

illumina Holdings Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)

Three and nine months ended September 30, 2025 and 2024
(Expressed in thousands of Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of illumin Holdings Inc. for the three and nine months ended September 30, 2025 have been prepared by and are the responsibility of the management of illumin Holdings Inc. and have not been reviewed or audited by the Company's independent auditors.

illumina Holdings Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(In thousands of Canadian dollars)

	September 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 43,197	\$ 55,952
Accounts receivable	37,114	44,650
Income tax receivable	289	613
Prepaid expenses and other	2,407	2,864
	<hr/>	<hr/>
	83,007	104,079
Non-current assets		
Other assets	114	115
Property and equipment (note 3)	7,090	7,406
Intangible assets (note 4)	13,743	9,352
Goodwill	4,870	4,870
	<hr/>	<hr/>
	108,824	125,822
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	33,384	39,148
Income tax payable	201	137
Borrowings (note 15)	-	48
Lease obligations (note 5)	653	1,513
	<hr/>	<hr/>
	34,238	40,846
Non-current liabilities		
Deferred tax liability (note 17)	-	1,241
Lease obligations (note 5)	4,231	4,702
	<hr/>	<hr/>
	38,469	46,789
Shareholders' equity (note 7)		
	<hr/>	<hr/>
	70,355	79,033
	<hr/>	<hr/>
	108,824	125,822

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

illumina Holdings Inc.

Condensed Interim Consolidated Statements of Comprehensive Loss

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

	Three months ended		Nine months ended	
	2025	2024	2025	2024
Revenue (note 10)	\$ 38,241	\$ 36,305	\$ 100,446	\$ 90,461
Media-related costs	23,872	19,118	58,578	47,689
Gross profit	14,369	17,187	41,868	42,772
Operating expenses				
Sales and marketing (notes 11 and 16)	7,324	7,213	22,142	19,379
Technology (notes 11 and 16)	4,642	4,760	13,669	12,790
General and administrative (notes 11 and 16)	2,902	3,617	9,458	9,629
Share-based compensation (note 7(b))	971	1,075	2,761	2,882
Depreciation and amortization	1,619	1,294	4,492	4,046
	17,458	17,959	52,522	48,726
Loss from operations	(3,089)	(772)	(10,654)	(5,954)
Finance income, net (note 8)	(376)	(432)	(1,022)	(1,407)
Foreign exchange loss (gain)	(901)	493	345	(1,449)
	(1,277)	61	(677)	(2,856)
Net loss before income taxes	(1,812)	(833)	(9,977)	(3,098)
Income tax expense (benefit) (note 17)	336	275	(162)	162
Net loss for the period	(2,148)	(1,108)	(9,815)	(3,260)
Basic and diluted net loss per share (note 9)	(0.04)	(0.02)	(0.19)	(0.06)
Other Comprehensive Loss				
Items that may be subsequently reclassified to net loss:				
Exchange loss on translating foreign operations	(210)	(226)	(584)	(534)
Comprehensive loss for the period	(2,358)	(1,334)	(10,399)	(3,794)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

illumina Holdings Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the nine months ended September 30, 2025 and 2024

	Common shares		Contributed surplus	Other reserves	Deficit	Total
	Number	\$ Amount				
Balance – December 31, 2024	51,238,056	\$ 111,134	\$ 2,656	\$ (3,295)	\$ (31,462)	\$ 79,033
Share-based compensation (note 7(b))	-	-	2,761	-	-	2,761
Repurchase of common shares for cancellation (note 7(f))	(744,108)	(1,620)	391	-	-	(1,229)
Shares issued – options exercised (note 7(b))	131,667	291	(102)	-	-	189
Shares issued – DSUs/RSUs/PSUs exercised (notes 7(c), 7(d), and 7(e))	1,195,427	2,737	(2,737)	-	-	-
Other comprehensive loss	-	-	-	(584)	-	(584)
Net loss for the period	-	-	-	-	(9,815)	(9,815)
Balance – September 30, 2025	51,821,042	112,542	2,969	(3,879)	(41,277)	70,355

