain insurance coverage at acceptable costs or in sufficient amounts or that our insurer will not disclaim coverage as to such claims. Accordingly, pending or future claims asserted against us by a party that we are obligated to indemnify could result in legal costs and damages that could have a material adverse effect on our consolidated results of operations and financial condition.

There are also certain other pending and threatened legal actions which arise in the normal course of business. Although the ultimate outcome of these matters is difficult to accurately predict, we believe that the outcome of these other matters will not have a material adverse effect on our consolidated financial condition or results of operations.

Employment, Change of Control and Indemnification Agreements

We have entered into employment and/or change of control agreements, as well as indemnification agreements with certain of our executive officers and certain key employees. All of these agreements may require payments by us, in certain circumstances, including, but not limited to, a change in control of the Company or termination of the employee.

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(20) Cost Reduction and Restructuring Related Activities

In connection with our transformation plan, we implemented multiple reductions in force throughout our organization and in all of our segments. Through April 30, 2026, such reductions approximated 24% of our workforce as of July 31, 2024, or approximately \$52,000,000 in annualized labor costs. At April 30, 2026, we had approximately 1,282 employees (including temporary employees and contractors), compared to 1,347 and 1,676 as of July 31, 2025 and July 31, 2024, respectively.

Our severance liability was \$293,000 and \$762,000, respectively, as of April 30, 2026 and July 31, 2025. Severance costs, recorded within selling, general and administrative expenses in our *Condensed Consolidated Statements of Operations*, were \$921,000 and \$3,633,000, respectively, for the nine months ended April 30, 2026 and for all of fiscal 2025. Severance payments were \$1,390,000 and \$3,900,000, respectively, for the nine months ended April 30, 2026 and for all of fiscal 2025.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this Quarterly Report on Form 10-Q contains, and oral statements made by our representatives from time to time may contain, forward-looking statements. Forward-looking statements can be identified by words such as: "anticipate," "believe," "continue," "could," "estimate," "expect," "future," "goal," "outlook," "intend," "likely," "may," "plan," "potential," "predict," "project," "seek," "should," "strategy," "target," "will," "would," and similar references to future periods, or the negative of those words and expressions, as well as statements in future tense. Forward-looking statements include, among others, statements regarding the expected completion of, the anticipated benefits of, and our plans, strategies and objectives relating to, the pending transaction with Gilat Satellite Networks Ltd, including the time frame in which such proposed transaction will occur, our expectations for further portfolio-shaping opportunities, our expectations for other operational initiatives, our expectations for completing further financing initiatives, our future performance and financial condition, the plans and objectives of our management and our assumptions regarding such future performance, financial condition, and plans and objectives that involve certain significant known and unknown risks and uncertainties and other factors not under our control which may cause our actual results, future performance and financial condition, and achievement of our plans and objectives of our management to be materially different from the results, performance or other expectations implied by these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or our good faith belief with respect to future events, and is subject to risks and uncertainties that are difficult to predict and many of which are outside of our control. Factors that could cause actual results to differ materially from current expectations include, among other things: our ability to consummate the transactions on a timely basis or at all; unexpected costs, liabilities or delays in connection with the proposed transaction; the significant transaction costs associated with the proposed transaction; negative effects of the announcement, pendency or consummation of the transaction on the market price of our common stock or operating results, including as a result of changes in key customer, supplier, employee or other business relationships; the risk of litigation or regulatory actions; our inability to retain and hire key personnel; further portfolio-shaping opportunities, other operational initiatives, and the completion of further financing activities; our ability to access capital and liquidity; changes in our executive leadership; the possibility that the expected benefits from our strategic activities will not be fully realized, or will not be realized within the anticipated time periods; the risk that acquired businesses will not be integrated successfully; impacts from, and uncertainties regarding, future actions that may be taken by activist stockholders; the possibility of disruption from acquisitions or dispositions, making it more difficult to maintain business and operational relationships or retain key personnel; the risk that we will be unsuccessful in implementing a tactical shift in our Satellite and Space Communications segment away from bidding on large commodity service contracts and toward pursuing contracts for our niche products and solutions with higher margins; the nature and timing of our receipt of, and our performance on, new or existing orders that can cause significant fluctuations in net sales and operating results; the timing and funding of government contracts; the timing and amount of adjustments to gross profits on long-term contracts; risks associated with international sales; rapid technological change; evolving industry standards; new product announcements and enhancements or rebranding; changing customer demands and/or procurement strategies and our ability to scale opportunities and deliver solutions to current and prospective customers; changes and uncertainty in prevailing economic and political conditions (including financial and capital market conditions), including as a result of military conflicts or any tariff, trade restrictions or similar matters; impact of government shutdowns; changes to government procurement practices; changes in the price of oil in global markets; changes in prevailing interest rates and foreign currency exchange rates; risks associated with our legal proceedings, customer claims for indemnification, and other similar matters; risks associated with our obligations under our credit facilities; risks associated with our large contracts; risks associated with supply chain disruptions; and other factors described in this and our other filings with the Securities and Exchange Commission ("SEC"). However, these risks are not the only risks that we face. Additional risks and uncertainties, not currently known to us or that do not currently appear to be material, may also materially adversely affect our business, financial condition and/or operating results in the future. We describe risks and uncertainties that could cause actual results and events to differ materially in the "Risk Factors" (Part I, Item 1A), "Management's Discussion and Analysis of Financial Condition and Results of Operations" (Part II, Item 7) and "Quantitative and Qualitative Disclosures about Market Risk" (Part II, Item 7A) sections in our Annual Report on Form 10-K filed with the SEC on November 10, 2025, as the same may be updated from time to time in our various filings with the SEC. We do not intend to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise, except as required by law.

## OVERVIEW

We are a leading provider of satellite and space communications technologies, terrestrial and wireless network solutions, Next Generation 9-1-1 ("NG9-1-1") and emergency services and cloud native capabilities. This includes the critical communications infrastructure that people, businesses, and governments rely on when durable, trusted connectivity is required, no matter where they are – on land, at sea, or in the air – and no matter what the circumstances – from armed conflict to a natural disaster. Our solutions are designed to fulfill our customers' needs for secure wireless communications in the most demanding environments, including those where traditional communications are unavailable or cost-prohibitive, and in mission-critical and other scenarios where performance is crucial. Over the long-term, we anticipate future growth in our end markets due to a trend of increasing demand for global voice, video and data usage in recent years, in addition to the growth of emergency communication networks and related applications. We provide our solutions to both commercial and governmental, as well as both domestic and international customers.

We manage our business through two reportable operating segments: Satellite and Space Communications and Allerium. See *Part I. - Financial Information - Item 1. Notes to Condensed Consolidated Financial Statements - Note (14) - Segment Information* for further description and information related our segments.

### *Our Quarterly Financial Information*

Quarterly and period-to-period sales and operating results may be significantly affected by, among other things, short-term or long-term contracts with our customers, allowances for bad debt, impairments of long-lived assets (including goodwill) and changes in the estimated fair value of derivative instruments and warrants. In addition, our gross profit is affected by a variety of factors, including, among other things, the mix of products, systems and services sold, production efficiencies, provisions for excess and obsolete inventories, estimates of warranty expense, price competition and general economic conditions. Our gross profit may also be affected by the impact of any cumulative adjustments to contracts that are accounted for over time. Our contracts with the U.S. government (or prime contractors to the U.S. government) can be terminated for convenience at any time and orders are subject to unpredictable funding, deployment and technology decisions by our customers. Some of these contracts are indefinite delivery/indefinite quantity ("IDIQ") contracts and, as such, the U.S. government is not obligated to purchase any equipment or services under these contracts. We have, in the past, experienced and we continue to expect significant fluctuations in sales and operating results from quarter-to-quarter and period-to-period due to these factors. As such, comparisons between periods and our current results may not be indicative of a trend or future performance.

## CRITICAL ACCOUNTING POLICIES

We consider certain accounting policies to be critical due to the estimation process involved in each.

**Revenue Recognition.** In accordance with FASB ASC 606 - *Revenue from Contracts with Customers* ("ASC 606"), we record revenue in an amount that reflects the consideration to which we expect to be entitled in exchange for goods or services promised to customers. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (3) - Revenue Recognition* and *Part I. - Financial Information - Item 4. Controls and Procedures* for further information.

A cost-to-cost measure of progress is principally used to account for contracts in our Satellite and Space Communications segment and, to a lesser extent, certain location-based and messaging infrastructure contracts in our public safety and location technologies product line within our Allerium segment.

For over time contracts using a cost-to-cost measure of progress, we have an estimate at completion ("EAC") process in which management reviews the progress and execution of our performance obligations and calculates an estimated contract profit based on total estimated contract revenue and cost. Since certain contracts extend over a long period of time, the impact of revisions in revenue and/or cost estimates during the progress of work may impact current period earnings through a cumulative adjustment. Additionally, if the EAC process indicates a loss, a provision is made for the total anticipated loss in the period that it becomes evident. Contract revenue and cost estimates for significant contracts are generally reviewed and reassessed at least quarterly.

We perform on a broad range of contracts whose revenue is recognized over time, including the development of complex and advanced customized solutions which often require the application of new technologies. Cost estimates on fixed-price development contracts and early stage/low-rate production contracts are inherently more uncertain as to future events than on mature, full-rate production contracts. As a result, for fixed-price development contracts and early stage/low-rate production contracts, there is typically more variability in those estimates and greater financial risk associated with unanticipated cost growth. Risks include, but are not limited to: technical engineering risks related to the underlying technologies being developed; schedule risks related to completing performance obligations timely; and customer risks related to changing specifications.

The estimation of contract revenue, cost and progress toward completion requires the use of judgment, which can be affected by any number of factors over time and which may cause our actual results to differ materially from those estimates, as facts and circumstances change or become known to us. Changes in estimates can occur for a variety of reasons including, but not limited to: changes in the availability, productivity and cost of labor; the effect of change orders on contract scope; the resolution of engineering risks at lower or higher costs than anticipated; the availability and cost of material components and subcontracts, as well as the performance of our subcontractors or suppliers; the impact of unanticipated changes in our customers' schedules; and changes in indirect cost allocations, such as overhead.

The impact of gross favorable and unfavorable changes in contract estimates on reported gross margin is presented in the table below:

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
Gross favorable changes	\$ 573,000	2,469,000	\$ 4,684,000	7,628,000
Gross unfavorable changes	(1,006,000)	(1,747,000)	(4,691,000)	(14,081,000)
Net changes	\$ (433,000)	722,000	\$ (7,000)	(6,453,000)

**Impairment of Long-Lived Assets, Including Goodwill.** As of April 30, 2026, total goodwill recorded on our *Condensed Consolidated Balance Sheet* aggregated \$204.6 million (of which \$30.5 million relates to our Satellite and Space Communications segment and \$174.1 million relates to our Allerium segment). Additionally, as of April 30, 2026, net intangibles recorded on our *Condensed Consolidated Balance Sheet* aggregated \$158.4 million (of which \$37.3 million relates to our Satellite and Space Communications segment and \$121.1 million relates to our Allerium segment). For purposes of reviewing impairment and the recoverability of goodwill and other intangible assets, our segments each constitute a reporting unit and we must make various assumptions in determining their estimated fair values. See *Part I - Financial Information - Item 1 - Notes to Condensed Consolidated Financial Statements - Note (15) - Long-lived Assets, including Goodwill* for further information. Ongoing and future actions supporting our transformation plan could result in a material impairment of our goodwill and/or intangible assets.

**Provision for Warranty Obligations.** We provide warranty coverage for most of our products, including products under long-term contracts, for a period of at least one year from the date of shipment. We record a liability for estimated warranty expense based on historical claims, product failure rates and other factors. Costs associated with some of our warranties that are provided under long-term contracts are incorporated into our estimates of total contract costs. There exist inherent risks and uncertainties in estimating warranty expenses, particularly on larger or longer-term contracts. If we do not accurately estimate our warranty costs, any changes to our original estimates could be material to our results of operations and financial condition.

**Accounting for Income Taxes.** Our deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities and applying enacted tax rates expected to be in effect for the year in which we expect the differences to reverse. Our provision for income taxes is based on domestic (including federal, state and local) and international statutory income tax rates in the tax jurisdictions where we operate, permanent differences between financial reporting and tax reporting and available credits and incentives. The U.S. and Canadian governments are our most significant income tax jurisdictions.

For tax positions taken or expected to be taken in a tax return, we account for unrecognized tax benefits using a "more-likely-than-not" threshold for financial statement recognition and measurement. We may be challenged upon review by the applicable taxing authority and positions taken by us may not be sustained. We recognize all or a portion of the benefit of income tax positions in our GAAP results only when we have made a determination that it is "more-likely-than-not" that the tax position will be sustained upon examination, based upon the technical merits of the position and other factors. For tax positions that are determined as "more-likely-than-not" to be sustained upon examination, the tax benefit recognized is the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. We recognize potential interest and penalties related to uncertain tax positions in income tax expense. In assessing the need for a valuation allowance for deferred tax assets, we consider all positive and negative evidence, including past financial performance, timing and judgments about future taxable income and tax planning strategies. Valuation allowances are established, when necessary, to reduce net deferred tax assets to the amount "more-likely-than-not" expected to be realized. We continuously evaluate additional facts representing positive and negative evidence in determining our ability to realize these deferred tax assets. Significant judgment is required in determining income tax provisions and tax positions. The ultimate outcome of tax exposures and risks involves significant uncertainties. If actual outcomes differ materially from these estimates, they could have a material impact on our results of operations and financial condition.

Our U.S. federal income tax returns for fiscal 2022 through 2025 are subject to Internal Revenue Service ("IRS") audit, including our fiscal 2023 income tax return which was recently selected by the IRS for examination. None of our state and foreign income tax returns prior to fiscal 2021 are subject to audit. Future tax assessments or settlements could have a material adverse effect on our consolidated results of operations and financial condition.

**Capitalized Engineering Costs.** We generally expense all research and development costs. Research and development expenses include payroll, employee benefits, stock-based compensation expense, and other personnel-related expenses associated with product development. Research and development expenses also include third-party development and programming costs.

Costs incurred internally in researching and developing software to be sold are charged to expense until technological feasibility has been established for the software. Judgment is required in determining when technological feasibility of a product is established. Technological feasibility for our advanced communication software solutions is generally reached after all high-risk development issues have been resolved through coding and testing. Generally, this occurs shortly before the products are released to customers and when we are able to validate the marketability of such product. Once technological feasibility is established, all software costs are capitalized until the product is available for general release to customers. To date, costs capitalized related to software developed for the purpose of selling to third parties was not material, but could increase in the future.

As it relates to software developed for the purpose of internal-use (e.g., hosted "SaaS" applications within our Allerium segment), costs capitalized primarily consist of direct labor and third-party vendor costs associated with creating the software. Software development projects generally include three stages: the preliminary project stage (all costs are expensed as incurred), the application development stage (certain costs are capitalized and certain costs are expensed as incurred) and the post-implementation/operation stage (all costs are expensed as incurred). Costs capitalized in the application development stage include costs related to the design and implementation of the selected software components, software build and configuration infrastructure, and software interfaces. Capitalization of costs requires judgment in determining when a project has reached the application development stage, the proportion of time spent in the application development stage, and the period over which we expect to benefit from the use of that software. For the three months ended April 30, 2026 and 2025, internal-use software costs capitalized were \$1.4 million and \$1.2 million, respectively. For the nine months ended April 30, 2026 and 2025, internal-use software costs capitalized were \$4.6 million and \$2.7 million, respectively. Capitalized internal use software costs are amortized once the software is placed in service on the straight-line method over the estimated useful life of the software, which is generally three years.

**Provisions for Excess and Obsolete Inventory.** We record a provision for excess and obsolete inventory based on historical and projected usage trends. Other factors may also influence our provision, including decisions to restructure or exit a product line, technological change and new product development. These factors could result in a change in the amount of excess and obsolete inventory on hand. Additionally, our estimates of future product demand may prove to be inaccurate, in which case we may have understated or overstated the provision required for excess and obsolete inventory. In the future, if we determine that our inventory was overvalued, we would be required to recognize such costs in our financial statements at the time of such determination. Any such charge could be material to our results of operations and financial condition.

**Allowance for Doubtful Accounts.** We perform credit evaluations of our customers and adjust credit limits based upon customer payment history and current creditworthiness, as determined by our review of our customers' current credit information. Generally, we will require cash in advance or payment secured by irrevocable letters of credit before an order is accepted from an international customer that we do not do business with regularly. In addition, we seek to obtain insurance for certain domestic and international customers.

We monitor billing events, collections and payments from our customers and maintain an allowance for doubtful accounts based upon our historical experience and any specific customer collection issues that we have identified. In light of ongoing tight credit market conditions and high interest rates, we continue to see requests from our customers for higher credit limits and longer payment terms. We have, on a limited basis, approved certain customer requests. Also, we can from time to time experience significant increases in the overall level of contract assets (i.e., unbilled receivables) related to large, long-term contracts with certain U.S. government, domestic and international customers. We continuously monitor our accounts receivable credit portfolio.

We may not be able to accurately predict our future credit loss experience. Measurement of credit losses requires consideration of historical loss experience, including the need to adjust for changing business conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates and the financial health of specific customers. Future changes to the estimated allowance for doubtful accounts could be material to our results of operations and financial condition.

***Derivative Instruments and Warrant Liabilities.*** With the assistance of a third party expert, we evaluate our financial instruments, including our Credit Facility, Subordinated Credit Facility, Convertible Preferred Stock and warrants to issue our common stock pursuant to the terms of such instruments, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. Such evaluation considers a qualitative and quantitative assessment of whether the host instrument is more debt or equity-like, and if embedded derivatives should be bifurcated from the host instrument and/or combined for accounting purposes. For derivatives that are accounted for as liabilities, the derivative is initially recorded at its estimated fair value and is then re-valued at each reporting date, with changes in its estimated fair value reported in our *Condensed Consolidated Financial Statements*. To estimate such fair values, with the assistance of a third party valuation expert, we primarily use Monte Carlo simulation models, on a with and without basis, or Black-Scholes option pricing models, each adjusted for instrument-specific terms. Due to the nature of our derivative instruments and warrant liabilities, we must use Level 3 inputs for estimating fair value, which are unobservable inputs developed using the best available information under the circumstances. Level 3 inputs are supported by little or no market activity, are significant to the fair value of the assets or liabilities and reflect our assumptions related to how market participants would use similar inputs to price the asset or liability. Accordingly, our estimates and assumptions could prove to be inaccurate. Also, changes in such estimates and assumptions from period to period could be material to our results of operations and financial condition. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (4) - Fair Value Measurements and Financial Instruments* for further information.

### **Fiscal 2026: Third Quarter Results and Business Outlook**

On June 14, 2026, subsequent to quarter end, we entered into a transaction to sell most of Comtech's Satellite and Space Communications ("S&S") business to an affiliate of Gilat Satellite Networks Ltd. As the criteria for reporting the portion of the S&S business being sold as "held for sale" was not met as of April 30, 2026, the *Condensed Consolidated Financial Statements* as of and for the three and nine months ended April 30, 2026 and 2025 reflect the portion of the S&S business being sold as "held and used." The portion of the S&S business being retained by Comtech principally includes advanced cybersecurity training in support of U.S. government and certain commercial and university customers. In connection with the above transaction, on June 14, 2026, we also entered into additional amendments and or exchange agreements related to our Credit Facility, Subordinated Credit Facility and Convertible Preferred Stock agreements. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (1) General - Subsequent Events*, and Current Report on Form 8-K filed by us with the SEC on June 15, 2026, for more detailed information about these transactions.

Financial results for the third quarter of fiscal 2026 include:

- Consolidated net sales were \$106.0 million, compared to \$126.8 million in the third quarter of fiscal 2025. Approximately 17% of the decrease in consolidated sales occurred in the Allerium segment – Allerium reported net sales consistent with the third quarter of fiscal 2025, excluding \$3.0 million of net sales in the prior year period related to a negotiated, retroactive billing event to recover costs incurred in previous quarters. As anticipated, the decline in net sales in the Satellite and Space Communications ("S&S") segment primarily reflects the decision to phase out and eliminate certain low margin and working capital intensive revenues, such as the Very Small Aperture Terminal ("VSAT") Satellite Systems and Services contract, as well as the impact of the U.S. government shutdown on funding for certain programs;
- Gross margin increased to 34.0%, compared to 30.7% in our third quarter of fiscal 2025; the improvement in our gross margin percentage builds upon the quarterly trend achieved throughout fiscal 2025 and the first two quarters of fiscal 2026 to reduce cost of goods sold and to improve overall product mix;
- GAAP net loss attributable to common stockholders was \$14.3 million and included, among other things: (i) non-cash net charges of \$11.3 million, of which (a) \$10.8 million related to net paid-in-kind dividends associated with our Convertible Preferred Stock; (b) \$7.2 million related to the amortization of deferred financing costs, debt discount, accreted interest and interest paid-in-kind associated with our senior and subordinated credit facilities; (c) \$4.6 million related to the amortization of intangible assets and (d) \$1.2 million related to the amortization of stock-based compensation; offset in part by (e) a \$12.5 million benefit related to the remeasurement of warrants and derivatives; and (ii) cash charges of \$2.4 million consisting primarily of restructuring costs;

- GAAP EPS net loss of \$0.47 and Non-GAAP EPS net loss of \$0.22;
- Adjusted EBITDA (a Non-GAAP financial measure discussed below) of \$8.2 million, compared to \$12.6 million for the third quarter of fiscal 2025;
- New bookings (also referred to as orders) of \$70.5 million, resulting in a quarterly book-to-bill ratio of 0.67x (a measure defined as bookings divided by net sales); as part of our transformation plan, we have refocused and prioritized our product development and sales efforts to target higher margin opportunities in which we have greater differentiation;
- Backlog of \$696.1 million as of April 30, 2026, compared to \$672.1 million as of July 31, 2025 and \$708.1 million as of April 30, 2025;
- Revenue visibility of approximately \$1.1 billion as of April 30, 2026; we measure this revenue visibility as the sum of our \$696.1 million of funded backlog, plus the total unfunded value of certain multi-year contracts that we have received and from which we expect future orders; and
- Cash flows provided by operating activities were \$6.1 million, our fifth consecutive quarter of positive operating cash flows; this includes \$2.4 million in aggregate payments for restructuring costs, including severance, and CEO transition costs; cash flows provided by operating activities would have been \$8.5 million without these costs; operating cash flows in the third quarter of fiscal 2026 include \$4.1 million of total net cash paid principally for interest and, to a much lesser extent, income taxes.

