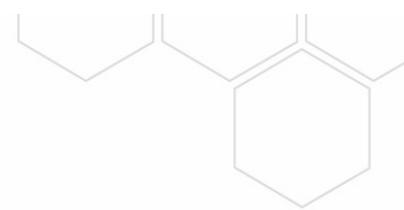
A 3D molecular model of a carbon lattice structure, showing a grid of black spheres connected by black rods, representing a crystalline material like graphite or diamond.

NanoXplore Inc.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six-month periods ended
December 31, 2025 and 2024





[Unless specified otherwise, all amounts are expressed in Canadian dollars]

This Interim Management's discussion and analysis ("MD&A") provides a review of NanoXplore Inc.'s operations, performance and financial position for the three and six-month periods ended December 31, 2025 and 2024 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six-month periods ended December 31, 2025 and 2024. The purpose of this document is to provide information on our activities. The information contained herein is dated as of February 10, 2026, date on which the MD&A was approved by the Corporation's board of directors. You will find more information about us on NanoXplore's website at www.nanoxplore.ca and on SEDAR+ at <https://www.sedarplus.ca>, including all press releases.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Corporation has consistently applied the accounting policies used in the preparation of its IFRS financial statements, including the comparative figures. We occasionally refer to non-IFRS financial measures in the MD&A. See the Non-IFRS measures section for more information. The terms "we", "our", "us", "NanoXplore" or the "Corporation" mean NanoXplore Inc. and its subsidiaries, unless otherwise indicated.

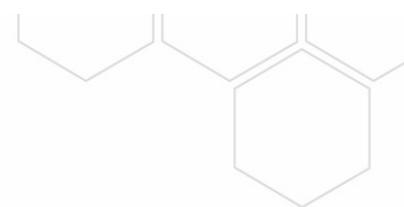
"Q2-2026" and "Q2-2025" refer to the three-month periods ended December 31, 2025 and 2024 respectively, and "YTD 2026" and "YTD 2025" refer to the six-month periods ended December 31, 2025 and 2024 respectively.

1. FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements within the meaning of applicable Canadian securities laws with respect to the Corporation. Such forward-looking statements are dependent upon a certain number of factors and are subject to risks and uncertainties. Actual results may differ from those expected. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable, but it advises the reader that these assumptions with regard to future events, many of which are beyond the Corporation's control, could prove incorrect as they are subject to risks and uncertainties inherent in the Corporation's activities. Management does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information of future events, except when required by the regulatory authorities.

This MD&A contains forward-looking statements. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "project", "expect" and similar expressions are intended to identify forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect NanoXplore's then current views with respect to future events based on certain facts and assumptions and are subject to certain risks and uncertainties, including without limitation changes in the risk factors described under the section "*Risks and Uncertainties*" of this MD&A. The forward-looking statements are based on certain key expectations and assumptions made by NanoXplore, including expectations and assumptions concerning availability of capital resources, business performance, market conditions and customer demand. Although NanoXplore believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements since no assurance can be given that they will prove to be correct.

Many factors could cause NanoXplore's actual results, performance or achievements to vary from those described in this MD&A, including without limitation those listed above, those described under the section "*Risks and Uncertainties*" of this MD&A as well as the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements should not be unduly relied upon. NanoXplore does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this MD&A are expressly qualified by these cautionary statements. Forward-looking statements contained in this MD&A about prospective results of operations, financial position or cash flows are based on assumptions about future events, including economic conditions and proposed courses of action, based on NanoXplore's management's assessment of the relevant information currently available. Readers are cautioned that outlook information contained in this MD&A should not be used for the purposes other than for which it is disclosed herein or therein, as the case may be.



2. BUSINESS OVERVIEW

CORPORATION OVERVIEW

NanoXplore is a graphene company, a manufacturer and supplier of high-volume graphene powder for use in transportation and industrial markets. Also, the Corporation provides standard and custom graphene-enhanced plastic and composite products to various customers in transportation, packaging, electronics, and other industrial sectors. The Corporation is also a silicon-graphene-enhanced Li-ion battery manufacturer for the energy storage, industrial and defense markets. The Corporation was formed by amalgamation under the *Canada Business Corporations Act* by Certificate of Amalgamation dated September 21, 2017 and is headquartered at 4500 Thimens Blvd, Montreal, QC, Canada.

NanoXplore is listed on the Toronto Stock Exchange ("TSX") and traded under "GRA" and is also listed on the OTCQX and traded under "NNXPF".