	Common shares		Contributed surplus	Other reserves	Deficit	Total
	Number	\$ Amount				
Balance – December 31, 2023	51,350,973	\$ 108,766	\$ 6,576	\$ (2,315)	\$ (32,329)	\$ 80,698
Share-based compensation (note 7(b))	-	-	2,882	-	-	2,882
Repurchase of common shares for cancellation (note 7(f))	(3,310,384)	(7,221)	1,805	-	-	(5,416)
Shares issued – DSUs/RSUs/PSUs exercised (notes 7(c), 7(d), and 7(e))	3,333	7	(3)	-	-	4
Repurchase of common shares for cancellation (note 7(f))	2,782,744	8,383	(8,383)	-	-	-
Other comprehensive loss	-	-	-	(534)	-	(534)
Net loss for the period	-	-	-	-	(3,260)	(3,260)
Balance – September 30, 2024	50,826,666	109,935	2,877	(2,849)	(35,589)	74,374

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

illumina Holdings Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(In thousands of Canadian dollars)

For the nine months ended September 30, 2025 and 2024

	2025	2024
Cash provided by (used in)		
Operating activities		
Net loss for the period	\$ (9,815)	\$ (3,260)
Adjustments to reconcile net loss to net cash flows		
Depreciation and amortization	4,492	4,046
Finance income, net (note 8)	(1,022)	(1,407)
Share-based compensation (note 7(b))	2,761	2,882
Foreign exchange loss (gain)	345	(1,449)
Unpaid severance expense	393	-
Income tax expense (benefit) (note 17)	(162)	162
Change in non-cash operating working capital		
Accounts receivable	7,729	700
Prepaid expenses and other	457	1,435
Other assets	2	(35)
Accounts payable and accrued liabilities	(7,120)	1,088
Income taxes received (paid), net	(565)	1,674
Interest received	1,270	1,600
	<u>(1,235)</u>	<u>7,436</u>
Investing activities		
Additions to property and equipment (note 3)	(1,486)	(1,531)
Additions to intangible assets (note 4)	(6,919)	(3,972)
	<u>(8,405)</u>	<u>(5,503)</u>
Financing activities		
Repayment of international loans (note 15)	(52)	(95)
Payment of leases	(1,519)	(1,609)
Repurchase of common shares for cancellation (note 7(f))	(1,229)	(5,310)
Proceeds from the exercise of stock options (note 7(b))	189	4
	<u>(2,611)</u>	<u>(7,010)</u>
Decrease in cash and cash equivalents	(12,251)	(5,077)
Impact of foreign exchange on cash and cash equivalents	(504)	1,056
Cash and cash equivalents – beginning of period	55,952	55,455
Cash and cash equivalents – end of period	<u>43,197</u>	<u>51,434</u>
Supplemental disclosure of non-cash transactions		
Adjustments to property and equipment under leases (note 3)	-	(23)
Unpaid additions (reversals) to property and equipment, net (note 3)	162	(734)
Unpaid taxes on share repurchase (note 7(f))	-	106

The accompanying notes are an integral part of the consolidated financial statements.

illumin Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

1 Corporate information

illumin Holdings Inc. (“illumin” or the “Company”), and its wholly owned subsidiaries illumin Inc., illumin Capital Inc., illumin US Inc., 140 Proof Inc., Visible Measures LLC, and ADman Interactive S.L.U. (“ADman”), a company that holds certain technology assets, is a leading provider of targeted digital media solutions, enabling advertisers to connect intelligently with their audiences across online display, video, connected TV, social and mobile campaigns. illumin is a publicly traded company, incorporated in Canada, with its head office located at 70 University Ave, Suite 1200, Toronto, Ontario M5J 2M4.

2 Material accounting policy information

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (“IFRS Accounting Standards”), applicable to the preparation of interim financial statements, including international Accounting Standard 34, Interim Financial Reporting. The date the board of directors of the Company (the “Board”) authorized the condensed interim consolidated financial statements for issue was November 6, 2025.