Non-GAAP financial measures discussed above are reconciled to the most directly comparable GAAP financial measures in the table included in the below section “*Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Comparison of the Results of Operations for the Three Months Ended April 30, 2026 and 2025*” and “*Comparison of the Results of Operations for the Nine Months Ended April 30, 2026 and 2025*.”

#### Other Key Business Developments and Updates

##### *Satellite and Space Communications (or "S&S")*

Our Satellite and Space Communications segment continues to focus on capitalizing on our differentiated capabilities, thoughtfully evaluating the product portfolio and implementing initiatives to improve margins and cash flow generation.

In the third quarter of fiscal 2026, S&S experienced a strengthening in its funded orders, resulting in a strong book-to-bill ratio of 1.04x. The last time S&S achieved a book-to-bill ratio greater than 1.0x was in the first quarter of fiscal 2024. The significant improvement in S&S bookings during the third quarter of fiscal 2026 includes the receipt of a troposcatter order from an international customer, in addition to the release of pent up orders and funding which we believe were delayed as a result of the prolonged U.S. government shutdown earlier in the fiscal year.

During the third quarter of fiscal 2026, some of the larger orders awarded to S&S include:

- over \$7.0 million in funding for several of our rapidly deployable troposcatter Modular Transportable Transmission Systems ("MTTS"), intended for use by an international government end customer;
- approximately \$6.0 million in incremental funding for ongoing training and support of complex cybersecurity operations for U.S. government customers;
- approximately \$4.9 million in incremental funding to design and manufacture antenna related equipment for a U.S. government end customer;
- over \$4.2 million in funded orders from a long-time international customer for the procurement of ongoing maintenance and support services related to long range missile and rocket launch tracking systems;
- over \$3.2 million of funded orders for various types of antennas and radio feeds for a domestic prime contractor to the U.S. government;

- approximately \$2.4 million in aggregate orders related to satellite ground infrastructure solutions, including production units, intended for use in a new LEO satellite constellation network being deployed; subsequent to quarter end, we received orders totaling over \$10.0 million to develop and deliver initial prototypes for high frequency LEO satellite communications equipment; and
- in excess of \$2.0 million in funded orders from a domestic prime contractor to the U.S. government for certain types of amplifiers.

In September 2025, as part of our operational efficiency and cost savings plans, we made the decision to migrate certain production capabilities and operational functions to our manufacturing operations in Chandler, Arizona. Such initiative is expected to be substantially completed in fiscal 2026, result in increased manufacturing efficiencies, allow us to further optimize our facilities footprint and result in recurring annualized cost savings over time of approximately \$3.0 million.

In March 2025, we announced the delivery of our first Digital Common Ground 7000 ("DCG-7000") high speed, small form factor, software-defined modems to Lite Coms for integration, interoperability and performance testing across diverse government and commercial satellite communications applications and ground terminal configurations. DCG-7000 modems support DVB-S2X, along with other protected waveforms, and incorporates modern cybersecurity design principles, including integrated Transmission Security ("TRANSEC") for over-the-air transmission.

In December 2024 (fiscal 2025), we received notice from our prime contractor to stop work associated with a legacy U.S. Marine Corps contract, which has since been terminated for convenience and for which we have submitted a termination claim. Total receivables related to such contract were \$10.5 million as of April 30, 2026. While we believe that we have meritorious termination claims, some or all of our receivable could be at risk of not being collected. Future results of operations related to our troposcatter solutions product line depend, in part, on the nature, timing and amount associated with resolving this matter.

### *Allerium*

With strategic wins in the U.S., Canada and Australia, we believe Allerium's position as a trusted leader in 9-1-1, NG9-1-1 and public safety applications positions us increasingly well to deliver similarly sophisticated solutions for other types of emergencies. New emergency-requesting devices, such as "wearables," vehicles, smart speakers and AI-capable cameras, along with new delivery methods, such as satellite networks, are expected to drive innovation and growth within the public safety market over time.

During the third quarter of fiscal 2026, we were awarded various orders including:

- approximately \$6.0 million of additional funding related to a renewal of NG9-1-1 services for a customer in the midwestern region of the U.S.;
- \$2.0 million in funding from a domestic Tier 1 mobile network operator to support the development and migration of various web-based mobile network services; and
- over \$1.6 million in funded orders from another domestic Tier 1 mobile network operator in support of various mobile network services.

In April 2026, we announced that Allerium has reached a significant milestone in its statewide contract to design, deploy, and operate NG9-1-1 services for the Commonwealth of Kentucky. In December 2025, Allerium migrated the first Public Safety Answering Point ("PSAP"), Bluegrass 911 Communications, onto the Commonwealth's new service and delivered the first NG9-1-1 text and voice calls to this Lancaster, Kentucky agency. After months of planning leading to the first cutover, the program has already migrated 12 PSAPs in its first four months of operation, establishing a strong foundation for the continued statewide transition to NG9-1-1 across Kentucky. The milestone comes just over one year after Allerium first announced its NG9-1-1 partnership with the Commonwealth and the Kentucky 911 Services Board in March 2025. Under this multi-year contract, Allerium's public safety-grade service will deliver seamless interoperability and integration while enabling new and advanced communication capabilities, such as geospatial location routing, all backed by proven products, processes, and statewide PSAP and OSP migration success spanning multiple Emergency Services Internet Protocol Network ("ESInet") and Next Generation Core Services ("NGCS") deployments.

In May 2026, we announced the opening of our new purpose-built facility in Gatineau, Quebec. The new office reflects Allerium's continued commitment to Canada and its long-standing presence in the region. The City of Gatineau and the Province of Quebec helped enable this next phase of growth, funding the development of Allerium's new facility. Allerium's new facility in Canada builds on strong operational momentum. This includes the recent go-live of the Gatineau 9-1-1 agency, as well as more than a dozen NG9-1-1 upgrades in Canada this fiscal year. These milestones reflect Allerium's expanding role in modernizing emergency communications infrastructure and supporting public safety agencies in Canada and worldwide. The Gatineau facility strengthens Allerium's ability to support customers across Canada, while contributing to a broader footprint of public safety agencies across North America and internationally.

### Business Outlook

While our operational and financial performance have improved over the past several quarters, the operating environment remains largely unpredictable due to many factors, including but not limited to those matters discussed throughout this Form 10-Q and in our *Cautionary Statement Regarding Forward-Looking Statements* in this Form 10-Q. Such conditions and factors have caused and could cause variability in our financial results from period to period. Accordingly, we are not providing forward-looking guidance on a GAAP or Non-GAAP basis.

Additional information related to our Business Outlook for Fiscal 2026 and a definition and explanation of Adjusted EBITDA is included in the below section *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Comparison of the Results of Operations for the Three Months Ended April 30, 2026 and 2025* and "Comparison of the Results of Operations for the Nine Months Ended April 30, 2026 and 2025."

### COMPARISON OF RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED APRIL 30, 2026 AND 2025

**Net Sales.** Consolidated net sales were \$106.0 million and \$126.8 million for the three months ended April 30, 2026 and 2025, respectively, representing a decrease of \$20.8 million, or 16.4%. Such decrease primarily reflects lower net sales in our Satellite and Space Communications segment and, to a lesser extent, our Allerium segment.

#### Satellite and Space Communications

Net sales in our Satellite and Space Communications segment were \$50.3 million for the three months ended April 30, 2026, as compared to \$67.6 million for the three months ended April 30, 2025, a decrease of \$17.3 million, or 25.6%. As anticipated, the decline in net sales primarily reflects the decision to phase out and eliminate certain low margin and working capital intensive revenues, such as the Very Small Aperture Terminal ("VSAT") Satellite Systems and Services contract, as well as the impact of the U.S. government shutdown on funding for certain programs. As part of this repositioning, S&S is pursuing sales of innovative, higher-margin solutions such as digital common ground modems, network solutions and rapidly deployable troposcatter Modular Transportable Transmission Systems ("MTTS") and multi-path radios ("MPRs"). This segment represented 47.5% of consolidated net sales for the three months ended April 30, 2026, as compared to 53.3% for the three months ended April 30, 2025.

Our book-to-bill ratio (a measure defined as bookings divided by net sales) in this segment for the three months ended April 30, 2026 and 2025 was 1.04x and 0.80x (excluding a \$36.4 million debooking in the prior fiscal year associated with the U.S. Army GFSR contract), respectively. In the more recent quarter, S&S experienced a strengthening in its funded orders. The last time S&S achieved a book-to-bill ratio greater than 1.0x was in the first quarter of fiscal 2024. The significant improvement in S&S bookings during the third quarter of fiscal 2026 includes the receipt of a large troposcatter order from an international customer, in addition to the release of pent up orders and funding which we believe were delayed as a result of the prolonged U.S. government shutdown earlier in the fiscal year.

#### Allerium

Net sales in our Allerium segment were \$55.7 million for the three months ended April 30, 2026, as compared to \$59.2 million for the three months ended April 30, 2025, a decrease of \$3.5 million, or 5.9%. Net sales in the more recent period primarily reflect lower net sales of next-generation 9-1-1 ("NG9-1-1") and call routing solutions. In particular, net sales for the third quarter of fiscal 2025 included over \$3.0 million of incremental NG9-1-1 services revenue due to reaching an agreement with a statewide customer to retroactively invoice for certain recurring services provided in the past. Such benefit did not repeat in fiscal 2026. This segment represented 52.5% of consolidated net sales for the three months ended April 30, 2026, as compared to 46.7% for the three months ended April 30, 2025. Our book-to-bill ratio in this segment for the three months ended April 30, 2026 and 2025 was 0.32x and 0.91x, respectively. The ratio for the most recent quarter reflects the timing of large, multi-year contract awards, and is not unusual given Allerium's strong book-to-bill ratios of 1.06x and 2.51x, respectively, in the first and second quarters of fiscal 2026.

Bookings, sales and profitability in both segments can fluctuate from period-to-period due to many factors, including unpredictable funding, deployment and technology decisions by our customers and changes in the general business environment. Period-to-period fluctuations in bookings are normal for our segments. As such, period-to-period comparisons of our results may not be indicative of a trend or future performance. Also, we announced that we are exploring strategic alternatives for our businesses. Accordingly, future results of operations can be impacted by the timing and outcome of such initiatives. There can be no assurance that the exploration of strategic alternatives will result in a transaction or other strategic changes or outcomes.

#### Geography and Customer Type

Sales by geography and customer type, as a percentage of related sales, for the three months ended April 30, 2026 and 2025 are as follows:

	Three months ended April 30,					
	2026	2025	2026	2025	2026	2025
	Satellite and Space Communications		Allerium		Consolidated	
U.S. government	45.4 %	47.1 %	0.9 %	1.1 %	22.0 %	25.6 %
Domestic	14.9 %	14.9 %	90.4 %	92.2 %	54.6 %	51.0 %
Total U.S.	60.3 %	62.0 %	91.3 %	93.3 %	76.6 %	76.6 %
International	39.7 %	38.0 %	8.7 %	6.7 %	23.4 %	23.4 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Sales to U.S. government customers include sales to the U.S. Department of Defense ("DoD"), intelligence and civilian agencies, as well as sales directly to or through prime contractors. Domestic sales include sales to commercial customers, as well as to U.S. state and local governments. For the three months ended April 30, 2026 and 2025, except for the U.S. government, there were no customers that represented 10% or more of consolidated net sales. International sales for the three months ended April 30, 2026 and 2025 (which include sales to U.S. domestic companies for inclusion in products that are sold to international customers) were \$24.8 million and \$29.7 million, respectively. Except for the U.S., no individual country (including sales to U.S. domestic companies for inclusion in products that are sold to a foreign country) represented 10% or more of consolidated net sales for the three months ended April 30, 2026 and 2025.

**Gross Profit.** Gross profit was \$36.1 million and \$38.9 million for the three months ended April 30, 2026 and 2025, respectively, a decrease of \$2.8 million, or 7.2%. Gross profit, as a percentage of consolidated net sales, for the three months ended April 30, 2026 was 34.0% as compared to 30.7% for the three months ended April 30, 2025. Our gross profit for the three months ended April 30, 2026 (both in dollars and as a percentage of consolidated net sales) reflects overall product mix changes, as discussed above, and improved operational and financial performance as a result of our transformation initiatives to, among other things, enhance operational efficiency, streamline product lines with a focus on strategic, higher operating margin products and reduce cost structures. Consolidated gross profit (both in dollars and as a percentage of consolidated net sales) for the prior year period also reflects Allerium's retroactive billing event discussed above. The improvement in our gross margin percentage builds upon the quarterly trend achieved throughout fiscal 2025 and the first two quarters of fiscal 2026. Gross profit, as a percentage of related segment net sales, is further discussed below.

Our Satellite and Space Communications segment's gross profit, in dollars, for the three months ended April 30, 2026 was comparable to three months ended April 30, 2025. As a percentage of segment net sales, gross profit increased significantly. Gross profit in the more recent period reflects changes in products and services mix, as discussed above. Gross profit also benefited from this segment's transition from low or no margin non-recurring engineering contracts to higher volume manufacturing orders.

Our Allerium segment's gross profit, both in dollars and as a percentage of related segment net sales, for the three months ended April 30, 2026 decreased in comparison to the three months ended April 30, 2025. The gross profit percentage in the more recent period reflects changes in products and services mix, as discussed above. Net sales and gross profit for the third quarter of fiscal 2025 also included over \$3.0 million of incremental NG9-1-1 services revenue due to reaching an agreement with a statewide customer to retroactively invoice for certain recurring services provided in the past. Such benefit did not repeat in fiscal 2026.

Included in consolidated cost of sales for the three months ended April 30, 2026 and 2025 are provisions for excess and obsolete inventory of \$0.6 million and \$1.0 million, respectively. As discussed in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Provisions for Excess and Obsolete Inventory," we regularly review our inventory and record a provision for excess and obsolete inventory based on historical and projected usage trends.

Our consolidated gross profit, as a percentage of consolidated net sales, depends on the volume of sales, sales mix and related gross profit for each segment, and therefore is inherently difficult to forecast. Our consolidated gross profit, as a percentage of consolidated net sales, may also be impacted by the timing and outcome of actions we may take related to our transformation plan.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses were \$29.3 million and \$30.2 million for the three months ended April 30, 2026 and 2025, respectively. As a percentage of consolidated net sales, selling, general and administrative expenses were 27.7% and 23.8% for the three months ended April 30, 2026 and 2025, respectively.

During the three months ended April 30, 2026 and 2025, we incurred \$2.4 million and \$4.3 million, respectively, of restructuring costs primarily to streamline our operations and improve efficiency (including costs related to legal and professional fees associated with our pursuit of strategic alternatives). Excluding restructuring costs, selling, general and administrative expenses for the three months ended April 30, 2026 and 2025 would have been \$26.9 million, or 25.4%, and \$25.9 million, or 20.4%, respectively, of consolidated net sales. The increase in our selling, general and administrative expenses, in dollars, excluding such items, is primarily due to increased expenditures in our Allerium and, to a lesser extent, Satellite and Space Communications segments, offset in part by lower expenditures in our Unallocated segment. The increase in our selling, general and administrative expenses, as a percentage of consolidated net sales, excluding such items, is primarily due to lower consolidated net sales in the more recent period.

Amortization of stock-based compensation expense recorded as selling, general and administrative expenses was \$1.1 million in the three months ended April 30, 2026, as compared to \$1.0 million in the three months ended April 30, 2025. Amortization of stock-based compensation is not allocated to our two reportable operating segments.

**Research and Development Expenses.** For the three months ended April 30, 2026 and 2025, company-funded research and development expenses were \$5.2 million and \$4.4 million, respectively. As a percentage of consolidated net sales, company-funded research and development expenses were 4.9% and 3.5% for the three months ended April 30, 2026 and 2025, respectively.

For the three months ended April 30, 2026 and 2025, company-funded research and development expenses of \$1.9 million and \$1.4 million, respectively, related to our Satellite and Space Communications segment, and \$3.3 million and \$2.9 million, respectively, related to our Allerium segment. The remaining company-funded research and development expenses in each period related to the amortization of stock-based compensation expense.

When appropriate, we seek customer funding for research and development to adapt our products to specialized customer requirements. During the three months ended April 30, 2026 and 2025, customers reimbursed us \$8.6 million and \$7.5 million, respectively, which is not reflected in the reported company-funded research and development expenses, but is included in net sales with the related costs included in cost of sales.

During the three months ended April 30, 2026 and 2025, we also separately incurred engineering efforts related to cost to fulfill contract assets and internal use software, for which we capitalized \$1.9 million and \$2.0 million, respectively.

**Amortization of Intangibles.** Amortization relating to intangible assets with finite lives for the three months ended April 30, 2026 was \$4.6 million (of which \$1.1 million was for the Satellite and Space Communications segment and \$3.5 million was for the Allerium segment) compared to \$5.0 million (of which \$1.4 million was for the Satellite and Space Communications segment and \$3.6 million was for the Allerium segment) in the three months ended April 30, 2025.

**CEO Transition Costs.** During the three months ended April 30, 2026, we recorded nominal expenses associated with our CEO transition-related activities, as compared to \$0.8 million for the three months ended April 30, 2025. Such Unallocated activities in both periods consisted primarily of net legal expenses related to a former CEO and expense related to a sign-on bonus for our current CEO in the prior year period. See Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (19) - Legal Proceedings and Other Matters of this Form 10-Q for information regarding legal proceedings and other matters.

**Operating Income (Loss).** Operating loss for the three months ended April 30, 2026 and 2025 was \$3.1 million and \$1.5 million, respectively. Operating income (loss) by reportable segment is shown in the table below:

(\$ in millions)	Three months ended April 30,							
	2026	2025	2026	2025	2026	2025	2026	2025
	Satellite and Space Communications		Allerium		Unallocated		Consolidated	
Operating income (loss)	\$ 1.6	2.7	4.4	8.4	(9.1)	(12.6)	\$ (3.1)	(1.5)
Percentage of related net sales	3.1 %	4.0 %	7.8 %	14.1 %	NA	NA	NA	NA

Our GAAP operating loss of \$3.1 million for the three months ended April 30, 2026 reflects: (i) \$4.6 million of amortization of intangibles; (ii) \$2.4 million of restructuring costs (of which \$0.8 million, \$0.2 million and \$1.4 million related to our Satellite and Space Communications, Allerium and Unallocated segments, respectively); (iii) \$1.2 million of amortization of stock-based compensation; and (iv) nominal CEO transition costs, as discussed above. Excluding such items, our consolidated operating income for the three months ended April 30, 2026 would have been \$5.1 million, or 4.8% of consolidated net sales.

Our GAAP operating loss of \$1.5 million for the three months ended April 30, 2025 reflects: (i) \$5.0 million of amortization of intangibles; (ii) \$4.3 million of restructuring costs (of which \$0.9 million and \$3.4 million related to our Satellite and Space Communications and Unallocated segments, respectively); (iii) \$1.2 million of amortization of stock-based compensation; and (iv) \$0.8 million of CEO transition costs, as discussed above. Excluding such items, our consolidated operating income for the three months ended April 30, 2025 would have been \$9.9 million, or 7.8% of consolidated net sales.

The decrease, excluding the above items, from \$9.9 million of operating income to \$5.1 million of operating income for the more recent period primarily reflects the \$3.0 million of incremental NG9-1-1 services revenue in the prior year period due to reaching an agreement with a statewide customer to retroactively invoice for certain recurring services provided in the past. Such benefit did not repeat in fiscal 2026. Operating income by reportable segment is further discussed below.

The decrease in our Satellite and Space Communications segment operating income, both in dollars and as a percentage of segment net sales, primarily reflects higher selling, general and administrative and research and development expenses, as discussed above.

The decrease in our Allerium segment operating income, both in dollars and as a percentage of segment net sales, primarily reflects the \$3.0 million of incremental NG9-1-1 services revenue and gross profit in the prior year period due to reaching an agreement with a statewide customer to retroactively invoice for certain recurring services provided in the past. Such benefit did not repeat in fiscal 2026. Allerium also had higher selling, general and administrative and research and development expenses during the more recent period.

Excluding the impact of its respective portion of restructuring charges and CEO transition costs in each period, Unallocated expenses for the three months ended April 30, 2026 would have been \$7.7 million, as compared to \$8.4 million for the three months ended April 30, 2025. The decrease in Unallocated expenses, excluding such items, was primarily due to lower overall expenditures for selling, general and administrative expenses, as discussed above.

**Interest Expense and Other.** Interest expense was \$11.5 million and \$12.9 million for the three months ended April 30, 2026 and 2025, respectively. Interest expense in the more recent period reflects a shift from cash interest associated with our Credit Facility to accretion of make-whole adjustments and paid in kind interest associated with our Subordinated Credit Facility. Our effective interest rate in the more recent period was approximately 19.2%, as compared to 22.3% in the prior year period. Our current cash borrowing rate under our Credit Facility is approximately 14.1%, as compared to 14.2% in the corresponding prior year period.

**Interest (Income) and Other.** Interest (income) and other for both the three months ended April 30, 2026 and 2025 was nominal. All of our available cash and cash equivalents are currently invested in bank deposits and money market deposit accounts which, at this time, are currently yielding an immaterial interest rate.

**Change in Fair Value of Warrants and Derivatives.** During the three months ended April 30, 2026 and 2025, we recorded a non-cash benefit of \$12.5 million and \$49.5 million, respectively, due to the remeasurement of warrants and derivatives related to our Credit Facility, Subordinated Credit Facility and Convertible Preferred Stock. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (4) - Fair Value Measurements and Financial Instruments, Note (9) - Credit Facility, Note (10) - Subordinated Credit Facility and Note (17) - Convertible Preferred Stock* for more information.