The Corporation has the following subsidiaries:

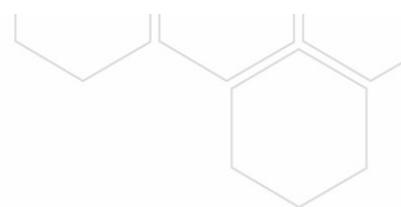
| Subsidiaries | Reporting segment |
|--|---|
| CEBO Injections SA ("CEBO"), based in Switzerland, with an equity interest of 100% [2024 – NanoXplore Switzerland Holding SA ("NanoXplore Switzerland"), based in Switzerland, with an equity interest of 100%. NanoXplore Switzerland holds 100% of CEBO. These companies have been merged as at July 1 st , 2024] | Advanced Materials, Plastics and Composite Products |
| NanoXplore Holdings USA, Inc. ("NanoXplore Holdings USA"), based in the United States, with an equity interest of 100% [2024 – 100%]. NanoXplore Holdings USA holds 100% of NanoXplore USA, Inc. and of RMC Advanced Technologies Inc. [2024 – 100%]. | Advanced Materials, Plastics and Composite Products |
| Sigma Industries Inc. ("Sigma"), based in Canada, with an equity interest of 100% [2024 – 100%]. Sigma has two active wholly owned subsidiaries; Faroex Ltd., based in Manitoba, and Rene Composite Materials Ltd., based in Quebec. [2024 – 100%] | Advanced Materials, Plastics and Composite Products |
| Canuck Compounds Inc. ("Canuck"), based in Canada, with an equity interest of 100% [2024 – 100%] | Advanced Materials, Plastics and Composite Products |
| VoltaXplore Inc. ("VoltaXplore"), based in Canada, with an equity interest of 100% [2024 – 100%] | Battery Cells and Materials |

REPORTING SEGMENTS

The Corporation has two reportable segments based on products:

- 1) Advanced Materials, Plastics and Composite Products:**
Provides standard and custom graphene-enhanced plastic and composite products to various customers in transportation, packaging, electronics, and other industrial sectors.
- 2) Battery Cells and Materials:**
Provides silicon-graphene-enhanced Li-ion battery cells for the energy storage, industrial and defense markets.

Corresponding operations and activities are managed accordingly by the Corporation's Chief Operating Decision Maker. Segmented operating, financial information and labelled key performance indicators are available and used to manage these business segments, review performance and allocate resources.



KEY FINANCIAL HIGHLIGHTS Q2-2026

- Total revenues of \$27,580,290 compared to \$33,120,886 last year, representing a 17% decrease;
- Adjusted gross margin⁽¹⁾ on revenues from customers of 21.5% compared to 21.3% last year;
- Loss of \$3,836,406 compared to a loss of \$2,894,922 last year;
- Adjusted EBITDA⁽²⁾ of \$224,355 compared to \$1,102,050 last year;
- Adjusted EBITDA⁽²⁾ of \$180,967 compared to \$1,319,926 last year for the Advanced Materials, Plastics and Composite Products segment;
- Adjusted EBITDA⁽²⁾ of \$43,388 compared to an adjusted EBITDA⁽²⁾ loss of \$217,876 last year for the Battery Cells and Materials segment;
- Total liquidity of \$40,144,435 as at December 31, 2025, including cash and cash equivalents of \$30,144,435;
- Total long-term debt of \$13,922,418 as at December 31, 2025, higher by \$9,609,494 compared to June 30, 2025.

KEY FINANCIAL HIGHLIGHTS YTD 2026

- Total revenues of \$51,022,941 compared to \$66,786,300 last year, representing a 24% decrease;
- Adjusted gross margin⁽¹⁾ on revenues from customers of 19.5% compared to 21.1% last year;
- Loss of \$7,612,736 compared to a loss of \$5,613,934 last year;
- Adjusted EBITDA⁽²⁾ loss of \$1,165,746 compared to an adjusted EBITDA⁽²⁾ of \$2,226,349 last year;
- Adjusted EBITDA⁽²⁾ loss of \$1,137,791 compared to an adjusted EBITDA⁽²⁾ of \$2,832,030 last year for the Advanced Materials, Plastics and Composite Products segment;
- Adjusted EBITDA⁽²⁾ loss of \$27,955 compared to \$605,681 last year for the Battery Cells and Materials segment.

BUSINESS HIGHLIGHTS

During the six-month periods ended December 31, 2025, the Corporation continued to focus on developing markets for its graphene products and developing downstream pre-mixed additives and products that facilitate such introduction. The Corporation has been successful in the integration of GrapheneBlack in multiple streams of products, both internally and externally. The Corporation continues its engagement with many potential customers who are currently validating GrapheneBlack and GrapheneBlack improved masterbatches, concentrates, and products.