Basis of presentation

These condensed interim consolidated financial statements are prepared in Canadian dollars (“CAD”), which is the Company’s functional and reporting currency, and have been prepared mainly under the historical cost basis. Other measurement bases used are described in the applicable notes.

Prior year comparatives have been updated to conform to current year presentation (note 16).

Material accounting policies

The disclosures contained in these unaudited condensed interim consolidated financial statements do not include all the requirements of IFRS Accounting Standards for annual financial statements. The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2024. The unaudited condensed interim consolidated financial statements are based on accounting policies, as described in note 2 to the 2024 audited annual consolidated financial statements.

New accounting standards

The following amendments to standards and interpretations became effective for the annual periods beginning on or after January 1, 2025. The application of these amendments and interpretations had no significant impact on the Company’s consolidated financial position or results of operations.

New requirements for lack of exchangeability (Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates). The amendments to IAS 21 add requirements to help entities determine whether a currency is exchangeable into another currency, and provide guidance on estimation of the exchange rate to use when exchangeability is lacking.

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

Future accounting standards

The following new and amended standards and interpretations will become effective in a future year. The Company is in the process of assessing any potential impacts of the following:

- Amendments to classification and measurement of financial instruments (Amendments to IFRS 9, Financial Instruments & IFRS 7, Financial Instruments: Disclosures) improving the clarity of the guidance on derecognition of financial assets and liabilities, and disclosures for certain types of financial instruments.
- Disclosure on contracts referencing nature-dependent electricity (Amendments to IFRS 7, Financial Instruments). The amendments clarify the application of the 'own-use' requirements and hedge accounting.
- Annual improvements to IFRS Accounting Standards issuing a collection of minor amendments to IFRS 1 First-time Adoption of IFRS, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows.
- New standard on financial statement presentation and disclosure (IFRS 18, Presentation and Disclosure in Financial Statements, replacing IAS 1, Presentation of Financial Statements, as primary source of requirements for financial statement presentation) focusing on improving labelling, aggregation and disaggregation of information in financial statements, particularly on the statement of profit or loss.
- New standard on subsidiaries without public accountability disclosures (Amendments to IFRS 19 Subsidiaries without public accountability disclosures) reducing disclosure requirements for eligible subsidiaries when preparing their own consolidated, separate or individual financial statements.

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

3 Property and equipment

	Furniture and fixtures	Data center equipment	Office computer equipment	Right of use assets	Total
<i>Cost</i>					
As at January 1, 2025	\$ 1,638	\$ 1,910	\$ 1,736	\$ 17,173	\$ 22,457
Additions	9	1,569	70	-	1,648
As at September 30, 2025	1,647	3,479	1,806	17,173	24,105
<i>Accumulated depreciation</i>					
As at January 1, 2025	1,371	376	1,474	11,830	15,051
Amortization	89	417	145	1,313	1,964
As at September 30, 2025	1,460	793	1,619	13,143	17,015
<i>Net carrying amount</i>					
As at January 1, 2025	267	1,534	262	5,343	7,406
As at September 30, 2025	187	2,686	187	4,030	7,090

	Furniture and fixtures	Data center equipment	Office computer equipment	Right of use assets	Total
<i>Cost</i>					
As at January 1, 2024	\$ 1,637	\$ 1,144	\$ 1,547	\$ 19,708	\$ 24,036
Additions	1	637	159	(23) ¹	774
Dispositions	-	-	-	(2,512)	(2,512)
As at September 30, 2024	1,638	1,781	1,706	17,173	22,298
<i>Accumulated depreciation</i>					
As at January 1, 2024	1,151	74	1,264	12,218	14,707
Amortization	170	208	158	1,676	2,212
Dispositions	-	-	-	(2,512)	(2,512)
As at September 30, 2024	1,321	282	1,422	11,382	14,407
<i>Net carrying amount</i>					
As at January 1, 2024	486	1,070	283	7,490	9,329
As at September 30, 2024	317	1,499	284	5,791	7,891

¹An adjustment was made to the right of use assets that led to a decrease in the asset balance.