**Provision for (Benefit from) Income Taxes.** For the three months ended April 30, 2026, we recorded a tax expense of \$1.3 million, as compared to a \$1.8 million tax benefit for the three months ended April 30, 2025. Our effective tax rate (excluding discrete tax items) for the three months ended April 30, 2026 and 2025 was (2.2)% and (0.05)%, respectively. The change in rate is primarily due to changes in expected product and geographic mix.

For purposes of determining our estimated annual effective tax rate ("AETR") to be applied to earnings from continuing operations for fiscal 2026, the change in fair value of warrants and derivatives and CEO transition costs are considered significant, unusual or infrequently occurring discrete tax items and are excluded from the computation of our AETR.

During the three months ended April 30, 2026, we recorded a net discrete tax expense of \$1.1 million primarily due to the establishment of a valuation allowance on certain net deferred tax assets associated with our Canadian operations, offset in part by the reversal of tax contingencies no longer required due to the expiration of applicable statute of limitations. During the three months ended April 30, 2025, we recorded a net discrete tax benefit of \$0.5 million which was primarily related to the reversal of tax contingencies no longer required due to the expiration of applicable statute of limitations and the deductible portion of CEO transition costs.

Our U.S. federal income tax returns for fiscal 2022 through 2025 are subject to Internal Revenue Service ("IRS") audit, including our fiscal 2023 income tax return which was recently selected by the IRS for examination. None of our state income tax returns prior to fiscal 2021 are subject to audit. Future tax assessments or settlements could have a material adverse effect on our consolidated results of operations and financial condition.

**Net Loss Attributable to Common Stockholders.** During the three months ended April 30, 2026 and 2025, consolidated net loss attributable to common stockholders was \$14.3 million and \$14.5 million, respectively. In addition to those items discussed above, during the three months ended April 30, 2026 and 2025, we recorded \$10.8 million and \$48.4 million of net dividends related to our Convertible Preferred Stock.

**Adjusted EBITDA.** Adjusted EBITDA (both in dollars and as a percentage of related net sales) for both the three months ended April 30, 2026 and 2025 are shown in the table below (numbers in the table may not foot due to rounding):

	Three months ended April 30,							
	2026	2025	2026	2025	2026	2025	2026	2025
	Satellite and Space Communications		Allerium		Unallocated		Consolidated	
(\$ in millions)								
Operating income (loss)	\$ 1.6	2.7	4.4	8.4	(9.1)	(12.6)	\$(3.1)	(1.5)
Amortization of stock-based compensation	—	—	—	—	1.2	1.2	1.2	1.2
Amortization of intangibles	1.1	1.4	3.5	3.6	—	—	4.6	5.0
Depreciation	0.7	0.7	2.3	1.9	0.1	0.1	3.1	2.7
Restructuring costs	0.8	0.9	0.2	—	1.4	3.4	2.4	4.3
CEO transition costs	—	—	—	—	—	0.8	—	0.8
Adjusted EBITDA	\$ 4.1	5.7	10.4	13.9	(6.3)	(7.0)	\$ 8.2	12.6
Percentage of related net sales	8.1 %	8.4 %	18.7 %	23.5 %	NA	NA	7.8 %	9.9 %

The decrease in consolidated Adjusted EBITDA, both in dollars and as a percentage of consolidated net sales, for the three months ended April 30, 2026 as compared to the three months ended April 30, 2025 reflects the \$3.0 million of incremental NG9-1-1 services revenue and gross profit in the prior year period due to reaching an agreement with a statewide customer to retroactively invoice for certain recurring services provided in the past. Such benefit did not repeat in fiscal 2026.

The decrease in our Satellite and Space Communications segment's Adjusted EBITDA, both in dollars and as a percentage of consolidated net sales, primarily reflects higher selling, general and administrative and research and development expenses, as discussed above.

The decrease in our Allerium segment's Adjusted EBITDA, both in dollars and as a percentage of segment net sales, reflects the \$3.0 million of incremental NG9-1-1 services revenue and gross profit in the prior year period due to reaching an agreement with a statewide customer to retroactively invoice for certain recurring services provided in the past. Such benefit did not repeat in fiscal 2026.

A reconciliation of our fiscal 2025 GAAP operating loss to Adjusted EBITDA loss is shown in the table below (numbers in the table may not foot due to rounding):

(\$ in millions)	Fiscal Year 2025	
<b>Reconciliation of GAAP Operating Loss to Adjusted EBITDA:</b>		
Operating loss	\$	(139.1)
Amortization of stock-based compensation		3.1
Amortization of intangibles		21.7
Impairment of long-lived assets, including goodwill		79.6
Depreciation		11.8
Amortization of cost to fulfill assets		0.3
Restructuring costs		15.6
Strategic emerging technology costs		0.3
Proxy solicitation costs		2.7
CEO transition costs		2.1
Adjusted EBITDA	\$	(2.0)

Reconciliations of our GAAP consolidated results to the corresponding Non-GAAP measures are shown in the tables below (numbers and per share amounts in the tables may not foot due to rounding). Non-GAAP results reflect Non-GAAP provisions for (benefits from) income taxes based on year-to-date results, as adjusted for the Non-GAAP reconciling items included in the tables below. We evaluate our Non-GAAP effective income tax rate on an ongoing basis, and it can change from time to time. Our Non-GAAP effective income tax rate can differ materially from our GAAP effective income tax rate.

(\$ in millions, except for per share amount)	Three months ended April 30, 2026		
	Operating (Loss) Income	Net Loss Attributable to Common Stockholders	Net Loss per Diluted Common Share
<b>Reconciliation of GAAP to Non-GAAP Earnings:</b>			
GAAP measures, as reported	\$ (3.1)	\$ (14.3)	\$ (0.47)
Adjustments to reflect redemption value of convertible preferred stock	—	10.8	0.36
Change in fair value of warrants and derivatives	—	(12.5)	(0.42)
Amortization of intangibles	4.6	4.5	0.15
Restructuring costs	2.4	2.4	0.08
Amortization of stock-based compensation	1.2	1.2	0.04
Net discrete tax expense	—	1.1	0.04
Non-GAAP measures	\$ 5.1	\$ (6.7)	\$ (0.22)

	Three months ended April 30, 2025		
	Operating (Loss) Income	Net Loss Attributable to Common Stockholders	Net Loss per Diluted Common Share
(\$ in millions, except for per share amount)			
<b>Reconciliation of GAAP to Non-GAAP Earnings:</b>			
GAAP measures, as reported	\$ (1.5)	\$ (14.5)	\$ (0.49)
Adjustments to reflect redemption value of convertible preferred stock	—	48.4	1.65
Change in fair value of warrants and derivatives	—	(49.5)	(1.68)
Amortization of intangibles	5.0	4.8	0.16
Restructuring costs	4.3	4.1	0.14
Amortization of stock-based compensation	1.2	1.2	0.04
CEO transition costs	0.8	0.7	0.02
Net discrete tax benefit	—	(0.4)	(0.02)
Non-GAAP measures	<u>\$ 9.9</u>	<u>\$ (5.2)</u>	<u>\$ (0.18)</u>

Our Adjusted EBITDA is a Non-GAAP measure that represents earnings (loss) before interest, income taxes, depreciation, amortization of intangibles, impairment of long-lived assets, including goodwill, amortization of cost to fulfill assets, amortization of stock-based compensation, CEO transition costs, change in fair value of warrants and derivatives, proxy solicitation costs, restructuring costs, strategic emerging technology costs (for next-generation satellite technology) and write-off of deferred financing costs and debt discounts, and in the recent past, acquisition plan expenses, change in fair value of the convertible preferred stock purchase option liability, COVID-19 related costs, facility exit costs, strategic alternatives expenses and other and loss on business divestiture. These items, while periodically affecting our results, may vary significantly from period to period and may have a disproportionate effect in a given period, thereby affecting the comparability of results. Although closely aligned, our definition of Adjusted EBITDA is different than EBITDA (as such term is defined in our Credit Facility and Subordinated Credit Facility) utilized for financial covenant calculations and also may differ from the definition of EBITDA or Adjusted EBITDA used by other companies and therefore may not be comparable to similarly titled measures used by other companies.

Adjusted EBITDA, as well as adjusted operating income (loss), net income (loss) attributable to common shareholders and net income (loss) per diluted common share, as presented in the above tables, are non-GAAP measures. These Non-GAAP measures are frequently requested by investors and analysts. We believe that investors and analysts may use these Non-GAAP measures along with other information contained in our SEC filings, including GAAP measures, in assessing our performance and comparability of our results with other companies. Our Non-GAAP measures reflect the GAAP measures as reported, adjusted for certain items as described herein and also excludes the effects of our outstanding convertible preferred stock.

These Non-GAAP financial measures have limitations as an analytical tool as they exclude the financial impact of transactions necessary to conduct our business, such as the granting of equity compensation awards, and are not intended to be an alternative to financial measures prepared in accordance with GAAP. These measures are adjusted as described in the reconciliation of GAAP to Non-GAAP measures in the tables presented herein, but these adjustments should not be construed as an inference that all of these adjustments or costs are unusual, infrequent or non-recurring. Non-GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, financial measures determined in accordance with GAAP. Investors are advised to carefully review the GAAP financial results that are disclosed in our SEC filings. As we have not provided future Non-GAAP financial guidance or targets, there is no need to reconcile our business outlook to the most directly comparable GAAP measures. Furthermore, even if guidance or targets had been provided, items such as stock-based compensation, adjustments to the provision for income taxes, amortization of intangibles and interest expense, which are specific items that impact these measures, have not yet occurred, are out of our control, or cannot be predicted at this time. For example, quantification of stock-based compensation expense requires inputs such as the number of shares granted and market price that are not currently ascertainable. Accordingly, reconciliations to the Non-GAAP forward looking metrics would not be available without unreasonable effort and such unavailable reconciling items could significantly impact our financial results.

## COMPARISON OF RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED APRIL 30, 2026 AND 2025

**Net Sales.** Consolidated net sales were \$323.8 million and \$369.2 million for the nine months ended April 30, 2026 and 2025, respectively, representing a decrease of \$45.4 million, or 12.3%. Such decrease primarily reflects lower net sales in our Satellite and Space Communications segment and, to a lesser extent, our Allerium segment.

### Satellite and Space Communications

Net sales in our Satellite and Space Communications segment were \$156.0 million for the nine months ended April 30, 2026 as compared to \$200.2 million for the nine months ended April 30, 2025, a decrease of \$44.2 million, or 22.1%. As anticipated, the decline in net sales in the S&S segment primarily reflects the decision to phase out and eliminate certain low margin and capital intensive revenues, as well as the lingering impact of the prolonged U.S. government shutdown which, despite the recent uptick in order flow in the fourth quarter, delayed anticipated follow-on funding for active programs during the first three quarters of fiscal 2026. Examples of contracts being phased out include the Very Small Aperture Terminal (“VSAT”) Satellite Systems and Services contract and the Global Field Service Representative (“GFSR”) contract, as well as legacy troposcatter related products and services contracts. As part of this repositioning, S&S is pursuing sales of innovative, higher-margin solutions such as digital common ground modems, network solutions and rapidly deployable troposcatter Modular Transportable Transmission Systems (“MTTS”) and multi-path radios (“MPRs”). Our Satellite and Space Communications segment represented 48.2% of consolidated net sales for the nine months ended April 30, 2026, as compared to 54.2% for the nine months ended April 30, 2025.

Our book-to-bill ratio (a measure defined as bookings divided by net sales) in this segment for the nine months ended April 30, 2026 and 2025 was 0.83x and 0.80x (excluding a \$36.4 million debooking in the prior fiscal year associated with the U.S. Army GFSR contract), respectively. In the more recent quarter, S&S experienced a strengthening in its funded orders, achieving a book-to-bill ratio of 1.04x. The last time S&S achieved a book-to-bill ratio greater than 1.0x was in the first quarter of fiscal 2024. The significant improvement in S&S bookings during the third quarter of fiscal 2026 reflects the receipt of a large troposcatter order from an international customer, in addition to the release of pent up orders and funding which we believe were delayed as a result of the prolonged U.S. government shutdown earlier in the fiscal year. Such bookings momentum within our S&S segment is expected to continue in the fourth quarter of fiscal 2026.

### Allerium

Net sales in our Allerium segment were \$167.8 million for the nine months ended April 30, 2026, as compared to \$168.9 million for the nine months ended April 30, 2025, a decrease of \$1.1 million, or 0.7%. Segment net sales for the nine months ended April 30, 2026 primarily reflect lower net sales of 911 call routing and call handling solutions, offset in part by higher net sales of location based solutions including wireless emergency alert services. Our Allerium segment represented 51.8% of consolidated net sales for the nine months ended April 30, 2026, as compared to 45.8% for the nine months ended April 30, 2025. Our book-to-bill ratio in this segment for the nine months ended April 30, 2026 and 2025 was 1.30x and 0.92x, respectively, and includes funding toward a multi-year contract extension, valued in excess of \$130.0 million, by Allerium’s largest customer, a leading telecommunications company in the U.S.

Bookings, sales and profitability in both segments can fluctuate from period-to-period due to many factors, including unpredictable funding, deployment and technology decisions by our customers and changes in the general business environment. Period-to-period fluctuations in bookings are normal for our segments. As such, period-to-period comparisons of our results may not be indicative of a trend or future performance. Also, we announced that we are exploring strategic alternatives for our businesses. Accordingly, future results of operations can be impacted by the timing and outcome of such initiatives. There can be no assurance that the exploration of strategic alternatives will result in a transaction or other strategic changes or outcomes.

### Geography and Customer Type

Sales by geography and customer type, as a percentage of related sales, for the nine months ended April 30, 2026 and 2025 are as follows:

	Nine months ended April 30,					
	2026	2025	2026	2025	2026	2025
	Satellite and Space Communications		Allerium		Consolidated	
U.S. government	35.7 %	58.1 %	1.2 %	1.1 %	17.8 %	32.0 %
Domestic	17.0 %	12.0 %	89.9 %	91.4 %	54.8 %	48.3 %
Total U.S.	52.7 %	70.1 %	91.1 %	92.5 %	72.6 %	80.3 %
International	47.3 %	29.9 %	8.9 %	7.5 %	27.4 %	19.7 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Sales to U.S. government customers include sales to the U.S. DoD, intelligence and civilian agencies, as well as sales directly to or through prime contractors. Domestic sales include sales to commercial customers, as well as to U.S. state and local governments. For the nine months ended April 30, 2026 and 2025, except for the U.S. government, there were no customers that represented 10.0% or more of consolidated net sales. International sales for the nine months ended April 30, 2026 and 2025 (which include sales to U.S. domestic companies for inclusion in products that are sold to international customers) were \$88.7 million and \$72.6 million, respectively. Except for the U.S., no individual country (including sales to U.S. domestic companies for inclusion in products that are sold to a foreign country) represented 10% or more of consolidated net sales for the nine months ended April 30, 2026 and 2025.

**Gross Profit.** Gross profit was \$109.1 million and \$87.2 million for the nine months ended April 30, 2026 and 2025, respectively, an increase of \$21.9 million, or 25.1%. Gross profit, as a percentage of consolidated net sales, for the nine months ended April 30, 2026 was 33.7% as compared to 23.6% for the nine months ended April 30, 2025. Our gross profit for the nine months ended April 30, 2026 (both in dollars and as a percentage of consolidated net sales) reflects overall product mix changes, as discussed above, and improved operational and financial performance, as a result of our transformation initiatives to, among other things, enhance operational efficiency, streamline product lines with a focus on strategic, higher operating margin products and reduce cost structures. Gross profit in the prior year period included, among other charges, an \$11.4 million non-cash charge related to the write down of certain inventories as a result of restructuring activities within our Satellite and Space Communications segment. Excluding the non-cash inventory-related charge in the prior year period, our gross profit, as a percentage of consolidated net sales, for the nine months ended April 30, 2025 would have been 26.7%. Gross profit, as a percentage of related segment net sales, is further discussed below.

Our Satellite and Space Communications segment's gross profit, both in dollars and as a percentage of segment net sales, for the nine months ended April 30, 2026 increased significantly in comparison to the nine months ended April 30, 2025. Gross profit in the more recent period reflects changes in products and services mix, as well as other segment related items, as discussed above. Gross profit also benefited from this segment's transition from low or no margin non-recurring engineering contracts to higher volume manufacturing orders.

Our Allerium segment's gross profit, both in dollars and as a percentage of segment net sales, for the nine months ended April 30, 2026 increased in comparison to the nine months ended April 30, 2025. The gross profit percentage in the more recent period reflects changes in products and services mix, as discussed above. In addition to the benefit of cost reduction initiatives, such gross margin also reflects the continued adoption of our solutions by new customers, as well as the migration of more PSAPs onto our NG9-1-1 core services and platforms, as we progress through initial deployments of our solutions to monthly recurring revenue streams.

Included in consolidated cost of sales for the nine months ended April 30, 2026 and 2025 are provisions for excess and obsolete inventory of \$1.6 million and \$14.5 million, respectively. As discussed in *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Provisions for Excess and Obsolete Inventory*, we regularly review our inventory and record a provision for excess and obsolete inventory based on historical and projected usage trends. As discussed above, in the prior year period, we recorded a non-cash charge of \$11.4 million within *Cost of Sales* on our *Condensed Consolidated Statement of Operations* related to the write down of inventory associated with approximately 70 products within our satellite ground infrastructure product line that were discontinued. Such prior year period non-cash charge also included the write down of inventory associated with the CGC Divestiture that was no longer considered salable during the period.

Our consolidated gross profit, as a percentage of consolidated net sales, depends on the volume of sales, sales mix and related gross profit for each segment, and therefore is inherently difficult to forecast. Our consolidated gross profit, as a percentage of consolidated net sales, may also be impacted by the timing and outcome of actions we may take related to our transformation plan.

***Selling, General and Administrative Expenses.*** Selling, general and administrative expenses were \$87.0 million and \$115.7 million for the nine months ended April 30, 2026 and 2025, respectively. As a percentage of consolidated net sales, selling, general and administrative expenses were 26.9% and 31.3% for the nine months ended April 30, 2026 and 2025, respectively.

During the prior year period in fiscal 2025, we determined that an unbilled receivable contract asset related to an international customer and reseller of our troposcatter technologies was at risk of not being invoiced or collected. As a result and considering that we offered a price concession (i.e., variable consideration) to our customer, in the first quarter of fiscal 2025, our Satellite and Space Communications segment reversed \$1.6 million of cumulative revenue and associated unbilled receivable contract assets related to this transaction and recorded a non-cash charge to fully reserve for the remaining \$17.0 million unbilled receivable contract asset within our allowance for doubtful accounts.

Also, during the nine months ended April 30, 2026 and 2025, we incurred \$6.5 million and \$14.2 million, respectively, of restructuring costs primarily to streamline our operations and improve efficiency (including costs related to legal and professional fees associated with our pursuit of strategic alternatives, the wind down of our steerable antenna product line in the U.K. initiated in our fourth quarter of fiscal 2024 and severance costs).

Excluding such provision for doubtful accounts and restructuring costs, selling, general and administrative expenses for the nine months ended April 30, 2026 and 2025 would have been \$80.5 million, or 24.9% and \$84.5 million or 22.9%, respectively, of consolidated net sales. The decrease in our selling, general and administrative expenses, in dollars, excluding such items, is primarily due to cost reduction actions within our Unallocated and Satellite and Space Communications segments. The increase in our selling, general and administrative expenses, as a percentage of consolidated net sales, excluding such items, is primarily due to lower consolidated net sales.

Amortization of stock-based compensation expense recorded as selling, general and administrative expenses was \$2.4 million and \$2.0 million, respectively, for the nine months ended April 30, 2026 and 2025. During both respective periods, we reversed a portion of our stock-based compensation expense related to performance shares due to lower actual or projected achievement of goals related to certain performance shares granted in prior fiscal years. Stock-based compensation expense for the prior year period also reflects the forfeiture of awards related to our former Chief Operating Officer and former Chief Executive Officer, whose employment were both terminated during the prior year period. Amortization of stock-based compensation is not allocated to our two reportable operating segments.

***Research and Development Expenses.*** Company-funded research and development expenses were \$13.4 million and \$12.5 million for the nine months ended April 30, 2026 and 2025, respectively, representing an increase of \$0.9 million, or 7.6%. As a percentage of consolidated net sales, company-funded research and development expenses were 4.2% and 3.4% for the nine months ended April 30, 2026 and 2025, respectively.

For the nine months ended April 30, 2026 and 2025, company-funded research and development expenses of \$4.7 million and \$3.8 million, respectively, related to our Satellite and Space Communications segment and \$8.7 million and \$8.5 million, respectively, related to our Allerium segment. The remaining company-funded research and development expenses in the nine months ended April 30, 2026 and 2025 related to the amortization of stock-based compensation expense.

When appropriate, we seek customer funding for research and development to adapt our products to specialized customer requirements. During the nine months ended April 30, 2026 and 2025, customers reimbursed us \$20.3 million and \$13.7 million, respectively, which is not reflected in the reported company-funded research and development expenses, but is included in net sales with the related costs included in cost of sales.

During the nine months ended April 30, 2026 and 2025, we also separately incurred engineering efforts related to cost to fulfill contract assets and internal use software, for which we capitalized \$5.1 million and \$5.4 million, respectively.

During the prior year period in fiscal 2025, we incurred \$0.3 million of strategic emerging technology costs in our Satellite and Space Communications segment for next-generation satellite technology to advance our solutions offerings to be used with new broadband satellite constellations. Commencing in the second quarter of fiscal 2025, as a result of our decision to cease operations related to our steerable antenna product line in the U.K., we no longer have such costs.

**Amortization of Intangibles.** Amortization relating to intangible assets with finite lives for the nine months ended April 30, 2026 and 2025 was \$14.7 million (of which \$3.9 million was for the Satellite and Space Communications segment and \$10.8 million was for the Allerium segment) compared to \$16.7 million (of which \$5.8 million was for the Satellite and Space Communications segment and \$10.9 million was for the Allerium segment), respectively. The decrease in our Satellite and Space Communications segment's amortization reflects the impact of our fourth quarter fiscal 2024 decision to wind down our steerable antenna product line in the U.K.