CEO Succession plan

On December 4, 2025, Soroush Nazarpour stepped down from his functions as President and Chief Executive Officer and was re-elected to the Board of Directors, at the annual general meeting. Rocco Marinaccio, the Corporation's Chief Operating Officer, has succeed Mr. Nazarpour as President and Chief Executive Officer on the same date.

Commercial

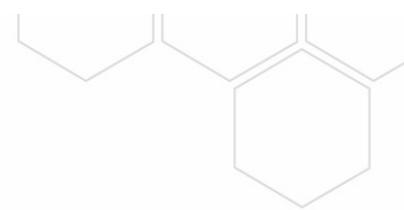
On September 18, 2025, the Corporation announced the signing of a multi-year supply agreement with Chevron Phillips Chemical for the sale of a proprietary carbon product as a formulation additive to drilling fluids. This was the culmination of over 18 months of collaborative work between the companies through lab tests and well trials that produced exceptional results by significantly reducing costs to the operators. We expect this agreement will produce material sales growth over the coming years as adoption of the product grows in the marketplace.

On November 12, 2025, the Corporation announced the award and start of production of thermoset polymer parts for Club Car. Preparations for the start of production have been ongoing at our Statesville, NC site throughout 2025, and the first sales began in October 2025. As part of the agreement, it is the intent during 2026 to convert the parts from virgin to graphene-enhanced recycled plastics.

In January 2026, the Corporation was awarded a new project from Volvo for production of sheet molded compound ("SMC") parts at our Statesville, NC plant with annual revenues of \$9-10M. This award will generate tooling revenues beginning in fiscal Q4-2026 and is expected to start part production in early fiscal year 2028. It is our intent to produce the part with our graphene-enhanced SMC material.

⁽¹⁾ Adjusted gross margin is a non-IFRS measure and a reconciliation can be found in the "Overall Results" section.

⁽²⁾ Adjusted EBITDA is a non-IFRS measure and a reconciliation can be found in the "Overall Results" section.



Financing

On October 30, 2025, the Corporation completed a financing by way of a bought deal private placement of 10,720,350 common shares at a price of \$2.40 per share for gross proceeds of \$25,728,840. The aggregate issuance costs related to this issuance, including the commission, were \$1,441,343 and paid in cash.

The Corporation intends to use the net proceeds raised from the Offering to support future growth by investing in dry process graphene expansion, and for general corporate and working capital purposes.

5-year strategic and investment plan update

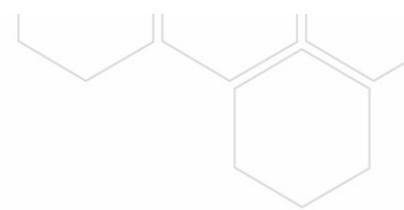
The Corporation continued executing on its 5-year strategic and investment plan that was announced in November 2022. The plan represents an increase in the production capacity of graphene, battery materials and graphene enhanced masterbatch, compound and composite products.

As part of its 5-year strategic and investment plan:

- 1) During fiscal year 2024, the Corporation was awarded three programs from two existing customers, one large commercial vehicle OEM and one industrial equipment manufacturer, to supply exterior parts of vehicles. These components are used in both internal combustion engines and electric vehicles. Production for the first program started during the summer in our Newton, NC plant while the start of production for the other two programs is planned for late 2026 and early 2027. These programs generally last for a period of 10 years. The Corporation estimates that these programs will generate \$24M in annual sales at mature volumes.
- 2) During fiscal year 2024, the Corporation was asked by one of our customers to expand its Saint-Clotilde-de-Beauce facility to allow for a capacity expansion of a graphene-enhanced part we currently supply. This expansion was completed in May 2025. The expansion was mostly paid for by our customer but currently remains underutilized due to lower demand. The expansion costs were approximately \$8M, of which \$5M was paid by the customer. Consequently, the previously announced SMC lightweighting initiative capex of \$30M to \$35M will now be in a range of \$25M to \$30M and will be completed during the second half of fiscal year 2026.
- 3) Part of the 5-year strategic plan is the active anode materials ("CSPG") and dry-process graphene initiative. The objective of CSPG production was to create a graphite waste stream that would be financially beneficial for ultra low-cost graphene production. Despite having obtained financial support intentions from both Provincial and Federal governments, the changes over the last 12 months in the economic and geopolitical landscape have caused a reduction in the financial viability of such an investment interest from potential customers to enter into binding agreements. In January 2026, the Corporation made the strategic decision to not pursue this part of the initiative and focus solely on dry-process graphene. Instead, the Corporation has chosen to explore alternative sources for waste-stream graphite that could potentially be available in North America in the future. This new direction will avoid an estimated \$100M investment while still securing low-cost graphite by-product ideal for ultra low-cost dry-process graphene production.
- 4) In September 2025, the Corporation started a new lease for a plant in Statesville, NC as part of the US expansion of graphene-enhanced composite parts manufacturing and began generating sales in October 2025.