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

4 Intangible assets

	2025	2024
<i>Cost – Technology</i>		
As at January 1	\$ 25,137	\$ 20,904
Additions	6,919	2,950
As at September 30	32,056	23,854
<i>Accumulated depreciation – Technology</i>		
As at January 1	15,785	13,286
Amortization	2,528	1,834
As at September 30	18,313	15,120
<i>Net carrying amount – Technology</i>		
As at January 1	9,352	7,618
As at September 30	13,743	8,734

The Technology intangible asset is internally derived from capitalizing development costs related to revenue generating technology. During the nine months ended September 30, 2025, the Company capitalized \$6,919 (2024 – \$6,433), which was reduced by \$nil (2024 – \$3,483) of funding from the National Research Council's Industrial Research Assistance Program ("IRAP") (see note 11), for a net capitalization of \$6,919 (2024 – \$2,950). As at September 30, 2025, the Company had recorded a receivable of \$nil (2024 – \$1,022) from IRAP related to capitalized development costs.

5 Lease obligations

	September 30, 2025	December 31, 2024
Obligations under leases	\$ 4,884	\$ 6,215
Less: Current portion	653	1,513
	4,231	4,702

6 Related party transactions and balances

Directors and officers are eligible to participate in the Company's long-term incentive plans. No stock options have been granted to directors and officers of the Company since April 2024 (note 7(b)).

During the three and nine months ended September 30, 2025, the Company issued 70,162 and 185,548 DSUs, respectively (2024 – 12,324 and 131,889), to directors and recognized \$18 and \$163 in director fees, respectively (2024 – \$73 and \$218).

During the three and nine months ended September 30, 2025, the Company issued nil and 627,223 RSUs, respectively (2024 – 845,070 and 1,593,430), to officers of the Company in lieu of cash bonuses.

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

7 Share capital and share-based payments

a) Share capital

As at September 30, 2025, the Company had an unlimited number of common shares authorized for issuance (2024 – unlimited) and 51,821,042 common shares outstanding (2024 – 50,826,666) (without par value).

b) Stock Option Plan and Omnibus Incentive Plan

The Company has a stock option plan (the “Stock Option Plan”), a deferred share unit plan (the “Deferred Share Unit Plan”) and an omnibus long-term incentive plan (the “Omnibus Incentive Plan”). Since the adoption of the Omnibus Incentive Plan by shareholders on June 16, 2020, the Company has stopped issuing new stock options under its Stock Option Plan and new Deferred Share Units (“DSUs”) under its Deferred Share Unit Plan. Previously issued stock options and DSUs remain outstanding and are governed by the plans under which they were initially issued.

Under the Stock Option Plan, the Board of Directors granted stock options to employees, officers, directors and consultants of the Company. The expiry date of options granted under the Stock Option Plan typically did not exceed five years from the grant date. The vesting schedule was at the discretion of the Board of Directors and was, in general, annually over a three-year period. The exercise price of these options is equal to the market price per share on the day preceding the grant date.

The Omnibus Incentive Plan allows for a variety of equity-based awards to be granted to officers, directors, employees, and consultants (in the case of stock options and Restricted Share Units (“RSUs”)) and non-employee directors (in the case of DSUs or Performance Share Units (“PSUs”)). Stock options, RSUs, DSUs and PSUs are collectively referred to herein as “Awards”. Each Award represents the right to receive common shares in accordance with the terms of the Omnibus Incentive Plan.

The maximum number of common shares reserved for issuance, in the aggregate, under the Omnibus Incentive Plan, the Stock Option Plan, the Deferred Share Unit Plan, and any other security-based compensation arrangement, collectively, is 15% of the aggregate number of common shares issued and outstanding from time to time. As at September 30, 2025, the Company was entitled to issue a maximum of 7,773,156 equity-based awards, collectively under the Omnibus Incentive Plan, the existing Stock Option Plan, the existing DSU Plan, and any other security-based compensation arrangement. As at September 30, 2025, the Company had 5,046,831 equity-based awards outstanding.