**CEO Transition Costs.** During both the nine months ended April 30, 2026 and 2025, we recorded a net expense of \$1.1 million. Such Unallocated activities in both periods consisted primarily of net legal expenses related to a former CEO and expense related to a sign-on bonus for our current CEO, and severance costs and third party CEO search firm expenses related to a former CEO in the prior year period. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (19) – Legal Proceedings and Other Matters* of this Form 10-Q for information regarding legal proceedings and other matters.

**Proxy Solicitation Costs.** During the prior year period, we incurred \$2.7 million of proxy solicitation costs in our Unallocated segment as a result of a now-settled proxy contest.

**Impairment of Long-Lived Assets, including Goodwill.** Based on lower-than-expected financial performance within our Satellite and Space Communications segment during the prior year period, and other factors, we performed a quantitative goodwill impairment test as of October 31, 2024 and determined that our Satellite and Space Communications reporting unit had an estimated fair value below its carrying value and concluded that our goodwill in this reporting unit was impaired. As a result, in the prior year period, we recognized a \$79.6 million non-cash goodwill impairment charge in our Satellite and Space Communications reporting unit. See *Part I. - Financial Information - Item 1. - Note (15) - Long-Lived Assets, including Goodwill* for further information.

**Operating Income (Loss).** Our operating loss for the nine months ended April 30, 2026 and 2025 was \$7.1 million and \$141.0 million, respectively. Operating income (loss) by reportable segment is shown in the table below:

(\$ in millions)	Nine months ended April 30,							
	2026	2025	2026	2025	2026	2025	2026	2025
	Satellite and Space Communications		Allerium		Unallocated		Consolidated	
Operating income (loss)	\$ 7.3	(114.9)	15.3	17.0	(29.7)	(43.1)	\$ (7.1)	(141.0)
Percentage of related net sales	4.7 %	NA	9.1 %	10.1 %	NA	NA	NA	NA

Our GAAP operating loss of \$7.1 million for the nine months ended April 30, 2026 reflects: (i) \$14.7 million of amortization of intangibles; (ii) \$6.5 million of restructuring costs (of which \$2.3 million, \$0.2 million and \$4.0 million related to our Satellite and Space Communications, Allerium and Unallocated segments, respectively); (iii) \$2.7 million of amortization of stock-based compensation; and (iv) \$1.1 million of CEO transition costs, as discussed above. Excluding such items, our consolidated operating income for the nine months ended April 30, 2026 would have been \$17.9 million, or 5.5% of net sales.

Our GAAP operating loss of \$141.0 million for the nine months ended April 30, 2025 reflects: (i) a non-cash goodwill impairment charge of \$79.6 million; (ii) \$16.7 million of amortization of intangibles; (iii) \$14.2 million of restructuring costs (of which \$4.7 million, \$0.1 million and \$9.4 million related to our Satellite and Space Communications, Allerium and Unallocated segments, respectively); (iv) \$2.7 million of proxy solicitation costs; (v) \$2.5 million of amortization of stock-based compensation; (vi) \$1.1 million of CEO transition costs; (vii) \$0.3 million of strategic emerging technology costs; and (viii) \$0.3 million of amortization of cost to fulfill assets, as discussed above. Excluding such items, our consolidated operating loss for the nine months ended April 30, 2025 would have been \$23.7 million.

The significant improvement, excluding the above items, from the \$23.7 million operating loss in the prior year period to \$17.9 million of operating income for the more recent period primarily reflects higher gross profit (both in dollars and as percentage of consolidated net sales) and lower selling, general and administrative expenses, offset in part by higher research and development expenses, as discussed above. Operating income (loss) by reportable segment is further discussed below.

The significant improvement in our Satellite and Space Communications segment operating income for the nine months ended April 30, 2026 primarily reflects lower selling, general and administrative expenses, higher gross profit (both in dollars and as a percentage of segment net sales) and lower amortization of intangibles, offset in part by higher research and development expenses, as discussed above. The prior year period also included a \$79.6 million non-cash charge related to the impairment of goodwill within our Satellite and Space Communications segment.

The decrease in our Allerium segment operating income in the more recent period primarily reflects higher selling, general and administrative and research and development expenses, offset in part by higher gross profit (both in dollars and as a percentage of segment net sales) and lower amortization of intangibles, as discussed above.

Excluding the impact of its respective portion of restructuring charges, CEO transition costs and proxy solicitation costs in each period, Unallocated expenses for the more recent period would have been \$24.6 million, as compared to \$29.9 million in the prior year period. The decrease in Unallocated expenses, excluding such items, was primarily due to lower overall expenditures for selling, general and administrative expenses due to cost reduction actions, as discussed above.

**Interest Expense and Other.** Interest expense was \$34.3 million and \$33.4 million for the nine months ended April 30, 2026 and 2025, respectively. The more recent period reflects a shift from cash interest associated with our Credit Facility to accretion of make-whole adjustments and paid in kind interest associated with our Subordinated Credit Facility. Our effective interest rate in the more recent period was approximately 18.6%, as compared to 20.0% in the prior year period. Our current cash borrowing rate under our Credit Facility is approximately 14.1%, as compared to 14.2% in the corresponding prior year period.

**Interest (Income) and Other.** Interest (income) and other for both the nine months ended April 30, 2026 and 2025 was nominal. All of our available cash and cash equivalents are currently invested in bank deposits and money market deposit accounts which, at this time, are currently yielding an immaterial interest rate.

**Change in Fair Value of Warrants and Derivatives.** During the nine months ended April 30, 2026 and 2025, we recorded a non-cash benefit of \$9.8 million and \$15.5 million, respectively, due to the remeasurement of warrants and derivatives related to our Credit Facility, Subordinated Credit Facility and Convertible Preferred Stock. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (4) - Fair Value Measurements and Financial Instruments, Note (9) - Credit Facility, Note (10) - Subordinated Credit Facility and Note (17) - Convertible Preferred Stock* for more information.

**Write-off of Deferred Financing Costs and Debt Discounts.** In connection with the October 17, 2024 and March 3, 2025 amendments to the Credit Facility and Amended Subordinated Credit Facility, and in particular, the prepayment of Term Loan principal and reduced commitments under the Credit Facility, \$4.9 million of deferred financing fees and debt discounts were immediately expensed during the prior year period.

**Provision for (Benefit from) Income Taxes.** For the nine months ended April 30, 2026, we recorded a tax expense of \$1.7 million as compared to a tax benefit of \$0.6 million for the nine months ended April 30, 2025. Our effective tax rate (excluding discrete tax items) for the nine months ended April 30, 2026 and 2025 was (2.2)% and (0.05)%, respectively. The change in rate is primarily due to changes in expected product and geographical mix.

For purposes of determining our estimated AETR to be applied to earnings from continuing operations for fiscal 2026, the change in fair value of warrants and derivatives and CEO transition costs are considered significant, unusual or infrequently occurring discrete tax items and are excluded from the computation of our AETR.

During the nine months ended April 30, 2026, we recorded a net discrete tax expense of \$0.8 million primarily due to the establishment of a valuation allowance on certain net deferred tax assets associated with our Canadian operations, offset in part by the reversal of tax contingencies no longer required due to the expiration of applicable statute of limitations. During the nine months ended April 30, 2025, we recorded a net discrete tax benefit of \$0.7 million primarily related to the reversal of tax contingencies no longer required due to the expiration of applicable statute of limitations and proxy solicitation costs.

Our U.S. federal income tax returns for fiscal 2022 through 2025 are subject to IRS audit, including our fiscal 2023 income tax return which was recently selected by the IRS for examination. None of our state and foreign income tax returns prior to fiscal 2021 are subject to audit. Future tax assessments or settlements could have a material adverse effect on our consolidated results of operations and financial condition.

**Net Loss Attributable to Common Stockholders.** During the nine months ended April 30, 2026 and 2025, consolidated net loss attributable to common stockholders was \$54.2 million and \$192.7 million, respectively. In addition to those items discussed above: (i) the more recent period includes \$21.2 million of net dividends related to our Convertible Preferred Stock; and (ii) the prior year period includes \$80.7 million of net dividends related to our Convertible Preferred Stock, offset in part by a \$51.2 million gain related to the exchange of our Series B-1 Convertible Preferred Stock for Series B-2 Convertible Preferred Stock on October 17, 2024.

**Adjusted EBITDA.** Adjusted EBITDA (both in dollars and as a percentage of related net sales) for both the nine months ended April 30, 2026 and 2025 are shown in the table below (numbers in the table may not foot due to rounding):

(\$ in millions)	Nine months ended April 30,							
	2026		2025		2026		2025	
	Satellite and Space Communications		Allerium		Unallocated		Consolidated	
Operating income (loss)	\$ 7.3	(114.9)	15.3	17.0	(29.7)	(43.1)	\$ (7.1)	(141.0)
Amortization of stock-based compensation	—	—	—	—	2.7	2.5	2.7	2.5
Amortization of intangibles	3.9	5.8	10.8	10.9	—	—	14.7	16.7
Impairment of long-lived assets, including goodwill	—	79.6	—	—	—	—	—	79.6
Depreciation	2.0	2.2	6.8	5.8	0.3	0.4	9.1	8.4
Amortization of cost to fulfill assets	—	0.3	—	—	—	—	—	0.3
Restructuring costs	2.3	4.7	0.2	0.1	4.0	9.4	6.5	14.2
Strategic emerging technology costs	—	0.3	—	—	—	—	—	0.3
Proxy solicitation costs	—	—	—	—	—	2.7	—	2.7
CEO transition costs	—	—	—	—	1.1	1.1	1.1	1.1
<b>Adjusted EBITDA</b>	<b>\$ 15.5</b>	<b>(22.1)</b>	<b>33.1</b>	<b>33.8</b>	<b>(21.6)</b>	<b>(27.0)</b>	<b>\$ 27.0</b>	<b>(15.3)</b>
Percentage of related net sales	9.9 %	NA	19.7 %	20.0 %	NA	NA	8.3 %	NA

The significant increase in consolidated Adjusted EBITDA for the nine months ended April 30, 2026 as compared to the nine months ended April 30, 2025 primarily reflects higher gross profit (both in dollars and as percentage of consolidated net sales) and lower selling, general and administrative expenses, offset in part by higher research and development expenses, as discussed above.

The significant increase in our Satellite and Space Communications segment's Adjusted EBITDA, both in dollars and as a percentage of segment net sales, primarily reflects lower selling, general and administrative expenses and higher gross profit (both in dollars and as a percentage of related segment net sales), offset in part by higher research and development expenses, as discussed above.

The decrease in our Allerium segment's Adjusted EBITDA, both in dollars and as a percentage of segment net sales, primarily reflects higher selling, general and administrative and research and development expenses, offset in part by higher gross profit (both in dollars and as a percentage of segment net sales), as discussed above.

A reconciliation of our fiscal 2025 GAAP operating loss to Adjusted EBITDA loss is included in section “*Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Comparison of the Results of Operations for the Three Months Ended April 30, 2026 and 2025.*”

Reconciliations of our GAAP consolidated results to the corresponding Non-GAAP measures are shown in the tables below (numbers and per share amounts in the tables may not foot due to rounding). Non-GAAP results reflect Non-GAAP provisions for (benefits from) income taxes based on year-to-date results, as adjusted for the Non-GAAP reconciling items included in the tables below. We evaluate our Non-GAAP effective income tax rate on an ongoing basis, and it can change from time to time. Our Non-GAAP effective income tax rate can differ materially from our GAAP effective income tax rate.

	Nine months ended April 30, 2026		
	Operating (Loss) Income	Net Loss Attributable to Common Stockholders	Net Loss per Diluted Common Share
(\$ in millions, except for per share amount)			
<b>Reconciliation of GAAP to Non-GAAP Earnings:</b>			
GAAP measures, as reported	\$ (7.1)	\$ (54.2)	\$ (1.82)
Adjustments to reflect redemption value of convertible preferred stock	—	21.2	0.71
Change in fair value of warrants and derivatives	—	(9.8)	(0.33)
Amortization of intangibles	14.7	14.3	0.48
Amortization of stock-based compensation	2.7	2.7	0.09
Restructuring costs	6.5	6.5	0.22
CEO transition costs	1.1	1.1	0.04
Net discrete tax expense	—	0.8	0.03
Non-GAAP measures	<u>\$ 17.9</u>	<u>\$ (17.3)</u>	<u>\$ (0.58)</u>

	Nine months ended April 30, 2025		
	Operating Loss	Net Loss Attributable to Common Stockholders	Net Loss per Diluted Common Share
(\$ in millions, except for per share amount)			
<b>Reconciliation of GAAP to Non-GAAP Earnings:</b>			
GAAP measures, as reported	\$ (141.0)	\$ (192.7)	\$ (6.56)
Change in fair value of warrants and derivatives	—	(15.5)	(0.53)
Adjustments to reflect redemption value of convertible preferred stock	—	80.7	2.74
Gain on extinguishment of convertible preferred stock	—	(51.2)	(1.74)
Impairment of long-lived assets, including goodwill	79.6	79.6	2.71
Amortization of intangibles	16.7	16.0	0.54
Restructuring costs	14.2	13.6	0.46
Proxy solicitation costs	2.7	2.5	0.09
Amortization of stock-based compensation	2.5	2.4	0.08
CEO transition costs	1.1	1.0	0.04
Strategic emerging technology costs	0.3	0.3	0.01
Amortization of cost to fulfill assets	0.3	0.3	0.01
Net discrete tax benefit	—	(0.4)	(0.01)
Non-GAAP measures	<u>\$ (23.7)</u>	<u>\$ (63.4)</u>	<u>\$ (2.16)</u>

A definition and explanation of Adjusted EBITDA, a Non-GAAP financial measure, is included in section “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Comparison of the Results of Operations for the Three Months Ended April 30, 2026 and 2025.”

## LIQUIDITY AND CAPITAL RESOURCES

Our cash and cash equivalents were \$28.5 million and \$40.0 million at April 30, 2026 and July 31, 2025, respectively. For the nine months ended April 30, 2026, our cash flows reflect the following:

- Net cash provided by operating activities was \$19.1 million for the nine months ended April 30, 2026, as compared to net cash used in operating activities during the prior year period of \$19.7 million. The significant period-over-period improvement reflects favorable changes in net working capital requirements, due primarily to improved accountability and process disciplines, as well as the timing of and progress toward completion on contracts accounted for over time, including related shipments, billings and collections. These activities allowed us to reduce receivables and inventory levels since July 31, 2025. Also, as a result of our enhanced liquidity, driven by our improved operational and financial performance and recent amendments to our credit facilities, operating cash flows in the more recent period reflect our concerted efforts to maintain lower levels of accounts payable in order to improve vendor relations and position ourselves to negotiate more favorable payment terms.

Operating cash flows in the more recent period include lower aggregate net cash payments for interest and taxes of \$13.9 million, as compared to \$22.4 million in the prior year period.

Operating cash flows for the nine months ended April 30, 2026 and 2025 also include \$9.6 million and \$19.4 million, respectively, in aggregate payments for restructuring costs, including severance, proxy solicitation costs, CEO transition costs, debt modification costs and strategic emerging technology costs for next-generation satellite technology, during each respective period.

- Net cash used in investing activities was \$13.1 million and \$6.5 million for the nine months ended April 30, 2026 and 2025, respectively, and primarily reflects capital expenditures in our Allerium segment to build-out cloud-based computer networks and internal use software applications, as well as capital investments and building improvements in connection with our leased facilities.
- Net cash used in financing activities during the more recent period was \$17.5 million and primarily reflects \$14.0 million of payments under the Revolving Loan and scheduled principal repayments of \$3.0 million toward the Term Loan outstanding under our Credit Facility. Net cash provided by financing activities in the prior year period was \$22.3 million and primarily reflects net proceeds received under our Subordinated Credit Facility.

The Credit Facility, Subordinated Credit Facility and Convertible Preferred Stock are discussed below and in *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (4) - Fair Value Measurements and Financial Instruments, Note (9) - Credit Facility, Note (10) - Subordinated Credit Facility and Note (17) - Convertible Preferred Stock.*

### Liquidity

At April 30, 2026 and June 12, 2026 (the date closest to the issuance date):

- total outstanding borrowings under our Credit Facility was \$119.7 million and \$116.0 million, respectively; of such amount, \$3.6 million was drawn on the Revolver Loan at April 30, 2026; in May 2026, we repaid the remaining \$3.6 million outstanding Revolver Loan balance;
- total outstanding borrowings under our Subordinated Credit Facility were \$104.1 million and \$104.8 million, respectively, including interest paid-in-kind or accrued on the \$35.0 million subordinated priority term loan; such amount does not include the \$32.5 million Make-Whole Amount associated with the \$65.0 million portion of the Subordinated Credit Facility (pursuant to the terms discussed in *Note (10) - Subordinated Credit Facility*, as of April 30, 2026 and the issuance date, the Make-Whole Amount percentage for each tranche within the \$65.0 million of principal is 50.0%);
- the liquidation preference of our outstanding convertible preferred stock was \$218.2 million and \$220.5 million, respectively (excluding potential increases in the liquidation preference and other obligations that could be triggered by, among other things, breaches of covenants and/or asset sales resulting in a change in control of the Company); and

- our available sources of liquidity totaled \$49.4 million and \$50.0 million, respectively, which includes qualified cash and cash equivalents of \$25.8 million and \$22.8 million, respectively, and the available portion of the Revolver Loan of \$23.6 million and \$27.3 million, respectively.

On June 14, 2026, subsequent to quarter end, we entered into a transaction to sell most of Comtech's Satellite and Space Communications ("S&S") business to an affiliate of Gilat Satellite Networks Ltd. As the criteria for reporting the portion of the S&S business being sold as "held for sale" was not met as of April 30, 2026, the *Condensed Consolidated Financial Statements* as of and for the three and nine months ended April 30, 2026 and 2025 reflect the portion of the S&S business being sold as "held and used." The portion of the S&S business being retained by Comtech principally includes advanced cybersecurity training in support of U.S. government and certain commercial and university customers. In connection with the above transaction, on June 14, 2026, we also entered into additional amendments and or exchange agreements related to our Credit Facility, Subordinated Credit Facility and Convertible Preferred Stock agreements. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (1) General - Subsequent Events*, and Current Report on Form 8-K filed by us with the SEC on June 15, 2026, for more detailed information about these transactions.

As of the issuance date, we expect cash and cash equivalents and cash flows from both operating and financing activities to be our principal sources of liquidity. We believe these sources of liquidity will be sufficient to fund our operating and cash commitments for investing and financing activities over the next year beyond the issuance date. Over the next year beyond the issuance date, in addition to the net proceeds from the sale of most of S&S' business, we believe that we will be able to generate sufficient positive cash inflows and maximize the remaining available portion of the Revolver Loan under our Credit Facility to continue as a going concern and comply with the covenants contained in our credit facilities. Our ability to meet future anticipated liquidity needs over the next year beyond the issuance date will largely depend on our ability to execute on our operational strategy, generate positive cash inflows from operations, maximize the remaining available portion of the Revolver Loan under our Credit Facility and or secure outside capital. Our ability to do so may also be affected by general economic, financial and other factors which are beyond our control.

Our material cash requirements are for working capital, debt service (including interest), capital expenditures, tax payments, facilities lease payments and dividends related to our Convertible Preferred Stock, which are payable in kind or in cash under certain circumstances. Also, as discussed above, in accordance with our existing credit facilities, we will use 65% of the net proceeds from the sale of most of S&S' business to prepay the majority of our Credit Facility, with the remaining 35% to prepay subordinated debt outstanding under our Subordinated Credit Facility, starting with repaying the subordinated priority term loan.

Our material cash requirements could increase beyond our current expectations due to factors such, as but not limited to: (i) an inability to meet our current obligations under our credit facilities as they become due, or to obtain future waivers or amendments from the lenders in the event compliance is not maintained; (ii) general economic conditions; (iii) a change in customer or government spending priorities and/or contracting decisions; (iv) larger than usual customer orders; (v) a future redemption by the holders of our Convertible Preferred Stock; (vi) transaction costs related the sale of most of S&S' business; or (vii) actions we may take related to our transformation plan.

Also, in light of our transformation plan initiatives, we continue to review and evaluate our capital allocation plans. Furthermore, we may choose to raise additional funds through equity and debt financing transactions to provide additional flexibility or to pursue acquisitions. Although it is difficult in the current economic and credit environment to predict the terms and conditions of financing that may be available in the future, we believe that we would have sufficient access to credit from financial institutions and/or financing from public and private debt and equity markets.

In addition to making capital investments for our high-volume manufacturing center in our Satellite and Space Communications segment, we have also been making significant capital expenditures and building out cloud-based computer networks and internal use software applications to support customers in our Allerium segment. We expect capital investments for these and other initiatives to continue in fiscal 2026 and beyond, but could be impacted by the sale of most of our S&S business.

Our investment policy relating to our cash and cash equivalents is intended to minimize principal loss while at the same time maximize the income we receive without significantly increasing risk. To minimize risk, we generally invest excess cash and cash equivalents in money market mutual funds (both government and commercial), certificates of deposit, bank deposits, and U.S. Treasury securities. Money market mutual funds we invest in are direct obligations of the U.S. government, bank securities guaranteed by the Federal Deposit Insurance Corporation, certificates of deposit and commercial paper and other securities issued by other companies. While we cannot predict future market conditions or market liquidity, we believe our investment policies are appropriate in the current environment. Ultimately, the availability of our cash and cash equivalents is dependent on a well-functioning liquid market.

On September 29, 2020, our Board of Directors authorized a \$100.0 million stock repurchase program, which replaced our prior program. The \$100.0 million stock repurchase program has no time restrictions and repurchases may be made from time to time in open-market or privately negotiated transactions, or by other means in accordance with federal securities laws and the terms of our Credit Facility. There were no repurchases of our common stock during the nine months ended April 30, 2026 and 2025.

In fiscal 2023, we adjusted our capital allocation plans and determined to forgo a common stock dividend. Future common stock dividends, if any, remain subject to compliance with financial covenants under our Credit Facility and Subordinated Credit Facility, as well as Board approval and certain voting rights of holders of our Convertible Preferred Stock.

At April 30, 2026, we had a nominal amount of cash deposited as collateral in connection with outstanding standby letters of credit to guarantee future performance on certain customer contracts and no commercial letters of credit outstanding.