R&D Improvement: Large-Scale dry process for manufacturing of graphene

The Corporation achieved graphite exfoliation with the successful development of a novel dry graphene manufacturing process. The novel dry graphene manufacturing process has several benefits compared to the traditional liquid exfoliation methods. In terms of capital expenditures, the dry manufacturing process delivers a nearly 50% reduction versus the liquid exfoliation process. According to the Corporation's current estimation, a net 8 000 metric tons capacity requires less than \$20M in capital expenditures, with a quarter of the current square footage required as opposed to the liquid exfoliation process. NanoXplore has secured key suppliers, ensuring a robust supply chain for the main equipment. Equipment procurement is streamlined with off-the-shelf solutions, with an estimated lead time of 8-12 months. The Corporation has ordered equipment for a 500-1000 metric production capacity and expects installation and commissioning by the end of Q3-2026.



The novel dry graphene manufacturing process could bring NanoXplore within cost parity with traditional carbon additives such as carbon black. The cost reduction results primarily from a simpler manufacturing process eliminating various manufacturing steps required in the production of wet-processed graphene. Furthermore, it is highly scalable and operates on a continuous basis, streamlining production efficiency. Superior processability and long-term performance of dry-processed graphene offers a more attractive proposition and will expand the Corporation's total addressable market and accelerate commercial adoption of graphene.

With granted patents already secured, this proprietary technology boosts some key physical properties in polymers by 20% compared to existing products for applications with over 20-year longevity requirements. The technology finds potential applications in batteries and lightweight composites, enhancing its appeal in cutting-edge industries. This new manufacturing process also opens doors to a myriad of applications, including plastic pipes, geosynthetics, recycled plastics, concrete, and insulation foams, among others.

The new dry manufacturing process marks a paradigm shift, substantially reducing the environmental footprint associated with traditional graphite exfoliation methods and addresses environmental concerns associated with water usage, as well as eliminating washing and drying steps that contribute to increased costs and environmental impact.

During the six-month periods ended December 31, 2025, the Corporation continued the validation process of this novel dry-processed graphene and required engineering work. The product validation process includes production of plastic masterbatches and compounds with the dry graphene and testing their mechanical, electrical, and weatherability properties. Results indicate that dry processed graphene brings elevated properties versus current produced grades at a much lower cost to the end users. These attributes may accelerate the adoption of graphene and shorten the sales cycle into new markets not previously addressable with wet-processed graphene.

In August 2025, the Corporation was selected to receive up to \$2,750,000 over the next 3 years from Natural Resources Canada under the Energy Innovation Program's Battery Industry Acceleration call for proposals for the research and development on the use of Silicon Graphene in ultra-high-power cylindrical battery cells.

Total liquidity

As at December 31, 2025, the Corporation had total liquidity of \$40,144,435 including cash and cash equivalents and availability under the Corporation's credit facilities.

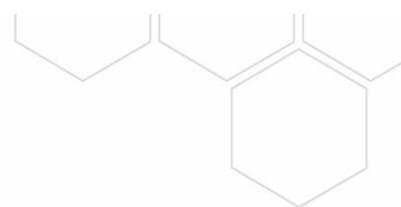
Long-term debt

The total long-term debt increased from \$4,312,924 as at June 30, 2025 to \$13,922,418 as at December 31, 2025 for a variation of \$9,609,494. Addition of long-term debt amounted to \$10,700,000 and repayments amounted to \$1,122,733 during the six-month periods ended December 31, 2025.

3. OVERALL RESULTS

HIGHLIGHTS

The following table sets out certain highlights of the Corporation's performance for the three and six-month periods ended December 31, 2025 and 2024. Refer to the Corporation's unaudited condensed interim consolidated financial statements for the three and six-month periods ended December 31, 2025 and 2024 for a detailed account of the Corporation's performance for the results presented in the tables below.