The following table summarizes the continuity of options issued under the Stock Option Plan:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding – January 1	140,000	\$ 1.44	616,002	\$ 1.62
Forfeited or cancelled	(8,333)	1.59	(444,335)	1.68
Exercised	(131,667)	1.43	(3,333)	1.27
Outstanding – September 30	-	-	168,334	1.41
Options exercisable – September 30	-	-	168,334	1.41

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

The following table summarizes the continuity of options issued under the Omnibus Incentive Plan:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding – January 1	1,016,667	\$ 1.62	16,667	\$ 2.09
Granted	-	-	1,000,000	1.61
Forfeited or cancelled	(16,667)	2.09	-	-
Outstanding – September 30	<u>1,000,000</u>	<u>1.61</u>	<u>1,016,667</u>	<u>1.62</u>
Options exercisable – September 30	<u>333,333</u>	<u>1.61</u>	<u>16,667</u>	<u>2.09</u>

A combined summary of the Company's stock options outstanding under the above plans is as follows:

	September 30, 2025		
Range of exercise prices \$	Number of options	Weighted average remaining contractual life (years)	Weighted average number of options exercisable
1.61	1,000,000	3.42	333,333
	<u>1,000,000</u>		<u>333,333</u>
	September 30, 2024		
Range of exercise prices \$	Number of options	Weighted average remaining contractual life (years)	Weighted average number of options exercisable
1.13	45,000	0.67	45,000
1.15	20,000	0.17	20,000
1.59	103,334	0.42	103,334
1.61	1,000,000	4.42	-
2.09	16,667	0.92	16,667
	<u>1,185,001</u>		<u>185,001</u>

During the three and nine months ended September 30, 2025, the Company recorded Share-based compensation expense under the Black-Scholes option pricing model related to stock options, DSUs, PSUs and RSUs granted to employees, officers, directors and consultants of the Company of \$971 and \$2,761, respectively (2024 – \$1,075 and \$2,882).

During the three and nine months ended September 30, 2025, nil and nil stock options were issued under the Omnibus Incentive Plan, respectively (2024 – nil and 1,000,000) and nil and 131,667 stock options were exercised at a weighted average price of \$nil and \$1.43 for gross proceeds of \$nil and \$189, respectively (2024 – nil and 3,333 stock options were exercised at a weighted average price of \$nil and \$1.27 for gross proceeds of \$nil and \$4).

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

c) Deferred share units

During the three and nine months ended September 30, 2025, the Company issued 70,162 and 185,548 DSUs, respectively (2024 – 12,324 and 131,889) and 93,784 and 183,794 DSUs were exercised, respectively (2024 – 103,055 and 135,662).

d) Restricted share units

During the three and nine months ended September 30, 2025, the Company issued 30,000 and 962,564 RSUs, respectively (2024 – 1,084,915 and 1,950,781), to employees, officers, and consultants of the Company and 547,023 and 1,011,633 RSUs (2024 – 73,984 and 2,583,709) were exercised, respectively.

e) Performance share units

During the three and nine months ended September 30, 2025, the Company issued nil and 300,000 PSUs, respectively (2024 – nil and nil) to consultants of the Company and nil and nil PSUs (2024 – nil and nil) were exercised, respectively.

f) Repurchase of shares for cancellation under a NCIB

On November 13, 2023, the Company commenced a normal course issuer bid (“NCIB”) to purchase for cancellation up to 4,330,226 of its outstanding common shares. During the three and nine months ended September 30, 2024, under this NCIB, the Company purchased and cancelled 819,698 and 3,310,384, respectively, of its common shares at an average price of \$1.59 and \$1.64 per share totaling \$1,302 and \$5,416, respectively. This NCIB expired on November 12, 2024.

On December 23, 2024, the Company commenced a new NCIB to purchase for cancellation up to 3,914,167 of its outstanding common shares. Under the new NCIB, daily purchases are limited to 12,518 common shares. The new NCIB may continue to December 22, 2025, or such earlier time as the NCIB is completed or terminated at the option of the Company. During the three and nine months ended September 30, 2025, under this new NCIB, the Company purchased and cancelled 432,490 and 744,108, respectively, of its outstanding common shares at an average price of \$1.57 and \$1.65 per share totaling \$680 and \$1,229.