#### Commitments

In the normal course of business, other than as discussed below, we routinely enter into binding and non-binding purchase obligations primarily covering anticipated purchases of inventory and equipment. We do not expect that these commitments, as of April 30, 2026, will materially adversely affect our liquidity. At April 30, 2026, cash payments due under contractual obligations (including estimated interest expense on our Credit Facility), excluding purchase orders that we entered into in the normal course of our business, are as follows:

(\$ in thousands)	Total	Due Within 1 Year
Credit Facility - principal payments	\$ 119,672	4,050
Credit Facility - interest payments	34,362	16,248
Operating lease obligations	42,468	7,018
Subordinated Credit Facility	104,135	—
Subordinated Credit Facility Make-Whole Amount	32,500	—
Contractual cash obligations	<u>\$ 333,137</u>	<u>27,316</u>

On June 14, 2026, subsequent to quarter end, we entered into a transaction to sell most of Comtech's Satellite and Space Communications ("S&S") business to an affiliate of Gilat Satellite Networks Ltd. In accordance with our existing credit facilities, we will use 65% of the net proceeds from the sale of most of S&S' business to prepay the majority of our Credit Facility, with the remaining 35% to prepay subordinated debt outstanding under our Subordinated Credit Facility, starting with repaying the subordinated priority term loan. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (1) General - Subsequent Events*, and Current Report on Form 8-K filed by us with the SEC on June 15, 2026, for more detailed information about these transactions. As the transaction has not yet been consummated, the table above as of April 30, 2026 does not reflect the use of the net proceeds to repay outstanding debt under our Credit Facility and Subordinated Credit Facility.

As stated above, the amounts in the above table represent cash payments due under contractual obligations. Interest payments related to our Credit Facility were calculated based on the outstanding borrowings at April 30, 2026 (and do not, for example, account for the subsequent repayment, in full, of the remaining \$3.6 million of Revolver Loan in May 2026). Interest related to the Credit Facility was calculated based on the SOFR forward curve, plus the applicable margin, and does not assume any interest paid-in-kind. The Subordinated Credit Facility amount includes paid-in-kind interest through April 30, 2026 on the \$35.0 million Subordinated Credit Facility Amendment No. 2 Priority Term Loan. The Subordinated Credit Facility Make-Whole Amount represents \$65.0 million of the outstanding Subordinated Credit Facility principal amount, multiplied by the applicable make-whole rate for each applicable tranche as of April 30, 2026. The Subordinated Credit Facility and Make-Whole Amount are not included in the total due within one year column given the timing of such payment is subject to the timing of certain repayments, prepayments and maturity date associated with the Credit Facility. The table above includes future cash outflows related to our Basingstoke, UK facility which ceased operations in fiscal 2025. Such outflows were based on the contractual lease terms in place as of April 30, 2026. Subsequent to quarter end, we paid \$1.9 million to the landlord to terminate the lease earlier than its November 2030 expiration date. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (4) - Fair Value Measurements and Financial Instruments, Note (9) - Credit Facility, Note (10) - Subordinated Credit Facility, and Note (11) - Leases* for further information.

As discussed in *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (17) - Convertible Preferred Stock*, prior to entering the Exchange Agreement on June 14, 2026, the holders of the Convertible Preferred Stock: (i) had the option to redeem such shares for cash in the event of the occurrence of an asset sale meeting certain criteria; (ii) on or after April 30, 2027 in the event of a satisfaction of the existing Credit Facility; and (iii) in all other cases, October 31, 2028. As the Convertible Preferred Stock are not mandatorily redeemable for cash, the redemption value of such shares are not presented in the table above. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (1) General - Subsequent Events*, and Current Report on Form 8-K filed by us with the SEC on June 15, 2026, for more detailed information regarding the terms of the Exchange Agreement entered on June 14, 2026.

In the ordinary course of business, we include indemnification provisions in certain of our customer contracts. Pursuant to these agreements, we have agreed to indemnify, hold harmless and reimburse the indemnified party for certain losses suffered or incurred by the indemnified party, including but not limited to losses related to third-party intellectual property claims. It is not possible to determine the maximum potential amount under these agreements due to a history of nominal claims and the unique facts and circumstances involved in each particular agreement.

As discussed further in *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (19) - Legal Proceedings and Other Matters*, we are subject to a number of indemnification demands and we are incurring ongoing legal expenses in connection with these matters. Our insurance policies may not cover the cost of defending indemnification claims or providing indemnification. As a result, pending or future claims asserted against us by a party that we have agreed to indemnify could result in legal costs and damages that could have a material adverse effect on our consolidated results of operations and financial condition.

We entered into employment and/or change of control agreements, as well as indemnification agreements with certain of our executive officers, directors and certain key employees. All of these agreements may require payments by us, in certain circumstances, including, but not limited to, a change in control of the Company or termination of the employee.

Our *Condensed Consolidated Balance Sheet* at April 30, 2026 includes liabilities for uncertain tax positions, including interest, any or all of which may result in a cash payment. The future payments related to uncertain tax positions have not been presented in the table above due to the uncertainty of the amounts and timing of any potential cash settlement with the taxing authorities. See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (12) - Income Taxes*, for further information.

## RECENT ACCOUNTING PRONOUNCEMENTS

We are required to prepare our *Condensed Consolidated Financial Statements* in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") which is the source for all authoritative U.S. generally accepted accounting principles, which is commonly referred to as "GAAP." The FASB ASC is subject to updates by the FASB, which are known as Accounting Standards Updates ("ASUs"). See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (2) - Adoption of Accounting Standards and Updates* for further information.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our earnings and cash flows are subject to fluctuations due to changes in interest rates primarily from borrowings under our credit facilities. Based on the amount of outstanding debt under our credit facilities, a hypothetical change in interest rates by 10% would change interest expense by approximately \$2.2 million over a one-year period. Although we do not currently use interest rate derivative instruments to manage exposure to interest rate changes, we may choose to do so in the future in connection with our credit facilities.

Our earnings and cash flows are also subject to fluctuations due to changes in interest rates on our investment of available cash balances. As of April 30, 2026, we had cash and cash equivalents of \$28.5 million, which consisted of cash and highly-liquid money market deposit accounts. Many of these investments are subject to fluctuations in interest rates, which could impact our results. Based on our investment portfolio balance as of April 30, 2026, a hypothetical change in interest rates of 10% would have a nominal impact on interest income over a one-year period. Ultimately, the availability of our cash and cash equivalents is dependent on a well-functioning liquid market.

### Item 4. Controls and Procedures

#### *Evaluation of Disclosure Controls and Procedures*

As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), was carried out by us under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based on this evaluation, we concluded that our disclosure controls and procedures were not effective as of April 30, 2026, as a result of the material weaknesses in our internal control over financial reporting discussed below.

Notwithstanding our material weaknesses, we have concluded that the condensed consolidated financial statements and other financial information included in this Form 10-Q fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the U.S. ("U.S. GAAP").

#### *Material Weaknesses in Internal Control over Financial Reporting*

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

As previously disclosed in our Annual Report on Form 10-K for the year ended July 31, 2025, we did not design and maintain an effective control environment commensurate with our financial reporting requirements based on the criteria in the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control Framework (2013)*, as we lacked a sufficient complement of resources with an appropriate level of knowledge and experience to establish effective processes and controls. The control environment material weakness contributed to other material weaknesses within our system of internal control over financial reporting at the control activity level, where we did not design and implement effective control activities, including controls related to revenue, inventory, other assets, contract liabilities and complex accounting matters and transactions (including debt, convertible preferred stock and related embedded derivatives). Deficiencies in control activities contributed to misstatements and the potential for there to have been material misstatements within these areas.

Also, an international component of our Allerium segment had ineffective controls. Specifically, we did not design and maintain effective information technology general controls ("ITGCs") and business process controls in the following areas: (i) user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to financial applications, programs and data to appropriate company personnel; (ii) program change management controls to ensure that changes to information technology ("IT") programs and data affecting financial applications and underlying accounting records are properly identified, tested, authorized and implemented with appropriate segregation of duties; and (iii) business process controls to ensure that journal entries were not amended prior to posting, as the enterprise resource planning ("ERP") system which the international component operates did not, at the time of testing, restrict approvers from changing journal entries prior to posting. While no material misstatements were identified with respect to this international component, these deficiencies impact control activities over all financial statement account balances, classes of transactions and disclosures and contributed to the potential for there to have been material misstatements within the international component.

### *Remediation Plan*

Our remediation efforts are ongoing and we will continue our initiatives to hire and engage additional skilled resources in program management and accounting and finance related functions, and implement and document policies, procedures and internal controls. Management is committed to the remediation of the material weaknesses described above.

To date, management undertook the following remedial actions in conjunction with the above remediation plan:

- Reorganized and reassigned responsibilities for executing specific internal controls over financial reporting to staff within the finance organization whose experience aligns more closely with these responsibilities;
- Hired more qualified staff with sufficient knowledge and experience to strengthen our financial reporting;
- Engaged a globally-recognized third-party subject matter expert to perform a comprehensive review of our accounting and reporting functions to assist in designing our remediation plan;
- Designed and began implementing a comprehensive remediation plan to enhance our internal control environment that was approved by the Audit Committee;
- Initiated and will continue the process to document, implement and redesign controls, policies, and procedures with an appropriate level of precision to prevent and or detect a material misstatement, and to retain sufficient documentation to support the operating effectiveness of controls over revenue, inventory, other assets, contract liabilities, debt, convertible preferred stock and related embedded derivatives;
- Engaged a globally-recognized third-party subject matter expert (a "Big-Four" accounting firm) with the requisite knowledge, experience and resources to support remediation of controls relating to complex accounting matters and transactions;
- Engaged a globally-recognized third-party subject matter expert with sufficient knowledge and experience to oversee our internal audit function; such individual is independent of management and reports directly to the Audit Committee; additionally, we hired a qualified full time employee to in-source this specific function over time (such individual also reports directly to the Audit Committee); and
- Implemented proper segregation of duties and enhanced control activities over ITGCs with respect to our international component's operations, accounting and financial reporting.

We will continue to monitor the effectiveness of our remediation plan and refine the remediation plan as appropriate. These actions represent significant progress in addressing the material weaknesses. However, they do not represent the full suite of improvements that we made or plan to make in order to strengthen our internal control over financial reporting. An additional component of our remediation plan includes:

- Conducting training sessions for all control owners and relevant personnel to improve documentation, including evidence of the completeness and accuracy of information used in controls that supports effective control activities, including those relating to the estimate at completion ("EAC") process.

Remediation of the identified material weaknesses and strengthening of our internal control environment has required, and will require, substantial effort throughout fiscal 2026 and beyond, as necessary. During the third quarter of fiscal 2026, we commenced our testing of the ongoing operating effectiveness of both existing and newly implemented controls. The material weaknesses cannot be considered completely remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

### *Changes In Internal Control Over Financial Reporting*

Other than for the on-going remediation efforts described above, there have been no changes in our internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act that occurred during our fiscal quarter ended April 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### *Inherent Limitation on Effectiveness of Controls*

A system of controls, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the system of controls are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

See *Part I. - Financial Information - Item 1. - Notes to Condensed Consolidated Financial Statements - Note (19) – Legal Proceedings and Other Matters* of this Form 10-Q for information regarding legal proceedings and other matters.

### Item 1A. Risk Factors

Except as set forth below, there have been no material changes to the description of the risk factors affecting our business previously disclosed in “*Part I. - Item 1A. - Risk Factors*” of our Annual Report on Form 10-K for the fiscal year ended July 31, 2025, as filed with the SEC on November 10, 2025, which is hereby incorporated by reference.

### **The announcement and pendency of the proposed transaction with an affiliate of Gilat Satellite Networks Ltd could adversely affect our business, financial results and operations.**

On June 14, 2025, Comtech entered into a Securities Purchase Agreement (the “Purchase Agreement”), by and among Comtech, certain direct or indirect subsidiaries of Comtech named therein and Wavestream Corporation, a Delaware corporation and an affiliate of Gilat Satellite Networks Ltd (the “Buyer”). The Purchase Agreement provides that, among other things and on the terms and subject to the conditions set forth therein, the Buyer shall purchase from Comtech and TeleCommunication Systems, Inc. the ownership interests of certain Comtech subsidiaries (such entities, the “Acquired Entities”) engaged in Comtech’s satellite and space communications business for a base purchase price in cash of \$157,500,000, subject to customary adjustments for the Acquired Entities’ cash, indebtedness, net working capital and transaction expenses as of the closing.

The announcement and pendency of the proposed transaction may have an adverse effect on our operating results in the near term if our customers delay, defer, or cancel purchases pending completion of the transaction. In addition, the announcement and pendency of the transaction may cause reluctance by customers to begin or continue to do business with us due to potential uncertainty about the direction of our products and solutions following consummation of the transaction. We are subject to additional risks in connection with the announcement and pendency of the proposed transaction, including:

- Customers, suppliers and other business partners may experience uncertainty as to the future of such relationships and may delay or defer certain business decisions, seek alternative relationships with third parties or seek to alter their present business relationships with us;
- The restrictions imposed on our business and operations pursuant to certain covenants set forth in the Purchase Agreement may prevent us from pursuing certain opportunities, entering into certain contracts with customers and suppliers, or taking certain other actions without Buyer’s approval;
- We may be unable to attract, recruit, retain and motivate current and prospective employees who may be uncertain about their future roles following completion of the proposed transaction, and our employees could lose productivity as a result of uncertainty regarding their employment following the proposed transaction;
- The pendency and outcome of legal proceedings that may be instituted against us, our directors, executive officers and others relating to the proposed transaction; and
- The pursuit of the transaction and planning for the transition after the closing of the proposed transaction may place a significant burden on management and other internal resources, and the diversion of management’s attention away from day-to-day business concerns and other opportunities that may have been beneficial to us could adversely affect our business, financial condition and operating results.

The occurrence of any of these events individually or in combination could have a material adverse impact on our results of operations and our stock price.

**Failure to complete the proposed transaction with an affiliate of Gilat Satellite Networks Ltd could adversely affect our business and the market price of shares of our common stock.**

There is no assurance that the closing of the proposed transaction with an affiliate of Gilat Satellite Networks Ltd will occur on the proposed terms, within the expected timeframe, or at all. The closing of the transaction may be delayed, and the transaction may ultimately not be completed, due to a number of factors. Consummation of the proposed transaction is subject to various conditions, including the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, the receipt of the CFIUS Approval (as defined in the Purchase Agreement) with respect to the proposed transaction, and the receipt of certain other regulatory approvals, and certain other conditions. We cannot predict with certainty whether and when any of these conditions will be satisfied. In addition, the Purchase Agreement may be terminated under certain specified circumstances. If the proposed transaction is not consummated, we may experience negative reactions from the financial markets, including negative effects on our stock price. We have incurred, and will continue to incur, significant costs, expenses and fees for professional services and other transaction costs in connection with the proposed transaction, as well as the direction of management resources towards the proposed transaction, for which we will have received little or no benefit if the closing of the proposed transaction does not occur. A failed transaction may result in negative publicity and a negative impression of us in the investment community. If the proposed transaction is not consummated, there can be no assurance that any other transaction acceptable to us will be offered or that our business, prospects or results of operations will not be adversely affected. The occurrence of any of these events individually or in combination could have a material adverse impact on our results of operations and our stock price.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

*Securities Trading Plans of Directors and Officers*

During the three months ended April 30, 2026, none of our directors or officers adopted or terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as each term is defined in Item 408(a) of Regulation S-K).

Item 6. [Exhibits](#)

[Exhibit 10.1 - Form of Restricted Stock Unit Agreement \(eligible for dividend equivalents\) for Non-employee Directors pursuant to the Comtech Telecommunications Corp. 2023 Equity and Incentive Plan - 2026](#)

[Exhibit 10.2 - Form of Restricted Stock Award Agreement \(eligible for dividend equivalents\) for Non-employee Directors pursuant to the Comtech Telecommunications Corp. 2023 Equity and Incentive Plan - 2026](#)

[Exhibit 10.3 - Comtech Telecommunications Corp. 2023 Equity and Incentive Plan, as amended \(incorporated herein by reference to Appendix A to the Company's Proxy Statement filed on January 30, 2026\)](#)

[Exhibit 31.1 - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

[Exhibit 31.2 - Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

[Exhibit 32.1 - Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

[Exhibit 32.2 - Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

Exhibit 101.INS - The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 2026, formatted in inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity, (iv) Condensed Consolidated Statement of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements

Exhibit 101.SCH - Inline XBRL Taxonomy Extension Schema Document

Exhibit 101.CAL - Inline XBRL Taxonomy Extension Calculation Linkbase Document

Exhibit 101.LAB - Inline XBRL Taxonomy Extension Labels Linkbase Document

Exhibit 101.PRE - Inline XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 101.DEF - Inline XBRL Taxonomy Extension Definition Linkbase Document

Exhibit 104 - Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMTECH TELECOMMUNICATIONS CORP.  
(Registrant)

Date:	<u>June 15, 2026</u> (Date)	By: <u>/s/ Kenneth H. Traub</u> Kenneth H. Traub, Chairman of the Board President and Chief Executive Officer (Principal Executive Officer)
Date:	<u>June 15, 2026</u> (Date)	By: <u>/s/ Michael A. Bondi</u> Michael A. Bondi Chief Financial Officer (Principal Financial and Accounting Officer)

**RESTRICTED STOCK UNIT AGREEMENT PURSUANT TO THE COMTECH  
TELECOMMUNICATIONS CORP. 2023 EQUITY AND INCENTIVE PLAN**

Dear ###PARTICIPANT\_NAME###:

**Preliminary Statement**

As a non-employee director of Comtech Telecommunications Corp. (the “Company”), pursuant to Section 3.1 of the Comtech Telecommunications Corp. 2023 Equity and Incentive Plan (the “Plan”), you were granted on ###GRANT\_DATE### (the “Grant Date”), pursuant to the terms of the Plan and this Restricted Stock Unit Agreement (this “Agreement”), the number of Restricted Stock Units (the “RSUs”) set forth below. Each RSU represents one (1) share of the Company’s common stock, \$0.10 par value per share (the “Common Stock”), subject to the terms and conditions of the Plan and this Agreement.

The terms of the grant are as follows:

1. **Grant of RSUs.** Subject in all respects to the Plan and the terms and conditions set forth herein and therein, on the Grant Date you were granted ###TOTAL\_AWARDS### RSUs (the “Award”).
2. **Vesting.** The Award shall vest in full on the earlier of: (i) the one-year anniversary of the Grant Date; or (ii) the date of the Company’s next annual meeting of stockholders following the Grant Date, provided that such meeting occurs at least fifty (50) weeks after the Company’s immediately preceding year’s annual meeting of stockholders; in each case, provided that you have not incurred a Termination of Directorship (as defined below) prior to such vesting date. Notwithstanding the foregoing, the Award shall become fully vested prior to your Termination of Directorship upon (i) your death or (ii) a Change in Control. The date that the Award becomes vested shall be referred to herein as the “Vesting Date”.

There shall be no proportionate or partial vesting in the period prior to the Vesting Date and all vesting shall occur only on the Vesting Date.

3. **Payment.** Subject to the terms of this Agreement and the Plan, you (or your estate, to the extent applicable) shall receive one share of Common Stock with respect to each vested RSU subject to the Award within sixty (60) days of your Termination of Directorship (such date of settlement, the “Settlement Date”).

4. Dividend Equivalents. Any dividends paid on shares of Common Stock underlying an RSU prior to the Settlement Date for such RSU shall be credited to a dividend book entry account on your behalf (any such credited amount, a “Dividend Equivalent”). Any cash Dividend Equivalents shall not be deemed to be reinvested in shares of Common Stock and will be held uninvested and without interest or earnings. Your right to receive any Dividend Equivalents with respect to cash dividends shall vest only if and when the related RSU vests, and an amount equal to such cash dividends shall be paid to you in cash on the Settlement Date on which the related RSU is settled. Your right to receive any Dividend Equivalents with respect to dividends of Common Stock shall vest only if and when the related RSU vests, and on the applicable Settlement Date on which the related RSU is settled you will receive additional shares of Common Stock in an amount equal to such Dividend Equivalents, with any fractional shares rounded to the nearest whole share. Prior to the payment thereof, any Dividend Equivalents will be encompassed within the term “Award” with respect to the relevant RSUs.

5. Termination. Except as otherwise provided in Section 2 hereof, any RSUs (including any Dividend Equivalents credited thereupon) that are not vested upon your Termination of Directorship shall, upon such Termination of Directorship, terminate and be forfeited in their entirety as of the date of such Termination of Directorship. For purposes of this Agreement, “Termination of Directorship” means that you have ceased to be a director of the Company; provided, that in the event that you cease to serve as a director but simultaneously commence service as an employee, consultant, independent contractor or agent of the Company or one of its Affiliates, a Termination of Directorship shall not be deemed to occur until such time as you are no longer an employee, consultant, independent contractor or agent of the Company or one of its Affiliates. For the avoidance of doubt, a Termination of Directorship shall not be deemed to have occurred until such time as you have incurred a “separation from service” as defined in Section 409A of the Code and the regulations thereunder.

6. Detrimental Activity. In the event you engage in Detrimental Activity prior to, or during the one year period following the later of your Termination of Directorship or any vesting of RSUs, the Board may direct (at any time within one year thereafter) that all unvested RSUs and all vested but unpaid RSUs (including any Dividend Equivalents credited thereupon) shall be immediately forfeited to the Company and that you shall pay over to the Company the amount realized from any RSUs or any Common Stock or Dividend Equivalents paid in connection therewith.

7. Restriction on Transfer. Unless otherwise approved by the Committee, the Award is not transferable other than by will or by the laws of descent and distribution. In addition, unless otherwise approved by the Committee, the Award shall not be sold, transferred, assigned, pledged, encumbered, hypothecated or otherwise disposed of (whether by operation of law or otherwise), and the Award shall not be subject to execution, attachment or similar process. Upon any attempt to sell, transfer, assign, pledge, encumber, hypothecate or otherwise dispose of all or part of the Award or in the event of any levy upon the Award by reason of any execution, attachment or similar process contrary to the provisions hereof not otherwise approved by the Committee, the Award and all rights thereunder shall immediately become null and void.