In summary:

| | Q2-2026 | Q2-2025 | | Variation | | YTD 2026 | YTD 2025 | | Variation | |
|--|--------------------|-------------|-------------|-----------|--------------------|-------------|--------------|--------|-----------|---|
| | \$ | \$ | \$ | \$ | % | \$ | \$ | \$ | \$ | % |
| Revenues | 27,580,290 | 33,120,886 | (5,540,596) | (17%) | 51,022,941 | 66,786,300 | (15,763,359) | (24%) | | |
| Operating loss | (3,745,597) | (2,376,586) | (1,369,011) | (58%) | (8,101,612) | (4,582,142) | (3,519,470) | (77%) | | |
| Loss | (3,836,406) | (2,894,922) | (941,484) | (33%) | (7,612,736) | (5,613,934) | (1,998,802) | (36%) | | |
| Loss per share (Basic and diluted) | (0.02) | (0.02) | | | (0.04) | (0.03) | | | | |
| Non-IFRS Measure * | | | | | | | | | | |
| Adjusted EBITDA | 224,355 | 1,102,050 | (877,695) | (80%) | (1,165,746) | 2,226,349 | (3,392,095) | (152%) | | |

By reporting segment:

| | Q2-2026 | Q2-2025 | | Variation | | YTD 2026 | YTD 2025 | | Variation | |
|---|-------------------|------------|-------------|-----------|--------------------|------------|--------------|--------|-----------|---|
| | \$ | \$ | \$ | \$ | % | \$ | \$ | \$ | \$ | % |
| From Advanced Materials, Plastics and Composite Products | | | | | | | | | | |
| Revenues | 27,292,893 | 33,109,366 | (5,816,473) | (18%) | 50,456,429 | 66,744,959 | (16,288,530) | (24%) | | |
| Non-IFRS Measure * | | | | | | | | | | |
| Adjusted EBITDA | 180,967 | 1,319,926 | (1,138,959) | (86%) | (1,137,791) | 2,832,030 | (3,969,821) | (140%) | | |
| From Battery Cells and Materials | | | | | | | | | | |
| Revenues | 287,397 | 11,520 | 275,877 | 2,395% | 566,512 | 41,341 | 525,171 | 1,270% | | |
| Non-IFRS Measure * | | | | | | | | | | |
| Adjusted EBITDA | 43,388 | (217,876) | 261,264 | 120% | (27,955) | (605,681) | 577,726 | 95% | | |

Results of operations may include certain unusual and other items which have been separately disclosed, where appropriate, in order to provide a clear assessment of the underlying Corporation results. In addition to IFRS measures, management uses non-IFRS measures in the Corporation's disclosures that it believes provide the most appropriate basis on which to evaluate the Corporation's results.

*** NON-IFRS MEASURES**

This MD&A was prepared using results and financial information determined under IFRS. However, the Corporation considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Corporation. These measures, which the Corporation believes are widely used by investors, securities analysts and other interested parties in evaluating the Corporation's performance, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-IFRS measures include "Adjusted EBITDA" and "Adjusted gross margin".

The following tables provide a reconciliation of IFRS "Loss" to Non-IFRS "Adjusted EBITDA" and of IFRS "Gross margin" to Non-IFRS "Adjusted Gross margin" for the three and six-month periods ended December 31, 2025 and 2024 and for the three-month period ended September 30, 2025 (Q1-2026).

1) IFRS "Loss" to Non-IFRS "Adjusted EBITDA"

| | Q2-2026 | Q2-2025 | YTD 2026 | YTD 2025 |
|--|----------------|------------------|--------------------|------------------|
| | | | \$ | \$ |
| Loss | (3,836,406) | (2,894,922) | (7,612,736) | (5,613,934) |
| Current and deferred income tax expenses (recovery) | (350,783) | 400,155 | (1,267,279) | 874,769 |
| Net interest expenses | 441,592 | 118,181 | 778,403 | 157,023 |
| Foreign exchange | 681,567 | 201,920 | 447,619 | 232,002 |
| Share-based compensation expenses | 271,421 | 366,182 | 475,967 | 883,718 |
| Non-operational items ⁽¹⁾ | (116,000) | 115,000 | (76,000) | 155,000 |
| Depreciation and amortization | 3,132,964 | 2,795,534 | 6,088,280 | 5,537,771 |
| Adjusted EBITDA | 224,355 | 1,102,050 | (1,165,746) | 2,226,349 |
| - From Advanced Materials, Plastics and Composite Products | 180,967 | 1,319,926 | (1,137,791) | 2,832,030 |
| - From Battery Cells and Materials | 43,388 | (217,876) | (27,955) | (605,681) |