8 Finance income, net

The following is a breakdown of finance income and costs for the three and nine months ended September 30, 2025 and 2024:

	Three months ended		Nine months ended	
	2025	2024	2025	2024
Interest income	\$ (565)	\$ (515)	\$ (1,310)	\$ (1,682)
Interest on leases and other interest	189	83	288	275
	<u>(376)</u>	<u>(432)</u>	<u>(1,022)</u>	<u>(1,407)</u>

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

9 Net loss per share

The computations for basic and diluted net loss per share for the three and nine months ended September 30, 2025 and 2024 were as follows:

	Three months ended		Nine months ended	
	2025	2024	2025	2024
Net loss for the period	\$ (2,148)	\$ (1,108)	\$ (9,815)	\$ (3,260)
Weighted average number of shares outstanding – basic	51,730,130	50,908,462	51,566,503	51,283,548
Net loss per share – basic	\$ (0.04)	\$ (0.02)	\$ (0.19)	\$ (0.06)
Dilutive effect of stock options	-	-	-	-
Dilutive effect of DSUs	-	-	-	-
Dilutive effect of RSUs	-	-	-	-
Dilutive effect of PSUs	-	-	-	-
Diluted weighted average number of shares outstanding	51,730,130	50,908,462	51,566,503	51,283,548
Net loss per share – diluted	\$ (0.04)	\$ (0.02)	\$ (0.19)	\$ (0.06)
Items excluded from the calculation of diluted net loss per share due to their anti-dilutive effect:				
Stock options, DSUs, PSUs and RSUs	5,046,831	5,645,959	5,046,831	5,645,959

Net loss per share is calculated by dividing the net loss by the weighted average number of shares outstanding during the relevant period. Diluted weighted average number of shares reflects the dilutive effect of equity instruments, such as any “in the money” stock options, RSUs, PSUs, or DSUs. In the periods with reported net losses, all stock options, RSUs, PSUs, and DSUs are deemed anti-dilutive such that basic net loss per share and diluted net loss per share are equal.

10 Segment information

The Company’s CEO has been identified as the chief operating decision maker (“CODM”). The CODM reviews financial information, makes decisions, and assesses the performance of the Company as a single operating segment. The Company’s assets and operations are substantially located in Canada, however, the Company also has employees and customers in the United States, Europe, and LATAM and generates revenue in each region.

Revenue by region for the three and nine months ended September 30, 2025 and 2024 was as follows:

	Three months ended		Nine months ended	
	2025	2024	2025	2024
United States	\$ 17,939	\$ 27,713	\$ 51,232	\$ 66,047
Canada	2,615	3,609	8,344	9,962
Europe, LATAM, & other	17,687	4,983	40,870	14,452
	38,241	36,305	100,446	90,461

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

Revenue by service for the three and nine months ended September 30, 2025 and 2024 was as follows:

	Three months ended		Nine months ended	
	2025	2024	2025	2024
Managed service	\$ 9,375	\$ 17,832	\$ 28,987	\$ 43,943
Self service	8,336	8,357	25,940	25,486
Exchange service	20,530	10,116	45,519	21,032
	38,241	36,305	100,446	90,461

During the three and nine months ended September 30, 2025, the Company had one and one customer, respectively, that represented more than 10% of total revenue (2024 – one and nil customers represented more than 10% of total revenue).

11 Government assistance

On October 6, 2023, the Company secured a funding commitment of up to a maximum of \$10,000 from the National Research Council's Industrial Research Assistance Program towards eligible research and development expenses. The commitment covers expenses incurred for the period April 1, 2023 to December 31, 2024. Nothing was recognized during the three and nine months ended September 30, 2025. During the three and nine months ended September 30, 2024, \$1,583 and \$4,767, respectively, of eligible costs for recovery were recognized from IRAP. Of this amount, \$1,159 and \$3,483, respectively, was recognized as a reduction to capitalized development costs on the Statement of Financial Position and \$424 and \$1,284, respectively, was recognized as a reduction to Technology costs, Sales and marketing costs, and General and administrative costs on the Statement of Comprehensive Loss.