8. Rights as a Stockholder. Except as otherwise specifically provided herein, you shall have no rights as a stockholder with respect to any shares of Common Stock covered by the Award unless and until you have become the holder of record of the shares of Common Stock.

9. Rights as a Participant. Except as otherwise specifically provided herein, you shall have no right to receive any new award or share of Common Stock covered by any new award once you no longer qualify as a participant under the Plan.

10. Provisions of Plan Control. This grant is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions of the Plan, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee or the Board and as may be in effect from time to time. Any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan. The Plan is incorporated herein by reference. If and to the extent that this grant conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this grant shall be deemed to be modified accordingly.

11. Notices. Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, or by United States mail, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Comtech Telecommunications Corp.  
305 N. 54th Street  
Chandler, AZ 85226  
Attention: Secretary

If to you, to the address indicated at the end of this Agreement.

12. Securities Representations. The grant of the Award and the issuance of shares of Common Stock upon settlement of the Award shall be subject to, and in compliance with, all applicable requirements of federal, state or foreign securities law. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which such shares may then be listed. As a condition to the settlement of the Award, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation.

The shares of Common Stock are being issued to you and this Agreement is being made by the Company in reliance upon the following express representations and warranties. By accepting this Award, you acknowledge, represent and warrant that:

a. You have been advised that you may be an “affiliate” within the meaning of Rule 144 under the Securities Act of 1933, as amended (the “Act”) and in this connection the Company is relying in part on your representations set forth in this section.

b. If you are deemed to be an affiliate within the meaning of Rule 144 of the Act, the shares of Common Stock issued to you must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a “re-offer prospectus”) with regard to such shares of Common Stock and the Company is under no obligation to register the shares (or to file a “re-offer prospectus”).

c. If you are deemed to be an affiliate within the meaning of Rule 144 of the Act, you understand that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Common Stock, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sales of the shares of Common Stock may be made only in limited amounts in accordance with such terms and conditions.

13. Power of Attorney. The Company, its successors and assigns, is hereby appointed the attorney-in-fact, with full power of substitution, of you for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instruments which such attorney-in-fact may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. The Company, as attorney-in-fact for you, may in your name and stead, make and execute all conveyances, assignments and transfers of Common Stock and property provided for herein, and you hereby ratify and confirm that which the Company, as said attorney-in-fact, shall do by virtue hereof. Nevertheless, you shall, if so requested by the Company, execute and deliver to the Company all such instruments as may, in the judgment of the Company, be advisable for this purpose.

14. Miscellaneous.

a. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal legal representatives, successors, trustees, administrators, distributees, devisees and legatees. The Company may assign to, and require, any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or any affiliate to which you are rendering services to expressly assume and agree in writing to perform this Agreement. Notwithstanding the foregoing, you may not assign this Agreement.

b. This Award shall not affect in any way the right or power of the Board or stockholders of the Company to make or authorize an adjustment, recapitalization or other change in the capital structure or the business of the Company, any merger or consolidation of the Company or subsidiaries, any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock, the dissolution or liquidation of the Company, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding. The

RSUs granted hereunder shall be subject to adjustment in accordance with Section 5.7 of the Plan.

c. This Agreement and the Plan constitute the entire agreement of the parties with respect to this Award of RSUs and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to such Award. No modification or waiver of any of the provisions of this Agreement that is material and adverse to you shall be effective unless in writing and signed by both parties.

d. The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

e. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

f. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

g. This Agreement shall be construed, interpreted and governed and the legal relationships of the parties determined in accordance with the internal laws of the State of Delaware without reference to rules relating to conflicts of law.

15. Right to Terminate Directorship. Neither the Plan nor the grant of the Award hereunder shall impose any obligations on the Company or an Affiliate and/or the stockholders of the Company to retain you as a director or other service provider, nor shall it impose any obligation on your part to remain as a director or other service provider of the Company or an Affiliate.

16. Section 409A of the Code. This Award is intended to comply with Section 409A of the Code, and shall be interpreted and construed accordingly. To the extent this Agreement provides for the Award to become vested and be settled upon your termination of employment or service, the applicable shares of Common Stock shall be transferred to you or your beneficiary upon your “separation from service,” within the meaning of Section 409A of the Code; provided that if you are a “specified employee,” within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such shares of Common Stock shall be transferred to you or your beneficiary upon the earlier to occur of (i) the six-month anniversary of such separation from service and (ii) the date of your death.

17. Agreement and Grant Not Effective Unless Accepted. By selecting the "Accept" button below you (i) agree to enter into this Agreement electronically, (ii) agree to the terms and conditions of the Agreement and (iii) acknowledge receipt of a copy of the Plan. Until you select the "Accept" button below, this Award shall not be effective, and if you do not select the "Accept" button within 90 days from the date the Agreement is made available to you electronically this Award is subject to cancellation, in which case, the Award shall be null and void upon such cancellation.

**RESTRICTED STOCK AWARD AGREEMENT PURSUANT TO THE  
COMTECH TELECOMMUNICATIONS CORP. 2023 EQUITY AND  
INCENTIVE PLAN**

Dear ###PARTICIPANT\_NAME###:

Preliminary Statement

As a non-employee director of Comtech Telecommunications Corp. (the “Company”), pursuant to Section 3.1 of the Comtech Telecommunications Corp. 2023 Equity and Incentive Plan (the “Plan”), you were granted on ###GRANT\_DATE### (the “Grant Date”), pursuant to the terms of the Plan and this Restricted Stock Award Agreement (this “Agreement”), the number of shares of Restricted Stock set forth below.

The terms of the grant are as follows:

1. Grant of Restricted Stock. Subject in all respects to the Plan and the terms and conditions set forth herein and therein, on the Grant Date you were granted ###TOTAL\_AWARDS### shares of Restricted Stock (the “Award”).

2. Vesting. The Award shall vest in full on the earlier of: (i) the one-year anniversary of the Grant Date; or (ii) the date of the Company’s next annual meeting of stockholders following the Grant Date, provided that such meeting occurs at least fifty (50) weeks after the Company’s immediately preceding year’s annual meeting of stockholders, in each case, provided that you have not incurred a Termination of Directorship (as defined below) prior to such vesting date. Notwithstanding the foregoing, the Award shall become fully vested prior to your Termination of Directorship upon (i) your death or (ii) a Change in Control. The date that the Award becomes vested shall be referred to herein as the “Vesting Date”.

There shall be no proportionate or partial vesting in the period prior to the Vesting Date and all vesting shall occur only on the Vesting Date.

3. Dividend Equivalents. Any dividends which would have been paid on shares of Restricted Stock but for the restrictions thereon prior to the Vesting Date shall be credited to a dividend book entry account on your behalf (any such credited amount, a “Dividend Equivalent”). Any cash Dividend Equivalents shall not be deemed to be reinvested in shares of Common Stock and will be held uninvested and without interest or earnings. Your right to receive any Dividend Equivalents with respect to cash dividends shall vest only if and when the related Restricted Stock vests, and an amount equal to such cash dividends shall be paid to you in cash on the Vesting Date on which the Restricted Stock vests. Your right to receive any Dividend Equivalents with respect to dividends of Common Stock shall vest only if and when the related Restricted Stock vests, and on the applicable Vesting Date you will receive additional shares of Common Stock in an amount equal to such Dividend Equivalents, with any fractional shares rounded to the nearest whole share. Prior to the payment thereof, any Dividend Equivalents will be encompassed within the term “Award” with respect to the relevant shares of Restricted Stock.

4. Termination. Except as otherwise provided in Section 2 hereof, any shares of Restricted Stock (including any Dividend Equivalents credited thereupon) that are not vested upon your Termination of Directorship shall, upon such Termination of Directorship, terminate and be forfeited in their entirety as of the date of such Termination of Directorship. For the purposes of this Agreement, “Termination of Directorship” means that you have ceased to be a director of the Company; provided, that in the event that you cease to serve as a director but simultaneously commence service as an employee, consultant, independent contractor or agent of the Company or one of its Affiliates, a Termination of Directorship shall not be deemed to occur until such time as you are no longer an employee, consultant, independent contractor or agent of the Company or one of its Affiliates.

5. Detrimental Activity. In the event you engage in Detrimental Activity prior to, or during the one year period following, the later of your Termination of Directorship or any vesting of shares of Restricted Stock, the Board may direct (at any time within one year thereafter) that all shares of Common Stock delivered to you pursuant to this Agreement (whether vested or unvested) shall be immediately forfeited to the Company and that you shall pay over to the Company the amount realized from the Restricted Stock or any Dividend Equivalents paid in connection therewith.

6. Restriction on Transfer. Unless otherwise approved by the Committee, the Award (including the underlying Restricted Stock and any associated Dividend Equivalents) is not transferable prior to vesting other than by will or by the laws of descent and distribution. In addition, unless otherwise approved by the Committee, the Award shall not be sold, transferred, assigned, pledged, encumbered, hypothecated or otherwise disposed of (whether by operation of law or otherwise), and the Award shall not be subject to execution, attachment or similar process. Upon any attempt to sell, transfer, assign, pledge, encumber, hypothecate or otherwise dispose of all or part of the Award or in the event of any levy upon the Award by reason of any execution, attachment or similar process contrary to the provisions hereof not otherwise approved by the Committee, the Award and all rights thereunder shall immediately become null and void.

7. Rights as a Stockholder. Subject to the terms and conditions set forth herein, you shall have, with respect to your shares of Restricted Stock, all of the rights of a holder of shares of Common Stock of the Company including, without limitation, the right to vote such shares, the right to receive dividends, and the right to participate in any capital adjustment applicable to all holders of Common Stock; provided, however, that you shall not have the right to receive any dividends with respect to your shares of Restricted Stock unless and until your shares of Restricted Stock vest. If and when your shares of Restricted Stock vest, the certificates for such shares shall be delivered to you. All legends shall be removed from said certificates at the time of delivery to you except as otherwise required by applicable law.

8. Rights as a Participant. Except as otherwise specifically provided herein, you shall have no right to receive any new award or share of Common Stock covered by any new award once you no longer qualify as a participant under the Plan.

9. Provisions of Plan Control. This grant is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions of the Plan, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee or the Board and as may be in effect from time to time. Any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan. The Plan is incorporated herein by reference. If and to the extent that this grant conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this grant shall be deemed to be modified accordingly.

10. Notices. Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, or by United States mail, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Comtech Telecommunications Corp.  
305 N. 54th Street  
Chandler, AZ 85226  
Attention: Secretary

If to you, to the address indicated after your signature at the end of this Agreement.

11. Securities Representations. The grant of the Award and the issuance of shares of Restricted Stock pursuant hereto shall be subject to, and in compliance with, all applicable requirements of federal, state or foreign securities law. No shares of Restricted Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which such shares may then be listed. As a condition to the grant of the Award, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation.

The shares of Restricted Stock are being issued to you and this Agreement is being made by the Company in reliance upon the following express representations and warranties. By accepting this Award, you acknowledge, represent and warrant that:

- (a) You have been advised that you may be an “affiliate” within the meaning of Rule 144 under the Securities Act of 1933, as amended (the “Act”) and in this connection the Company is relying in part on your representations set forth in this section.
- (b) If you are deemed to be an affiliate within the meaning of Rule 144 of the Act, the shares of Common Stock issued to you must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a “re-offer prospectus”) with regard to such shares of Common Stock and the Company is under no obligation to register the shares (or to file a “re-offer prospectus”).
- (c) If you are deemed to be an affiliate within the meaning of Rule 144 of the Act, you understand that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Common Stock, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sales of the shares of Common Stock may be made only in limited amounts in accordance with such terms and conditions.

12. Power of Attorney. The Company, its successors and assigns, is hereby appointed the attorney-in-fact, with full power of substitution, of you for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instruments which such attorney-in-fact may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. The Company, as attorney-in-fact for you, may in your name and stead, make and execute all conveyances, assignments and transfers of Common Stock and property provided for herein, and you hereby ratify and confirm that which the Company, as said attorney-in-fact, shall do by virtue hereof. Nevertheless, you shall, if so requested by the Company, execute and deliver to the Company all such instruments as may, in the judgment of the Company, be advisable for this purpose.

13. Miscellaneous.

(a) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal legal representatives, successors, trustees, administrators, distributees, devisees and legatees. The Company may assign to, and require, any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or any affiliate to which you are rendering services to expressly assume and agree in writing to perform this Agreement. Notwithstanding the foregoing, you may not assign this Agreement.

(b) This Award shall not affect in any way the right or power of the Board or stockholders of the Company to make or authorize an adjustment, recapitalization or other change in the capital structure or the business of the Company, any merger or consolidation of the Company or subsidiaries, any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock, the dissolution or liquidation of the Company, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding. The shares of Restricted Stock granted hereunder shall be subject to adjustment in accordance with Section 5.7 of the Plan.

(c) This Agreement and the Plan constitute the entire agreement of the parties with respect to the shares of Restricted Stock subject to this Award and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to such Restricted Stock. No modification or waiver of any of the provisions of this Agreement that is material and adverse to you shall be effective unless in writing and signed by both parties.

(d) The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

(e) The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

(f) The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

(g) This Agreement shall be construed, interpreted and governed and the legal relationships of the parties determined in accordance with the internal laws of the State of Delaware without reference to rules relating to conflicts of law.

14. Right to Terminate Directorship. Neither the Plan nor the grant of the Award hereunder shall impose any obligations on the Company or an Affiliate and/or the stockholders of the Company to retain you as a director or other service provider, nor shall it impose any obligation on your part to remain as a director or other service provider of the Company or an Affiliate.

15. Legend. You shall be issued your shares of Restricted Stock as book entries by the transfer agent, as evidencing ownership of shares of Restricted Stock. Any such book entry shares shall be registered in your name, and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

"The anticipation, alienation, attachment, sale, transfer, assignment, pledge, encumbrance, disposal or charge of the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Comtech Telecommunications Corp. 2023 Equity and Incentive Plan (the "Plan") and a Restricted Stock Award Agreement (the "Agreement") entered into between the registered owner and the Company dated ###GRANT\_DATE###. Copies of such Plan and Agreement are on file at the principal office of the Company."

16. Agreement and Grant Not Effective Unless Accepted. By selecting the "Accept" button below you (i) agree to enter into this Agreement electronically, (ii) agree to the terms and conditions of the Agreement and (iii) acknowledge receipt of a copy of the Plan. Until you select the "Accept" button below and accept the corresponding Irrevocable Stock Power (the "Stock Power"), this Award shall not be effective, and if you do not select the "Accept" button and accept the corresponding Stock Power within 90 days from the date the Agreement is made available to you electronically, this Award is subject to cancellation, in which case, the Award shall be null and void upon such cancellation.

IRREVOCABLE STOCK POWER

KNOW ALL PERSONS BY THESE PRESENTS, that ###PARTICIPANT\_NAME### (the “Transferor”), for value received, has assigned and transferred, and by these presents does assign and transfer unto Comtech Telecommunications Corp., a Delaware corporation, (the “Company”) ###TOTAL\_AWARDS### shares of the common stock, par value \$0.10 per share, of the Company standing in the Transferor’s name on the books of the Company, and does hereby constitute and appoint the Secretary of the Company, his true and lawful attorney, irrevocable for him and in his name and stead, to assign, transfer and set over said stock, and for that purpose, to make and execute all necessary acts of assignment and transfer, and one or more persons to substitute with like full power, hereby ratifying and confirming all that his said attorney, or the substitute or substitutes, shall lawfully do by virtue hereof.

By selecting the “Accept” button below you, ###PARTICIPANT\_NAME###, agree (i) to execute this Irrevocable Stock Power (the “Stock Power”) electronically, and (ii) to the terms and conditions of the Stock Power.

## COMTECH TELECOMMUNICATIONS CORP.

## 2023 EQUITY AND INCENTIVE PLAN

(As amended through January 29, 2026)

## I. INTRODUCTION

**1.1 Purposes.** The purposes of the Comtech Telecommunications Corp. 2023 Equity and Incentive Plan (this "Plan") are (i) to align the interests of the Company's stockholders and the recipients of awards under this Plan by increasing the proprietary interest of such recipients in the Company's growth and success, (ii) to advance the interests of the Company by attracting and retaining Non-Employee Directors, officers, other employees, consultants, independent contractors and agents and (iii) to motivate such persons to act in the long-term best interests of the Company and its stockholders.

**1.2 Certain Definitions.**

**"Affiliate"** shall mean each of the following: (i) any Subsidiary; (ii) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is directly or indirectly controlled 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company or one of its Affiliates; and (iii) any other entity in which the Company or any of its Affiliates has a material equity interest and which is designated as an "Affiliate" by resolution of the Committee.

**"Agreement"** shall mean the written or electronic agreement evidencing an award hereunder between the Company and the recipient of such award.

**"Board"** shall mean the Board of Directors of the Company.

**"Board Measurement Period"** shall have the meaning set forth in Section 5.8(c)(2).

**"Cause"** shall mean, with respect to a participant's termination of service: (i) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the participant at the time of the grant of the Award (or where there is such an agreement but it does not define "cause" (or words of like import)), termination due to a participant's commission of a fraud or a felony in connection with his or her duties as an employee of the Company or an Affiliate, willful misconduct or any act of disloyalty, dishonesty, fraud, breach of trust or confidentiality as to the Company or an Affiliate or any other act which is intended to cause or may reasonably be expected to cause economic or reputational injury to the Company or an Affiliate; or (ii) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant at the time of the grant of the Award that defines "cause" (or words of like import), as defined under such agreement; provided, however, that with regard to any agreement that conditions "cause" on occurrence of a change in control, such definition of "cause" shall not apply until a change in control actually takes place and then only with regard to a termination thereafter. Notwithstanding the foregoing, in the case of a participant who is a Non-Employee Director, "cause" shall mean an act or failure to act that constitutes cause for removal of a director under applicable Delaware law.

**"Change in Control"** shall have the meaning set forth in Section 5.8(c).

**"Code"** shall mean the Internal Revenue Code of 1986, as amended.

**"Committee"** shall mean the Compensation Committee of the Board, or a subcommittee thereof, or such other committee designated by the Board, in each case, consisting of two or more members of the Board, each of whom is intended to be (i) a "Non-Employee Director" within the meaning of Rule 16b-3 under the Exchange Act and (ii) "independent" within the meaning of the rules of the Nasdaq Stock Market or, if the Common Stock is not listed on the Nasdaq Stock Market, within the meaning of the rules of the principal stock exchange on which the Common Stock is then traded; provided, however, the "Committee" shall mean the Board (or a designated subcommittee of the Board) with respect to awards granted to Non-Employee Directors; provided, further, that the Board may, in its discretion, serve as the Committee under the Plan.

**"Common Stock"** shall mean the common stock, par value \$0.10 per share, of the Company, and all rights appurtenant thereto.

**“Company”** shall mean Comtech Telecommunications Corp., a corporation organized under the laws of the State of Delaware, or any successor thereto.

**“Detrimental Activity”** shall mean (i) the disclosure to anyone outside the Company or its affiliates, or the use in any manner other than in the furtherance of the Company's or its affiliate's business, without written authorization from the Company, of any confidential information or proprietary information, relating to the business of the Company or its affiliates, acquired by a participant prior to the participant's termination of employment or service; (ii) activity while employed by, or otherwise providing services to, the Company or its affiliates that results, or if known could result, in the participant's termination of employment or service for Cause; (iii) any attempt, directly or indirectly, to solicit, induce or hire (or the identification for solicitation, inducement or hire of) any non-clerical employee of the Company or its affiliates to be employed by, or to perform services for, the participant or any person or entity with which the participant is associated (including, but not limited to, due to the participant's employment by, consultancy for, directorship with, equity interest in, or creditor relationship with such person or entity) or any person or entity from which the participant receives direct or indirect compensation or fees as a result of such solicitation, inducement or hire (or the identification for solicitation, inducement or hire) without, in all cases, written authorization from the Company; (iv) any attempt, directly or indirectly, to solicit in a competitive manner any current or prospective customer of the Company or its Affiliates with whom participant had material contact during participant's employment with the Company or its Affiliates or about whom participant had confidential information as a result of participant's employment with the Company or its Affiliates, in each case without prior written authorization from the Company; (v) the participant's Disparagement, or inducement of others to do so, of the Company or its affiliates or their past and present officers, directors, employees or products; (vi) without written authorization from the Company, the rendering of services for any organization, or engaging, directly or indirectly, in any business, which is competitive with the Company or its affiliates, or which organization or business, or the rendering of services to such organization or business, is otherwise prejudicial to or in conflict with the interests of the Company or its affiliates, (vii) breach of any material agreement between the participant and the Company or an affiliate (including, without limitation, any employment agreement or non-competition or non-solicitation agreement), or (viii) a violation of the Company's Standards of Business Conduct as adopted by the Company from time to time and as in effect on the date the award is granted. Unless otherwise determined by the Committee at grant, Detrimental Activity shall not be deemed to occur after the end of the one-year period following the participant's termination of employment or service. Section (iv) above shall not apply (A) to any participant whose primary work location is in the state of California as set forth in in the Company's records; and (B) to any customer or prospective customer with whom a participant had a prior business relationship to the extent the participant's primary work location is in the state of New York as set forth in the Company's records. For purposes of subsections (i), (iii), (iv) and (vi) above, the Chief Executive Officer and the General Counsel of the Company shall each have authority to provide the participant with written authorization to engage in the activities contemplated thereby and no other person shall have authority to provide the participant with such authorization, provided that in the case of the Chief Executive Officer and the General Counsel of the Company, the Board shall have authority to provide the participant with written authorization to engage in the activities contemplated by subsections (i), (iii), (iv) and (vi) above and no other person shall have authority to provide the participant with such authorization.

**“Disparagement”** shall, subject to Section 5.17, mean making comments or statements to the press, the Company's or its affiliates' employees, consultants or any individual or entity with whom the Company or its affiliates has a business relationship which would adversely affect in any manner: the conduct of the business of the Company or its affiliates (including, without limitation, any products or business plans or prospects), or the business reputation of the Company or its affiliates, or any of their products, or their past or present officers, directors or employees.