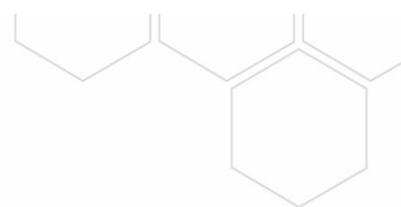
| | Q2-2026 | Q1-2026 |
|--|----------------|--------------------|
| | \$ | \$ |
| Loss | (3,836,406) | (3,776,330) |
| Current and deferred income tax expenses (recovery) | (350,783) | (916,496) |
| Net interest expenses | 441,592 | 336,811 |
| Foreign exchange | 681,567 | (233,948) |
| Share-based compensation expenses | 271,421 | 204,546 |
| Non-operational items ⁽¹⁾ | (116,000) | 40,000 |
| Depreciation and amortization | 3,132,964 | 2,955,316 |
| Adjusted EBITDA | 224,355 | (1,390,101) |
| - From Advanced Materials, Plastics and Composite Products | 180,967 | (1,318,758) |
| - From Battery Cells and Materials | 43,388 | (71,343) |

⁽¹⁾ Non-operational items consist of professional fees mainly due to debt renegotiation and prospectuses related fees.

2) IFRS "Gross margin" to Non-IFRS "Adjusted Gross margin"

| | Q2-2026 | Q2-2025 | YTD 2026 | YTD 2025 |
|------------------------------|------------------|------------------|------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Revenues from customers | 26,928,115 | 32,636,947 | 49,915,032 | 65,964,016 |
| Cost of sales | 21,145,796 | 25,685,206 | 40,167,343 | 52,055,110 |
| Adjusted gross margin | 5,782,319 | 6,951,741 | 9,747,689 | 13,908,906 |
| Depreciation (production) | 2,284,743 | 1,645,083 | 4,058,055 | 3,265,264 |
| Gross margin | 3,497,576 | 5,306,658 | 5,689,634 | 10,643,642 |

| | Q2-2026 | Q1-2026 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Revenues from customers | 26,928,115 | 22,986,917 |
| Cost of sales | 21,145,796 | 19,021,547 |
| Adjusted gross margin | 5,782,319 | 3,965,370 |
| Depreciation (production) | 2,284,743 | 1,773,312 |
| Gross margin | 3,497,576 | 2,192,058 |



RESULTS OF OPERATIONS VARIANCE ANALYSIS – THREE-MONTH PERIOD

Revenues

| | Q2-2026 | Q2-2025 | Variation | | Q1-2026 | Variation | |
|-------------------------|-------------------|------------|-------------|-------|-------------------|-----------|-----|
| | \$ | \$ | \$ | % | \$ | \$ | % |
| Revenues from customers | 26,928,115 | 32,636,947 | (5,708,832) | (17%) | 22,986,917 | 3,941,198 | 17% |
| Other income | 652,175 | 483,939 | 168,236 | 35% | 455,734 | 196,441 | 43% |
| Total revenues | 27,580,290 | 33,120,886 | (5,540,596) | (17%) | 23,442,651 | 4,137,639 | 18% |

All revenues are coming from the Advanced Materials, Plastics and Composite Products segment, except for \$44,609 of revenues from customers and \$242,788 from Other income [Q2-2025 – nil and \$11,520 respectively] from the Battery Cells and Materials segment.

Revenues from customers decreased from \$32,636,947 in Q2-2025 to \$26,928,115 in Q2-2026. This decrease is mainly due to lower volume and tooling revenues.

Other income increased from \$483,939 in Q2-2025 to \$652,175 in Q2-2026. The variation is due to grants and refundable tax credits received for Research & Development ("R&D") programs.

Adjusted EBITDA

1) From Advanced Materials, Plastics and Composite Products

The adjusted EBITDA decreased from \$1,319,926 in Q2-2025 to \$180,967 in Q2-2026. The variation is explained as follows:

- Adjusted gross margin on revenues from customers decreased by \$1,214,031 compared to last year due to lower volume and lower tooling revenues partially offset by higher powder sales, improved productivity and cost control.

2) From Battery Cells and Materials

The adjusted EBITDA loss improved from \$217,876 in Q2-2025 to an adjusted EBITDA of \$43,388 in Q2-2026. The variation is explained by an increase of revenues from customers and of Other income of \$44,609 and \$231,268 respectively.