12 Financial instruments

Classification of financial instruments

The following table provides the allocation of financial instruments and their associated financial instrument classifications:

Measurement basis	Loans and receivables/ financial liabilities (Amortized cost)	
	September 30, 2025	December 31, 2024
Financial assets		
Cash and cash equivalents	\$ 43,197	\$ 55,952
Accounts receivable	37,114	44,650
Other assets	2,407	2,864
	82,718	103,466

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

Measurement basis	Loans and receivables/ financial liabilities (Amortized cost)	
	September 30, 2025	December 31, 2024
Financial liabilities		
Accounts payable and accrued liabilities	\$ 33,384	\$ 39,148
International loans (note 15)	-	48
Lease obligations (note 5)	4,884	6,215
	<u>38,268</u>	<u>45,411</u>

Fair value measurements

The Company provides disclosure of the three-level hierarchy that reflects the significance of the inputs used in making the fair value measurement. The carrying values of Cash and cash equivalents, Accounts receivable, Accounts payable and accrued liabilities, Lease obligations, and Borrowings approximate their fair values given their short-term nature.

13 Capital risk management

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to provide returns to its shareholders. The Company defines capital that it manages as the aggregate of its Shareholders' equity, which comprises issued Capital, Contributed surplus and Deficit. The Company manages its capital structure and makes adjustments to it in working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from the Board, may issue shares, repurchase shares, pay dividends or undertake other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

14 Financial risk management

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's risk management policies on an annual basis. Management identifies and evaluates financial risks and is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from the Company's Accounts receivable and Cash and cash equivalents. As at September 30, 2025, three customers each represented more than 5% of the gross Accounts receivable balance of \$37,799. As at December 31, 2024, two customers each represented more than 5% of the gross Accounts receivable balance of \$45,373.

The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company's customers are generally financially established organizations, which limits the credit risk relating to the customers. In addition, credit reviews by the Company take into account the counterparty's financial position, past experience and other factors.

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

As at September 30, 2025, the allowance for expected credit loss was \$685 (December 31, 2024 – \$723). In establishing the appropriate allowance for expected credit loss, management makes assumptions with respect to the future collectability of the receivables. Assumptions are based on an individual assessment of a customer's credit quality as well as subjective factors and trends. As at September 30, 2025, 83% of the Company's customers were current, 8% were 1 to 30 days past due, 3% were 31 to 60 days past due, 1% were 61 to 90 days past due, and 5% were past due by greater than 90 days.

The Company, from time to time, invests its excess cash in accounts with Canadian Schedule I banks with the objective of maintaining the safety of the principal and providing adequate liquidity to meet current payment obligations and future planned capital expenditures and with the secondary objective of maximizing the overall yield of the portfolio. The Company's Cash and cash equivalents as of September 30, 2025 was not subject to external restrictions. Investments must be rated at least investment grade by recognized rating agencies. The Canada Deposit Insurance Corporation provides insurance of up to \$100 per depositor, per insured bank, for each account ownership category on Canadian-domiciled bank accounts. The Federal Deposit Insurance Corporation also provides insurance on U.S.-domiciled bank accounts. The standard deposit insurance amount is \$250 U.S. per depositor, per insured bank, for each account ownership category. The Company's bank account deposits exceed these insured amounts.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages its liquidity risk by continually monitoring forecasted and actual revenue and expenditures and cash flows from operations. Management is also actively involved in the review and approval of planned expenditures. The Company's principal cash requirements are for lease obligations, capital expenditures and working capital needs. The Company uses its operating cash flows, loans and borrowings and cash balances to maintain liquidity. In the event that future cash flows from operations are lower than expected, the Company may need to seek additional financing, either by issuing additional equity or by undertaking additional borrowings. There is no certainty that additional financing will be available or that it will be available on attractive terms.