**“Exchange Act”** shall mean the Securities Exchange Act of 1934, as amended.

**“Fair Market Value”** shall mean the closing transaction price of a share of Common Stock as reported on the Nasdaq Stock Market on the date as of which such value is being determined or, if the Common Stock is not listed on the Nasdaq Stock Market, the closing transaction price of a share of Common Stock on the principal national stock exchange on which the Common Stock is traded on the date as of which such value is being determined or, if there shall be no reported transactions for such date, on the next preceding date for which transactions were reported; provided, however, that the Company may in its discretion use the closing transaction price of a share of Common Stock on the day preceding the date as of which such value is being determined to the extent the Company determines such method is more practical for administrative purposes, such as for purposes of tax withholding. If the Common Stock is not listed on a national stock exchange or if Fair Market Value for any date cannot be so determined, Fair Market Value shall be determined by the Committee by whatever means or method as the Committee, in the good faith exercise of its discretion, shall at such time deem appropriate and in compliance with Section 409A of the Code.

**“Family Member”** shall mean “family member” as defined in Section A1(a)(5) of the general instructions of Form S-8.

**“Free-Standing SAR”** shall mean an SAR which is not granted in tandem with, or by reference to, an option, which entitles the holder thereof to receive, upon exercise, shares of Common Stock (which may be Restricted Stock) or, to the extent set forth in the applicable Agreement, cash or a combination thereof, with an aggregate value equal to the excess of the Fair Market Value of one share of Common Stock on the date of exercise over the base price of such SAR, multiplied by the number of such SARs which are exercised.

**“Incentive Stock Option”** shall mean an option to purchase shares of Common Stock that meets the requirements of Section 422 of the Code, or any successor provision, which is intended by the Committee to constitute an Incentive Stock Option.

**“Non-Employee Director”** shall mean any director of the Company who is not an officer or employee of the Company or any Affiliate.

**“Nonqualified Stock Option”** shall mean an option to purchase shares of Common Stock which is not an Incentive Stock Option.

**“Other Stock Award”** shall mean an award granted pursuant to Section 3.4 of the Plan.

**“Performance Award”** shall mean a right to receive an amount of cash, Common Stock, or a combination of both, contingent upon the attainment of specified Performance Measures within a specified Performance Period.

**“Performance Measures”** shall mean the criteria and objectives, established by the Committee, which shall be satisfied or met (i) as a condition to the grant or exercisability of all or a portion of an option or SAR or (ii) during the applicable Restriction Period or Performance Period as a condition to the vesting of the holder’s interest, in the case of a Restricted Stock Award, of the shares of Common Stock subject to such award, or, in the case of a Restricted Stock Unit Award, Other Stock Award or Performance Award, to the holder’s receipt of the shares of Common Stock subject to such award or of payment with respect to such award. One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified subsidiaries, business or geographical units or operating areas of the Company (except with respect to the total stockholder return and earnings per share criteria) or individual basis, may be used by the Committee in establishing Performance Measures under this Plan: the attainment by a share of Common Stock of a specified Fair Market Value for a specified period of time; increase in stockholder value; earnings per share; return on or net assets; return on equity; return on investments; return on capital or invested capital; total stockholder return; earnings or income of the Company before or after taxes and/or interest; earnings before interest, taxes, depreciation and amortization (“EBITDA”); EBITDA margin; operating income; revenues; operating expenses, attainment of expense levels or cost reduction goals; market share; cash flow, cash flow per share, cash flow margin or free cash flow; interest expense; economic value created; gross profit or margin; operating profit or margin; net cash provided by operations; price-to-earnings growth; and strategic business criteria, consisting of one or more objectives based on meeting specified goals relating to market penetration, customer acquisition, business expansion, cost targets, customer satisfaction, reductions in errors and omissions, reductions in lost business, management of employment practices and employee benefits, supervision of litigation, supervision of information technology, quality and quality audit scores, efficiency, and acquisitions or divestitures, or such other goals as the Committee may determine whether or not listed herein. Each such goal may be determined on a pre-tax or post-tax basis or on an absolute or relative basis, and may include comparisons based on current internal targets, the past performance of the Company (including the performance of one or more subsidiaries, divisions, or operating units) or the past or current performance of other companies or market indices (or a combination of such past and current performance). In addition to the ratios specifically enumerated above, performance goals may include comparisons relating to capital (including, but not limited to, the cost of capital), stockholders’ equity, shares outstanding, assets or net assets, sales, or any combination thereof. In establishing a Performance Measure or determining the achievement of a Performance Measure, the Committee may provide that achievement of the applicable Performance Measures may be amended or adjusted to include or exclude components of any Performance Measure, including, without limitation, foreign exchange gains and losses, asset write-downs, acquisitions and divestitures, change in fiscal year, unbudgeted capital expenditures, special charges such as restructuring or impairment charges, debt refinancing costs, extraordinary or noncash items, unusual, infrequently occurring, nonrecurring or one-time events affecting the Company or its financial statements or changes in law or accounting principles. Performance Measures shall be subject to such other special rules and conditions as the Committee may establish at any time.

**“Performance Period”** shall mean any period designated by the Committee during which (i) the Performance Measures applicable to an award shall be measured and (ii) the conditions to vesting applicable to an award shall remain in effect.

**“Prior Plan”** shall mean the Comtech Telecommunications Corp. 2000 Stock Incentive Plan, as amended and restated effective as of December 15, 2022, and each other equity plan maintained by the Company under which awards are outstanding as of the effective date of this Plan.

**“Restricted Stock”** shall mean shares of Common Stock which are subject to a Restriction Period and which may, in addition thereto, be subject to the attainment of specified Performance Measures within a specified Performance Period.

**“Restricted Stock Award”** shall mean an award of Restricted Stock under this Plan.

**“Restricted Stock Unit”** shall mean a right to receive one share of Common Stock or, in lieu thereof and to the extent set forth in the applicable Agreement, the Fair Market Value of such share of Common Stock in cash, which shall be contingent upon the expiration of a specified Restriction Period and which may, in addition thereto, be contingent upon the attainment of specified Performance Measures within a specified Performance Period.

**“Restricted Stock Unit Award”** shall mean an award of Restricted Stock Units under this Plan.

**“Restriction Period”** shall mean any period designated by the Committee during which (i) the Common Stock subject to a Restricted Stock Award may not be sold, transferred, assigned, pledged, hypothecated or otherwise encumbered or disposed of, except as provided in this Plan or the Agreement relating to such award, or (ii) the conditions to vesting applicable to a Restricted Stock Unit Award or Other Stock Award shall remain in effect.

**“SAR”** shall mean a stock appreciation right which may be a Free-Standing SAR or a Tandem SAR.

**“Stock Award”** shall mean a Restricted Stock Award, Restricted Stock Unit Award or Other Stock Award.

**“Subsidiary”** shall mean any subsidiary corporation of the Company within the meaning of Section 424(f) of the Code.

**“Substitute Award”** shall mean an award granted under this Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, including a merger, combination, consolidation or acquisition of property or stock; provided, however, that in no event shall the term “Substitute Award” be construed to refer to an award made in connection with the cancellation and repricing of an option or SAR.

**“Tandem SAR”** shall mean an SAR which is granted in tandem with, or by reference to, an option (including a Nonqualified Stock Option granted prior to the date of grant of the SAR), which entitles the holder thereof to receive, upon exercise of such SAR and surrender for cancellation of all or a portion of such option, shares of Common Stock (which may be Restricted Stock) or, to the extent set forth in the applicable Agreement, cash or a combination thereof, with an aggregate value equal to the excess of the Fair Market Value of one share of Common Stock on the date of exercise over the base price of such SAR, multiplied by the number of shares of Common Stock subject to such option, or portion thereof, which is surrendered.

**“Tax Date”** shall have the meaning set forth in Section 5.5.

**“Ten Percent Holder”** shall have the meaning set forth in Section 2.1(a).

**1.3 Administration.** This Plan shall be administered by the Committee. Any one or a combination of the following awards may be made under this Plan to eligible persons: (i) options to purchase shares of Common Stock in the form of Incentive Stock Options or Nonqualified Stock Options; (ii) SARs in the form of Tandem SARs or Free-Standing SARs; (iii) Stock Awards in the form of Restricted Stock, Restricted Stock Units or Other Stock Awards; and (iv) Performance Awards. The Committee shall, subject to the terms of this Plan, select eligible persons for participation in this Plan and determine the form, amount and timing of each award to such persons and, if applicable, the number of shares of Common Stock subject to an award, the number of SARs, the number of Restricted Stock Units, the dollar value subject to a Performance Award, the purchase price or base price associated with the award, the time and conditions of exercise or settlement of the award and all other terms and conditions of the award, including, without limitation, the form of the Agreement evidencing the award. The Committee may, in its sole discretion and for any reason at any time, take action such that (i) any or all outstanding options and SARs shall become exercisable in part or in full, (ii) all or a portion of the Restriction Period applicable to any outstanding awards shall lapse, (iii) all or a portion of the Performance Period applicable to any outstanding awards shall lapse and (iv) the Performance Measures (if any) applicable to any outstanding awards shall be deemed to be satisfied at the target, maximum or any other level. The Committee shall, subject to the terms of this Plan, interpret this Plan and the application thereof, establish rules and regulations it deems necessary or desirable for the administration of this Plan and may impose, incidental to the grant of an award, conditions with respect to the award, such as limiting competitive employment or other activities. All such interpretations, rules, regulations and conditions shall be conclusive and binding on all parties.

The Committee may delegate some or all of its power and authority hereunder to the Board (or any members thereof) or, subject to applicable law, to a subcommittee of the Board, a member of the Board, the Chief Executive Officer or other executive officer of the Company as the Committee deems appropriate; provided, however, that the Committee may not delegate its power and authority to a member of the Board, the Chief Executive Officer or other executive officer of the Company with regard to the selection for participation in this Plan of an officer, director or other person subject to Section 16 of the Exchange Act or decisions concerning the timing, pricing or amount of an award to such an officer, director or other person.

No member of the Board or Committee, and neither the Chief Executive Officer nor any other executive officer to whom the Committee delegates any of its power and authority hereunder, shall be liable for any act, omission, interpretation, construction or determination made in connection with this Plan in good faith, and the members of the Board and the Committee and the Chief Executive Officer or other executive officer shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including attorneys' fees) arising therefrom to the full extent permitted by law (except as otherwise may be provided in the Company's Certificate of Incorporation, as amended, and/or By-laws) and under any directors' and officers' liability insurance that may be in effect from time to time.

**1.4 Eligibility.** Participants in this Plan shall consist of such officers, other employees, Non-Employee Directors, consultants, independent contractors, agents, and persons expected to become officers, other employees, Non-Employee Directors, consultants, independent contractors and agents of the Company and its Affiliates as the Committee in its sole discretion may select from time to time. The Committee's selection of a person to participate in this Plan at any time shall not require the Committee to select such person to participate in this Plan at any other time. Except as otherwise provided for in an Agreement, for purposes of this Plan, references to employment by the Company shall also mean employment by an Affiliate, and references to employment shall include service as a Non-Employee Director, consultant, independent contractor or agent. The Committee shall determine, in its sole discretion, the extent to which a participant shall be considered employed during an approved leave of absence. The aggregate value of cash compensation and the grant date fair value of shares of Common Stock that may be awarded or granted during any fiscal year of the Company to any Non-Employee Director shall not exceed \$500,000; provided, however, that this limit shall not apply to distributions of previously deferred compensation under a deferred compensation plan maintained by the Company or compensation received by the director in his or her capacity as an executive officer or employee of the Company.

**1.5 Shares Available.** Subject to adjustment as provided in Section 5.7 and to all other limits set forth in this Plan, the number of shares of Common Stock that shall be available for all awards under this Plan, other than Substitute Awards, shall equal the sum of (i) 6,595,000 shares of Common Stock and (ii) the number of shares of Common Stock available under the Comtech Telecommunications Corp. 2000 Stock Incentive Plan, as amended and restated effective as of December 15, 2022, as of the effective date of the Plan. Subject to adjustment as provided in Section 5.7, no more than 1,600,000 shares of Common Stock in the aggregate may be issued under the Plan in connection with Incentive Stock Options. The number of shares of Common Stock that remain available for future grants under the Plan shall be reduced by the sum of the aggregate number of shares of Common Stock which become subject to outstanding options, outstanding Free-Standing SARs, outstanding Stock Awards and outstanding Performance Awards denominated in shares of Common Stock, other than Substitute Awards.

To the extent that shares of Common Stock subject to an outstanding option, SAR, Stock Award or Performance Award granted under the Plan or a Prior Plan, other than Substitute Awards, are not issued or delivered by reason of (i) the expiration, termination, cancellation or forfeiture of such award (excluding shares subject to an option cancelled upon settlement in shares of a related Tandem SAR or shares subject to a Tandem SAR cancelled upon exercise of a related option) or (ii) the settlement of such award in cash, then such shares of Common Stock shall again be available under this Plan; provided, however, that shares of Common Stock subject to an award under this Plan or a Prior Plan shall not again be available for issuance under this Plan if such shares are (x) shares that were subject to an option or stock-settled SAR and were not issued or delivered upon the net settlement or net exercise of such option or SAR, (y) shares delivered to or withheld by the Company to pay the purchase price or the withholding taxes related to an outstanding award or (z) shares repurchased by the Company on the open market with the proceeds of an option exercise.

The number of shares of Common Stock available for awards under this Plan shall not be reduced by (i) the number of shares of Common Stock subject to Substitute Awards or (ii) available shares under a stockholder approved plan of a company or other entity which was a party to a corporate transaction with the Company (as appropriately adjusted to reflect such corporate transaction) which become subject to awards granted under this Plan (subject to applicable stock exchange requirements).

Shares of Common Stock to be delivered under this Plan shall be made available from authorized and unissued shares of Common Stock or authorized and issued shares of Common Stock reacquired and held as treasury shares or otherwise or a combination thereof.

**1.6 Minimum Vesting Requirements.** Notwithstanding any other provision of the Plan to the contrary, awards granted under the Plan (other than cash-based awards) shall vest no earlier than the first anniversary of the date on which the award is granted; provided, that the following awards shall not be subject to the foregoing minimum vesting requirement: any (i) Substitute Awards granted in connection with awards that are assumed, converted or substituted pursuant to a merger, acquisition or similar transaction entered into by the Company or any of its Subsidiaries, (ii) Shares delivered in lieu of fully vested cash obligations, (iii) Awards to Non-Employee Directors that vest on earlier of the one-year anniversary of the date of grant and the next annual meeting of stockholders which is at least 50 weeks after the immediately preceding year's annual meeting, and (iv) any additional awards the Committee may grant, up to a maximum of five percent (5%) of the available share reserve authorized for issuance under the Plan pursuant to Section 1.5 (subject to adjustment under Section 5.7); and, provided, further, that the foregoing restriction does not apply to the Committee's discretion to provide for accelerated exercisability or vesting of any award, including in cases of retirement, death, disability or a Change in Control, in the terms of the Award Agreement or otherwise.

## **II. STOCK OPTIONS AND STOCK APPRECIATION RIGHTS**

**2.1 Stock Options.** The Committee may, in its discretion, grant options to purchase shares of Common Stock to such eligible persons as may be selected by the Committee. Each option, or portion thereof, that is not an Incentive Stock Option, shall be a Nonqualified Stock Option. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of shares of Common Stock with respect to which options designated as Incentive Stock Options are exercisable for the first time by a participant during any calendar year (under this Plan or any other plan of the Company, or any parent or Subsidiary) exceeds the amount (currently \$100,000) established by the Code, such options shall constitute Nonqualified Stock Options.

Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) Number of Shares and Purchase Price. The number of shares of Common Stock subject to an option and the purchase price per share of Common Stock purchasable upon exercise of the option shall be determined by the Committee; provided, however, that the purchase price per share of Common Stock purchasable upon exercise of an option shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such option; provided further, that if an Incentive Stock Option shall be granted to any person who, at the time such option is granted, owns capital stock possessing more than 10 percent of the total combined voting power of all classes of capital stock of the Company (or of any parent or Subsidiary) (a "Ten Percent Holder"), the purchase price per share of Common Stock shall not be less than the price (currently 110% of Fair Market Value) required by the Code in order to constitute an Incentive Stock Option.

Notwithstanding the foregoing, in the case of an option that is a Substitute Award, the purchase price per share of the shares subject to such option may be less than 100% of the Fair Market Value per share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate purchase price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate purchase price of such shares.

(b) Option Period and Exercisability. The period during which an option may be exercised shall be determined by the Committee; provided, however, that no option shall be exercised later than ten years after its date of grant; provided further, that if an Incentive Stock Option shall be granted to a Ten Percent Holder, such option shall not be exercised later than five years after its date of grant. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an option or to the exercisability of all or a portion of an option. The Committee shall determine whether an option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. An exercisable option, or portion thereof, may be exercised only with respect to whole shares of Common Stock.

(c) Method of Exercise. An option may be exercised (i) by giving written notice to the Company specifying the number of whole shares of Common Stock to be purchased and accompanying such notice with payment therefor in full (or arrangement made for such payment to the Company's satisfaction) either (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of shares of Common Stock having a Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, (D) in cash by a broker-dealer acceptable to the Company to whom the participant has submitted an irrevocable notice of exercise, (E) any other method designated by the Committee or (F) a combination of the foregoing, in each case to the extent set forth in the Agreement relating to the option, (ii) if applicable, by surrendering to the Company any Tandem SARs which are cancelled by reason of the exercise of the option and (iii) by executing such documents as the Company may reasonably request. Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by the participant. No shares of Common Stock shall be issued and no certificate representing Common Stock shall be delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 5.5, have been paid (or arrangement made for such payment to the Company's satisfaction).

**2.2 Stock Appreciation Rights.** The Committee may, in its discretion, grant SARs to such eligible persons as may be selected by the Committee. The Agreement relating to an SAR shall specify whether the SAR is a Tandem SAR or a Free-Standing SAR.

SARs shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) Number of SARs and Base Price. The number of SARs subject to an award shall be determined by the Committee. Any Tandem SAR related to an Incentive Stock Option shall be granted at the same time that such Incentive Stock Option is granted. The base price of a Tandem SAR shall be the purchase price per share of Common Stock of the related option. The base price of a Free-Standing SAR shall be determined by the Committee; provided, however, that such base price shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such SAR (or, if earlier, the date of grant of the option for which the SAR is exchanged or substituted).

Notwithstanding the foregoing, in the case of an SAR that is a Substitute Award, the base price per share of the shares subject to such SAR may be less than 100% of the Fair Market Value per share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate base price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate base price of such shares.

(b) **Exercise Period and Exercisability.** The period for the exercise of an SAR shall be determined by the Committee; provided, however, that (i) no Tandem SAR shall be exercised later than the expiration, cancellation, forfeiture or other termination of the related option and (ii) no Free-Standing SAR shall be exercised later than ten years after its date of grant. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an SAR or to the exercisability of all or a portion of an SAR. The Committee shall determine whether an SAR may be exercised in cumulative or non-cumulative installments and in part or in full at any time. An exercisable SAR, or portion thereof, may be exercised, in the case of a Tandem SAR, only with respect to whole shares of Common Stock and, in the case of a Free-Standing SAR, only with respect to a whole number of SARs. If an SAR is exercised for shares of Restricted Stock, a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 3.2(c), or such shares shall be transferred to the holder in book entry form with restrictions on the shares duly noted, and the holder of such Restricted Stock shall have such rights of a stockholder of the Company as determined pursuant to Section 3.2(d). Prior to the exercise of a stock-settled SAR, the holder of such SAR shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to such SAR.

(c) **Method of Exercise.** A Tandem SAR may be exercised (i) by giving written notice to the Company specifying the number of whole SARs which are being exercised, (ii) by surrendering to the Company any options which are cancelled by reason of the exercise of the Tandem SAR and (iii) by executing such documents as the Company may reasonably request. A Free-Standing SAR may be exercised (A) by giving written notice to the Company specifying the whole number of SARs which are being exercised and (B) by executing such documents as the Company may reasonably request. No shares of Common Stock shall be issued and no certificate representing Common Stock shall be delivered until any withholding taxes thereon, as described in Section 5.5, have been paid (or arrangement made for such payment to the Company's satisfaction).

**2.3 Termination of Employment or Service.** All of the terms relating to the exercise, cancellation or other disposition of an option or SAR (i) upon a termination of employment with or service to the Company of the holder of such option or SAR, as the case may be, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable award Agreement.

**2.4 No Repricing.** The Committee shall not, without the approval of the stockholders of the Company, (i) reduce the purchase price or base price of any previously granted option or SAR, (ii) cancel any previously granted option or SAR in exchange for another option or SAR with a lower purchase price or base price or (iii) cancel any previously granted option or SAR in exchange for cash or another award if the purchase price of such option or the base price of such SAR exceeds the Fair Market Value of a share of Common Stock on the date of such cancellation, in each case, other than in connection with a Change in Control or the adjustment provisions set forth in Section 5.7.

**2.5 No Dividend Equivalents.** Notwithstanding anything in an Agreement to the contrary, the holder of an option or SAR shall not be entitled to receive dividend equivalents with respect to the number of shares of Common Stock subject to such option or SAR.

### III. STOCK AWARDS

**3.1 Stock Awards.** The Committee may, in its discretion, grant Stock Awards to such eligible persons as may be selected by the Committee. The Agreement relating to a Stock Award shall specify whether the Stock Award is a Restricted Stock Award, a Restricted Stock Unit Award or, in the case of an Other Stock Award, the type of award being granted.