Loss

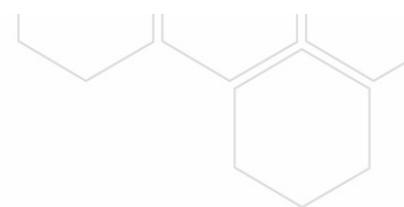
The loss increased from \$2,894,922 in Q2-2025 to \$3,836,406 in Q2-2026. The variation is mainly explained as follows:

- A decrease in adjusted EBITDA of \$877,695 as explained above;
- Higher depreciation and amortization of \$337,430;
- Foreign exchange loss of \$681,567 in Q2-2026 compared to \$201,920 in Q2-2025;
- Net interest expenses increase of \$323,411;
- Partially offset by:
 - Net income tax recovery of \$350,783 in Q2-2026 compared to an expense of \$400,155 in Q2-2025;
 - Lower share-based compensation expenses of \$94,761.

Foreign exchange

| | Q2-2026 | Q2-2025 | Variation | | Q1-2026 | Variation | |
|--|------------------|-------------|-------------|--------|------------------|-----------|--------|
| | \$ | \$ | \$ | % | \$ | \$ | % |
| Foreign exchange from operations | 1,019,622 | (1,998,750) | 3,018,372 | (151%) | (764,334) | 1,783,955 | (233%) |
| Foreign exchange on derivative contracts | (338,055) | 2,200,670 | (2,538,725) | 115% | 530,386 | (868,440) | 164% |
| Total foreign exchange | 681,567 | 201,920 | 479,647 | (238%) | (233,948) | 915,515 | (391%) |

The Corporation had a negative impact on foreign exchange from operations of \$1,019,622 in Q2-2026 compared to a positive impact of \$1,998,750 in Q2-2025. This is due to fluctuation of the US rate at the end of each quarter.



The foreign exchange on derivative contracts is a non-realized gain of \$338,055 in Q2-2026 compared to a non-realized loss of \$2,200,670 in Q2-2025. The variation is due to the fluctuation of the US rate between the quarters and the level of coverage.

RESULTS OF OPERATIONS VARIANCE ANALYSIS – SIX-MONTH PERIODS

Revenues

| | YTD 2026 | YTD 2025 | Variation | |
|-------------------------|-------------------|-------------------|---------------------|--------------|
| | \$ | \$ | \$ | % |
| Revenues from customers | 49,915,032 | 65,964,016 | (16,048,984) | (24%) |
| Other income | 1,107,909 | 822,284 | 285,625 | 35% |
| Total revenues | 51,022,941 | 66,786,300 | (15,763,359) | (24%) |

All revenues are coming from the Advanced Materials, Plastics and Composite products segment, except for \$127,004 of revenues from customers and \$439,508 from Other income [YTD 2025 – nil and \$41,341 respectively] coming from the Battery Cells and Materials segment.

Revenues from customers decreased from \$65,964,016 in the last year period to \$49,915,032 in the current period. This decrease is mainly due to lower volume and tooling revenues.

Other income increased from \$822,284 in the last year period to \$1,107,909 in the current period. The variation is due to grants and refundable tax credits received for R&D programs.

Adjusted EBITDA

1) From Advanced Materials, Plastics and Composite Products

The adjusted EBITDA decreased from \$2,832,030 in the last year period to an adjusted EBITDA loss of \$1,137,791 in the current period. The variation is explained as follows:

- Adjusted gross margin on revenues from customers decreased by \$4,288,221 compared to last year due to lower volume and lower tooling revenues partially offset by higher powder sales, improved productivity and cost control;
- Lower Other income of \$112,542;
- Partially offset by lower selling, general & administration expenses and R&D expenses (“Operational expenses”) of \$661,942.

2) From Battery Cells and Materials

The adjusted EBITDA loss improved from a loss of \$605,681 in the last year period to \$27,955 in the current period. The variation is explained by an increase of revenues from customers and of Other income of \$127,004 and \$398,167 respectively and by lower Operational expenses of \$52,555.

Loss

The loss increased from \$5,613,934 in the last year period to \$7,612,736 in the current period. The variation is mainly explained as follows:

- A decrease in adjusted EBITDA of \$3,392,095 as explained above;
- Higher depreciation and amortization of \$550,509;
- Foreign exchange loss of \$447,619 in the current period compared to \$232,002 in the last year period;
- Net interest expenses increase of \$621,380;
- Partially offset by:
 - Net income tax recovery of \$1,267,279 this year compared to an expense of \$874,769 last year;
 - Lower share-based compensation expenses of \$407,751.