The following are the contractual maturities for the financial liabilities:

	September 30, 2025				
	Carrying amount	Total contractual cash flows	Less than 1 year	1 to 3 years	> 3 years
Accounts payable and accrued liabilities	\$ 33,384	\$ 33,384	\$ 33,384	\$ -	\$ -
Lease obligations	4,884	6,204	961	2,537	2,706
	<u>38,268</u>	<u>39,588</u>	<u>34,345</u>	<u>2,537</u>	<u>2,706</u>

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

	December 31, 2024				
	Carrying amount	Total contractual cash flows	Less than 1 year	1 to 3 years	> 3 years
Accounts payable and accrued liabilities	\$ 39,148	\$ 39,148	\$ 39,148	\$ -	\$ -
International loans	48	48	48	-	-
Lease obligations	6,215	7,875	1,935	2,722	3,218
	<u>45,411</u>	<u>47,071</u>	<u>41,131</u>	<u>2,722</u>	<u>3,218</u>

Interest rate risk

Interest rate risk is the risk of financial loss to the Company if interest rates increase on interest-bearing instruments. The Company has various revolving lines of credit and term loans (see note 15) with interest rates that the Company believes are consistent with market interest rates for this type of debt.

Foreign exchange or currency risk

The Company is exposed to foreign exchange risk from sale and purchase transactions, as well as recognized financial assets and liabilities denominated in U.S. dollars. The Company's main objective in managing its foreign exchange risk is to maintain U.S. cash on hand to support US forecasted obligations and cash flows. To achieve this objective, the Company monitors forecasted cash flows in foreign currencies and attempts to mitigate the risk by modifying the nature of cash held.

If a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately \$1,927 due to the fluctuation and this would be recorded in the consolidated statements of comprehensive loss.

Balances held in U.S. dollars are as follows in CAD:

	September 30, 2025	December 31, 2024
Cash	\$ 37,802	\$ 22,707
Accounts receivable	20,566	33,059
Accounts payable	33,111	20,261

15 Borrowings

Term loans

International term loans were repaid during the period reducing the balance outstanding to \$nil as at September 30, 2025 (December 31, 2024: \$48 (€32)). The interest rates for these unsecured term loans ranged from 1.75% to 2.03% with maturity dates ranging from April 8, 2025 to May 21, 2025.

illumina Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

(In thousands of Canadian dollars, except share amounts)

For the three and nine months ended September 30, 2025 and 2024

Line of credit

The Company has a line of credit with a maximum amount available to borrow of \$680 (€416) and carries an interest rate equal to Euribor + 1.95% with a maturity date of April 16, 2026.

16 Expenses by nature

The following is a breakdown of the expenses by nature for the three and nine months ended September 30, 2025 and 2024:

	Three months ended		Nine months ended	
	2025	2024	2025	2024
Employee wages, salaries, and benefits	\$ 7,764	\$ 8,887	\$ 24,854	\$ 22,946
Hosting and data costs	2,758	2,237	7,429	5,929
Contractor consulting fees	1,514	1,524	4,436	3,943
Travel and entertainment	504	785	1,713	2,079
Professional fees	336	655	1,257	1,351
Advertising and promotion	507	221	1,317	876
Insurance	196	206	630	1,256
Office technology	524	480	1,549	1,371
Public company fees	93	99	442	584
Other	672	496	1,642	1,463
	<u>14,868</u>	<u>15,590</u>	<u>45,269</u>	<u>41,798</u>

Effective January 1, 2025, the Company changed its operating expense presentation to reclassify certain costs from Technology to Sales and marketing in order to better reflect the nature of the costs. Prior year comparatives have been updated accordingly.

17 Income tax expense (benefit)

During the three and nine months ended September 30, 2025, the Company recognized on a consolidated basis a current tax expense (benefit) of \$336 and \$1,078 (2024 – (\$176) and \$46), respectively, and a deferred tax expense (benefit) of \$nil and (\$1,240) (2024 – \$451 and \$116), respectively.