**3.2 Terms of Restricted Stock Awards.** Restricted Stock Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) **Number of Shares and Other Terms.** The number of shares of Common Stock subject to a Restricted Stock Award and the Restriction Period, Performance Period (if any) and Performance Measures (if any) applicable to a Restricted Stock Award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Restricted Stock Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of the shares of Common Stock subject to such award (i) if the holder of such award remains continuously in the employment of the Company during the specified Restriction Period or (ii) if specified Performance Measures (if any) are satisfied or met during a specified Performance Period, and for the forfeiture of the shares of Common Stock subject to such award (x) if the holder of such award does not remain continuously in the employment of the Company during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) Stock Issuance. During the Restriction Period, the shares of Restricted Stock shall be held by a custodian in book entry form with restrictions on such shares duly noted or, alternatively, a certificate or certificates representing a Restricted Stock Award shall be registered in the holder's name and may bear a legend, in addition to any legend which may be required pursuant to Section 5.6, indicating that the ownership of the shares of Common Stock represented by such certificate is subject to the restrictions, terms and conditions of this Plan and the Agreement relating to the Restricted Stock Award. All such certificates shall be deposited with the Company, together with stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate, which would permit transfer to the Company of all or a portion of the shares of Common Stock subject to the Restricted Stock Award in the event such award is forfeited in whole or in part. Upon termination of any applicable Restriction Period (and the satisfaction or attainment of applicable Performance Measures), subject to the Company's right to require payment of any taxes in accordance with Section 5.5, the restrictions shall be removed from the requisite number of any shares of Common Stock that are held in book entry form, and all certificates evidencing ownership of the requisite number of shares of Common Stock shall be delivered to the holder of such award.

d) Rights with Respect to Restricted Stock Awards. Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, and subject to the terms and conditions of a Restricted Stock Award, the holder of such award shall have all rights as a stockholder of the Company, including, but not limited to, voting rights, the right to receive dividends and the right to participate in any capital adjustment applicable to all holders of Common Stock; provided, however, that (i) a distribution or dividend with respect to shares of Common Stock, including a regular cash dividend, shall be deposited with the Company and shall be subject to the same restrictions as the shares of Common Stock with respect to which such distribution was made.

**3.3 Terms of Restricted Stock Unit Awards.** Restricted Stock Unit Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Number of Shares and Other Terms. The number of shares of Common Stock subject to a Restricted Stock Unit Award, including the number of shares that are earned upon the attainment of any specified Performance Measures, and the Restriction Period, Performance Period (if any) and Performance Measures (if any) applicable to a Restricted Stock Unit Award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Restricted Stock Unit Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of such Restricted Stock Unit Award (i) if the holder of such award remains continuously in the employment of the Company during the specified Restriction Period or (ii) if specified Performance Measures (if any) are satisfied or met during a specified Performance Period, and for the forfeiture of the shares of Common Stock subject to such award (x) if the holder of such award does not remain continuously in the employment of the Company during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) Settlement of Vested Restricted Stock Unit Awards. The Agreement relating to a Restricted Stock Unit Award shall specify (i) whether such award may be settled in shares of Common Stock or cash or a combination thereof and (ii) whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividend equivalents, and, if determined by the Committee, interest on, or the deemed reinvestment of, any deferred dividend equivalents, with respect to the number of shares of Common Stock subject to such award. Any dividend equivalents with respect to Restricted Stock Units that are subject to vesting conditions shall be subject to the same vesting conditions as the underlying awards. Prior to the settlement of a Restricted Stock Unit Award, the holder of such award shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to such award.

**3.4 Other Stock Awards.** Subject to the limitations set forth in the Plan, the Committee is authorized to grant other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of Common Stock, including without limitation shares of Common Stock granted as a bonus and not subject to any vesting conditions, dividend equivalents, deferred stock units, stock purchase rights and shares of Common Stock issued in lieu of obligations of the Company to pay cash under any compensatory plan or arrangement, subject to such terms as shall be determined by the Committee. The Committee shall determine the terms and conditions of such awards, which may include the right to elective deferral thereof, subject to such terms and conditions as the Committee may specify in its discretion. Any distribution, dividend or dividend equivalents with respect to Other Stock Awards that are subject to vesting conditions shall be subject to the same vesting conditions as the underlying awards.

**3.5 Termination of Employment or Service.** All of the terms relating to the satisfaction of Performance Measures and the termination of the Restriction Period or Performance Period relating to a Stock Award, or any forfeiture and cancellation of such award (i) upon a termination of employment with or service to the Company of the holder of such award, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable award Agreement.

#### **IV. PERFORMANCE AWARDS**

**4.1 Performance Awards.** The Committee may, in its discretion, grant Performance Awards, including cash incentive awards, to such eligible persons as may be selected by the Committee.

**4.2 Terms of Performance Awards.** Performance Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Value of Performance Awards and Performance Measures. The method of determining the value of the Performance Award and the Performance Measures and Performance Period applicable to a Performance Award shall be determined by the Committee. Performance Awards which are settled in cash and are granted with a Performance Period of one year shall be designated as "Annual Incentive Awards." Performance Awards which are settled in cash must also be subject to at least one Performance Measure.

(b) Vesting and Forfeiture. The Agreement relating to a Performance Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of such Performance Award if the specified Performance Measures are satisfied or met during the specified Performance Period and for the forfeiture of such award if the specified Performance Measures are not satisfied or met during the specified Performance Period.

(c) Settlement of Vested Performance Awards. The Agreement relating to a Performance Award shall specify whether such award may be settled in shares of Common Stock (including shares of Restricted Stock) or cash or a combination thereof. If a Performance Award is settled in shares of Restricted Stock, such shares of Restricted Stock shall be issued to the holder in book entry form or a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 3.2(c) and the holder of such Restricted Stock shall have such rights as a stockholder of the Company as determined pursuant to Section 3.2(d). Any dividends or dividend equivalents with respect to a Performance Award shall be subject to the same restrictions as such Performance Award. Prior to the settlement of a Performance Award in shares of Common Stock, including Restricted Stock, the holder of such award shall have no rights as a stockholder of the Company.

**4.3 Termination of Employment or Service.** All of the terms relating to the satisfaction of Performance Measures and the termination of the Performance Period relating to a Performance Award, or any forfeiture and cancellation of such award (i) upon a termination of employment with or service to the Company of the holder of such award, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable award Agreement.

#### **V. GENERAL**

**5.1 Effective Date and Term of Plan.** This Plan shall be submitted to the stockholders of the Company for approval at the Company's 2024 annual meeting of stockholders and, if approved by the Company's stockholders, shall become effective as of the date on which the Plan was approved by stockholders. This Plan shall terminate as of the first annual meeting of the Company's stockholders to occur on or after the tenth anniversary of its effective date, unless terminated earlier by the Board. Termination of this Plan shall not affect the terms or conditions of any award granted prior to termination.

Awards hereunder may be made at any time prior to the termination of this Plan, provided that no Incentive Stock Option may be granted later than ten years after the date on which the Plan was approved by the Board. In the event that this Plan is not approved by the stockholders of the Company, this Plan and any awards hereunder shall be void and of no force or effect.

**5.2 Amendments.** The Board may amend this Plan as it shall deem advisable; provided, however, that no amendment to the Plan shall be effective without the approval of the Company's stockholders if (i) stockholder approval is required by applicable law, rule or regulation, including any rule of the Nasdaq Stock Market, or any other stock exchange on which the Common Stock is then traded, or (ii) such amendment seeks to modify the Non-Employee Director compensation limit set forth in Section 1.3 or the prohibition on repricing set forth in Section 2.4 hereof; provided further, that no amendment may materially impair the rights of a holder of an outstanding award without the consent of such holder.

**5.3 Agreement.** Each award under this Plan shall be evidenced by an Agreement setting forth the terms and conditions applicable to such award. No award shall be valid until an Agreement is issued by the Company and, to the extent required by the Company, executed or electronically accepted by the recipient of such award. Upon such execution or acceptance and delivery of the Agreement to the Company within the time period specified by the Company, such award shall be effective as of the effective date set forth in the Agreement.

**5.4 Non-Transferability.**

(a) No award shall be transferable other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company. Except to the extent permitted by this Section 5.4 or the Agreement relating to an award, each award may be exercised or settled during the holder's lifetime only by the holder or the holder's legal representative or similar person. Except as permitted by this Section 5.4, no award may be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any award, such award and all rights thereunder shall immediately become null and void.

(b) Notwithstanding the foregoing, the Committee may in its sole discretion permit awards (other than Incentive Stock Options) to be transferred by the holder, without consideration, subject to such rules as the Committee may adopt, to (i) any person who is a Family Member of the holder; (ii) a trust solely for the benefit of the holder or the holder's Family Members; (iii) a partnership or limited liability company whose only partners or members are the holder and the holder's Family Members and where such persons hold more than 50 percent of the voting interests; or (iv) any other transferee as may be approved either (A) by the Board or the Committee, or (B) as provided in the applicable Agreement (each transferee described in clause (i), (ii), (iii) or (iv) above is hereinafter referred to as a "Permitted Transferee"); provided, that the holder provides the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the holder in writing that such transfer would comply with the requirements of the Plan; and provided, further, an award that is "nonqualified deferred compensation" subject to Section 409A of the Code shall not be transferred more than 30 days prior to the date such award is settled.

(c) The terms of any award transferred in accordance with Section 5.4(b) shall apply to the Permitted Transferee, and any reference in the Plan or in any applicable Agreement to the "Participant," "Grantee," or similar terms shall be deemed to refer to the Permitted Transferee (including, but not limited to, the ability to exercise an award, if applicable), except that (i) no Permitted Transferee shall be entitled to transfer any award, other than by will or the laws of descent and distribution; (ii) neither the Committee nor the Company shall be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the holder under the Plan or otherwise; (iii) the consequences of the termination of the holder under the terms of the Plan and the applicable Agreement shall continue to apply with respect to the transferred award, including, without limitation, that a Stock Option or SAR shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Agreement; and (iv) any non-competition, non-solicitation, non-disparagement, non-disclosure, or other restrictive covenants contained in any Agreement or other agreement between the holder and the Company or any Affiliate shall continue to apply to the holder and the consequences of the violation of such covenants shall continue to be applied with respect to the transferred award, including, without limitation, any forfeiture provisions as may be set forth in the Plan or the applicable Agreement and the terms of any recoupment or clawback policy of the Company as may be in effect from time to time.

**5.5 Tax Withholding.** The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock or the payment of any cash pursuant to an award made hereunder, payment by the holder of such award of any federal, state, local or other taxes which may be required to be withheld or paid in connection with such award. An Agreement may provide that (i) the Company shall withhold whole shares of Common Stock which would otherwise be delivered to a holder, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the "Tax Date"), or withhold an amount of cash which would otherwise be payable to a holder, in the amount necessary to satisfy any such obligation or (ii) the holder may satisfy any such obligation by any of the following means: (A) a cash payment to the Company; (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation; (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to a holder, in either case equal to the amount necessary to satisfy any such obligation; (D) in the case of the exercise of an option, a cash payment by a broker-dealer acceptable to the Company to whom the participant has submitted an irrevocable notice of exercise, (E) any other method designated by the Committee or (F) a combination of the foregoing, in each case to the extent set forth in the Agreement relating to the award. Shares of Common Stock to be delivered or withheld may not have an aggregate Fair Market Value in excess of the amount determined by applying the minimum statutory withholding rate (or, if permitted by the Company, such other rate as will not cause adverse accounting consequences under the accounting rules then in effect, and is permitted under applicable IRS withholding rules). Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the holder.

**5.6 Restrictions on Shares.** Each award made hereunder shall be subject to the requirement that if at any time the Company determines that the listing, registration or qualification of the shares of Common Stock subject to such award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares thereunder, such shares shall not be delivered unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company may require that certificates evidencing shares of Common Stock delivered pursuant to any award made hereunder bear a legend indicating that the sale, transfer or other disposition thereof by the holder is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder.

**5.7 Adjustment.** In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation or any successor or replacement accounting standard) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary cash dividend, the number and class of securities available under this Plan, the terms of each outstanding option and SAR (including the number and class of securities subject to each outstanding option or SAR and the purchase price or base price per share), the terms of each outstanding Stock Award (including the number and class of securities subject thereto), and the terms of each outstanding Performance Award (including the number and class of securities subject thereto, if applicable), shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options and SARs in accordance with Section 409A of the Code. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of participants. In either case, the decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

## 5.8 Change in Control.

(a) Assumption or Substitution of Certain Awards. Unless otherwise provided in an Agreement or a participant's effective employment, change in control, severance or other similar agreement in effect on the date of grant of the applicable award, in the event of a Change in Control of the Company in which the successor company assumes or substitutes for the applicable award, if a participant's employment with such successor company (or the Company) or an Affiliate thereof terminates within 24 months following such Change in Control (or such other period set forth in the Agreement, including prior thereto if applicable) without cause or under the circumstances specified in the Agreement: (i) options and SARs outstanding as of the date of such termination of employment will immediately vest, become fully exercisable, and may thereafter be exercised for 36 months (or the period of time set forth in the applicable Agreement, but in no event beyond the end of the regularly scheduled term of such options or SARs) and (ii) the restrictions, limitations and other conditions applicable to Performance Awards or Stock Awards outstanding as of the date of such termination of employment shall lapse and such Awards shall become free of all restrictions, limitations and conditions and become fully vested (with the attainment of the performance goals determined as set forth in the Agreement or as otherwise determined by the Committee). For the purposes of this Section, an award shall be considered assumed or substituted for, if following the Change in Control the award confers the right to purchase or receive, for each share of Common Stock subject to the award immediately prior to the Change in Control, the consideration (whether stock, cash or other securities or property) received in the transaction constituting a Change in Control by holders of shares of Common Stock for each share of Common Stock held on the effective date of such transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if such consideration received in the transaction constituting a Change in Control is not solely common stock of the successor company, the Committee may, with the consent of the successor company, provide that the consideration to be received upon the exercise or vesting of an award, for each share of Common Stock subject thereto, will be solely common stock of the successor company substantially equal in fair market value to the per share consideration received by holders of Common Stock in the transaction constituting a Change in Control. The determination of such substantial equality of value of consideration shall be made by the Committee (as in effect prior to the Change in Control) in its sole discretion and its determination shall be conclusive and binding.

(b) Awards Not Assumed or Substituted. Subject to the terms of the applicable Agreements, in the event of a "Change in Control" in which the awards are not effectively assumed or substituted in accordance with Section 5.8(a), the Board, as constituted prior to the Change in Control, may, in its discretion:

- (1) require that (i) some or all outstanding options and SARs shall become exercisable in full or in part, either immediately or upon a subsequent termination of employment, (ii) the Restriction Period applicable to some or all outstanding Stock Awards shall lapse in full or in part, either immediately or upon a subsequent termination of employment, (iii) the Performance Period applicable to some or all outstanding awards shall lapse in full or in part, and (iv) the Performance Measures applicable to some or all outstanding awards shall be deemed to be satisfied at the target, maximum or any other level;
- (2) require that shares of capital stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, be substituted for some or all of the shares of Common Stock subject to an outstanding award, with an appropriate and equitable adjustment to such award as determined by the Board in accordance with Section 5.7; and/or

- (3) require outstanding awards, in whole or in part, to be surrendered to the Company by the holder, and to be immediately cancelled by the Company, and to provide for the holder to receive (i) a cash payment or other property in an amount equal to (A) in the case of an option or an SAR, the aggregate number of shares of Common Stock then subject to the portion of such option or SAR surrendered, whether or not vested or exercisable, multiplied by the excess, if any, of the Fair Market Value of a share of Common Stock as of the date of the Change in Control, over the purchase price or base price per share of Common Stock subject to such option or SAR, (B) in the case of a Stock Award or a Performance Award denominated in shares of Common Stock, the number of shares of Common Stock then subject to the portion of such award surrendered to the extent the Performance Measures applicable to such award have been satisfied or are deemed satisfied pursuant to Section 5.8(a)(i), whether or not vested, multiplied by the Fair Market Value of a share of Common Stock as of the date of the Change in Control, and (C) in the case of a Performance Award denominated in cash, the value of the Performance Award then subject to the portion of such award surrendered to the extent the Performance Measures applicable to such award have been satisfied or are deemed satisfied pursuant to Section 5.8(a)(1); (ii) shares of capital stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, having a fair market value not less than the amount determined under clause (i) above; or (iii) a combination of the payment of cash or other property pursuant to clause (i) above and the issuance of shares pursuant to clause (ii) above.
- (c) For purposes of this Plan, a “Change in Control” shall be deemed to have occurred:
  - (1) upon any "person" as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Common Stock of the Company), becoming the owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities;
  - (2) during any period of two (2) consecutive years (the “Board Measurement Period”), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (1), (3), or (4) of this section) or a director whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board;
  - (3) upon a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (other than those covered by the exceptions in (a) above) acquires more than 50% of the combined voting power of the Company's then outstanding securities shall not constitute a Change in Control of the Company; or

- (4) upon approval by the stockholders of the Company of a plan of complete liquidation of the Company or the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets other than the sale or disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, at least 50% or more of the combined voting power of the outstanding voting securities of the Company at the time of the sale; provided, that with respect to any nonqualified deferred compensation that becomes payable on account of the Change in Control, the transaction or event described in clause (1), (2), (3) or (4) also constitutes a "change in control event," as defined in Treasury Regulation §1.409A-3(i)(5) if required in order for the payment not to violate Section 409A of the Code.

**5.9 Deferrals.** The Committee may determine that the delivery of shares of Common Stock or the payment of cash, or a combination thereof, upon the settlement of all or a portion of any award made hereunder shall be deferred, or the Committee may, in its sole discretion, approve deferral elections made by holders of awards. Deferrals shall be for such periods and upon such terms as the Committee may determine in its sole discretion, subject to the requirements of Section 409A of the Code.

**5.10 No Right of Participation, Employment or Service.** Unless otherwise set forth in an employment agreement, no person shall have any right to participate in this Plan. Neither this Plan nor any award made hereunder shall confer upon any person any right to continued employment by or service with the Company or any Affiliate or affect in any manner the right of the Company or any Affiliate to terminate the employment or service of any person at any time without liability hereunder.

**5.11 Rights as Stockholder.** No person shall have any right as a stockholder of the Company with respect to any shares of Common Stock or other equity security of the Company which is subject to an award hereunder unless and until such person becomes a stockholder of record with respect to such shares of Common Stock or equity security.

**5.12 Designation of Beneficiary.** To the extent permitted by the Company, a holder of an award may file with the Company a written designation of one or more persons as such holder's beneficiary or beneficiaries (both primary and contingent) in the event of the holder's death or incapacity. To the extent an outstanding option or SAR granted hereunder is exercisable, such beneficiary or beneficiaries shall be entitled to exercise such option or SAR pursuant to procedures prescribed by the Company. Each beneficiary designation shall become effective only when filed in writing with the Company during the holder's lifetime on a form prescribed by the Company. The spouse of a married holder domiciled in a community property jurisdiction shall join in any designation of a beneficiary other than such spouse. The filing with the Company of a new beneficiary designation shall cancel all previously filed beneficiary designations. If a holder fails to designate a beneficiary, or if all designated beneficiaries of a holder predecease the holder, then each outstanding award held by such holder, to the extent vested or exercisable, shall be payable to or may be exercised by such holder's executor, administrator, legal representative or similar person.

**5.13 Awards Subject to Clawback.** The awards granted under this Plan and any cash payment or shares of Common Stock delivered pursuant to such an award are subject to forfeiture, recovery by the Company or other action pursuant to the applicable award Agreement or any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

**5.14 Governing Law.** This Plan, each award hereunder and the related Agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

**5.15 Foreign Employees.** Without amending this Plan, the Committee may grant awards to eligible persons who are foreign nationals and/or reside outside of the United States on such terms and conditions different from those specified in this Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purposes of this Plan and, in furtherance of such purposes the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or its Affiliates operates or has employees.

**5.16 Detrimental Activity.** Unless otherwise determined by the Committee at grant, each Award shall provide that in the event the participant engages in Detrimental Activity prior to, or during the one year period following, the later of the participant's termination of employment or service or any vesting of the Award, the Committee may direct (at any time within one year thereafter) that all Options and SARs (whether or not vested) and all unvested Awards shall be immediately forfeited to the Company and that the participant shall pay over to the Company an amount equal to the gain realized at the time of exercise or vesting of any Awards that were exercised or vested during such one-year period.

**5.17 Protected Rights.** Nothing contained in this Plan is intended to limit the participant's ability to (i) report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("Government Agencies"), (ii) communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company or (iii) under applicable United States federal law to (A) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (B) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

**5.18 Severability.** The provisions of the Plan shall be deemed severable. If any provision of the Plan shall be held unlawful or otherwise invalid or unenforceable in whole or in part by a court of competent jurisdiction or any governmental regulatory agency, or impermissible under the rules of any securities exchange on which the Common Stock is listed or by reason of change in a law or regulation, such provision shall (a) be deemed limited to the extent that such court of competent jurisdiction deems it lawful, valid and/or enforceable and as so limited shall remain in full force and effect, and (b) not affect any other provision of the Plan or part thereof, each of which shall remain in full force and effect. If the making of any payment or the provision of any other benefit required under the Plan shall be held unlawful or otherwise invalid by a court of competent jurisdiction, such unlawfulness or invalidity shall not prevent any other payment or benefit from being made or provided under the Plan, and if the making of any payment in full or the provision of any other benefit required under the Plan in full would be unlawful or otherwise invalid or impermissible, then such unlawfulness, invalidity or impermissibility shall not prevent such payment or benefit from being made or provided in part, to the extent that it would not be unlawful, invalid, unenforceable or impermissible, and the maximum payment or benefit that would not be unlawful, invalid or impermissible shall be made or provided under the Plan.

**CERTIFICATION PURSUANT TO  
18 U.S.C. ss.1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kenneth H. Traub, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comtech Telecommunications Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 15, 2026

/s/ Kenneth H. Traub

Kenneth H. Traub, Chairman of the Board,  
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. ss.1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Bondi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comtech Telecommunications Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 15, 2026

/s/ Michael A. Bondi

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Michael A. Bondi  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. ss.1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Comtech Telecommunications Corp. (the “Company”) on Form 10-Q for the period ended April 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kenneth H. Traub, Chairman of the Board, President and Chief Executive Officer of the Company, certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 15, 2026

/s/ Kenneth H. Traub

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Kenneth H. Traub, Chairman of the Board,  
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. ss.1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Comtech Telecommunications Corp. (the “Company”) on Form 10-Q for the period ended April 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael A. Bondi, Chief Financial Officer of the Company, certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 15, 2026

/s/ Michael A. Bondi

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Michael A. Bondi  
Chief Financial Officer