Foreign exchange

| | YTD 2026 | YTD 2025 | Variation | |
|--|----------------|----------------|----------------|--------------|
| | \$ | \$ | \$ | % |
| Foreign exchange from operations | 255,288 | (1,412,242) | 1,667,530 | (118%) |
| Foreign exchange on derivative contracts | 192,331 | 1,644,244 | (1,451,913) | 88% |
| Total foreign exchange | 447,619 | 232,002 | 215,617 | (93%) |

The Corporation had a negative impact on foreign exchange from operations of \$255,288 in the current period compared to a positive impact \$1,412,242 in the last year period. This is due to fluctuation of the US rate at the end of each quarter.

The foreign exchange on derivative contracts is a non-realized loss of \$192,331 in the current period compared to \$1,644,244 in the last year period. The variation is due to the fluctuation of the US rate between the quarters and the level of coverage.

FINANCIAL OUTLOOK

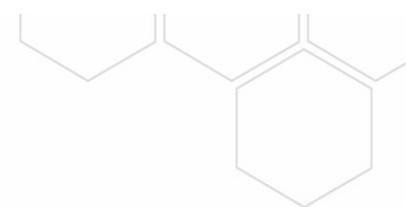
Based on our customer's near-term forecast, we expect total revenues for fiscal year 2026 to be between \$115M and \$120M.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the eight most recently reported quarters. This unaudited quarterly information has been prepared in accordance with IFRS except for "Adjusted EBITDA" which is a non-IFRS measure and a reconciliation can be found in the "Overall Results" section.

| | | Revenues | Adjusted EBITDA | Loss | Basic and diluted loss per share | |
|---------|--------------------|------------|-----------------|-------------|----------------------------------|---------------|
| | | \$ | \$ | \$ | \$ | |
| Q2-2026 | December 31, 2025 | 27,580,290 | 224,355 | (3,836,406) | (0.02) | Note 1 |
| Q1-2026 | September 30, 2025 | 23,442,651 | (1,390,101) | (3,776,330) | (0.02) | Note 2 |
| Q4-2025 | June 30, 2025 | 31,685,923 | 2,475,379 | (2,295,472) | (0.01) | Note 3 |
| Q3-2025 | March 31, 2025 | 30,446,165 | 1,420,555 | (1,747,714) | (0.01) | Note 4 |
| Q2-2025 | December 31, 2024 | 33,120,886 | 1,102,050 | (2,894,922) | (0.02) | |
| Q1-2025 | September 30, 2024 | 33,665,414 | 1,124,299 | (2,719,012) | (0.02) | Note 5 |
| Q4-2024 | June 30, 2024 | 38,125,566 | 2,488,304 | (2,421,110) | (0.01) | Note 6 |
| Q3-2024 | March 31, 2024 | 33,867,747 | 571,968 | (3,089,430) | (0.02) | |

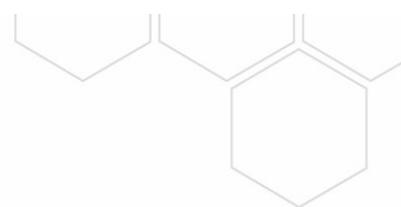
- Note 1** The revenues were higher due to higher volume and higher tooling revenues. Adjusted EBITDA was higher due to higher Adjusted Gross Margin. Loss was higher due to lower net income tax recovery.
- Note 2** The revenues were lower due to lower volume and lower tooling revenues. Adjusted EBITDA was lower due to lower Adjusted Gross Margin. Loss was higher due to lower Adjusted EBITDA partially offset by a net income tax recovery.
- Note 3** The revenues were higher due to higher tooling revenues. Adjusted EBITDA was higher due to higher tooling revenues and adjusted gross margin. Loss was higher due to non operational items.
- Note 4** The revenues were lower due to lower tooling revenues, offset by higher Other income. Adjusted EBITDA was higher due to higher Other income, offset by lower margin. Loss was lower mainly due to higher Adjusted EBITDA and net income tax recovery.
- Note 5** The revenues and Adjusted EBITDA were lower due to lower volume. Loss is higher mainly due to lower revenues.
- Note 6** The revenues and Adjusted EBITDA were higher due to higher volume. Loss is lower mainly due to higher adjusted gross margin on revenues from customers.



4. FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

CONSOLIDATED FINANCIAL POSITION

| | As at December 31, 2025 \$ | As at June 30, 2025 \$ | Variation \$ | Main reasons for significant variation |
|--|-------------------------------------|---------------------------------|-------------------|---|
| Assets | | | | |
| Cash and cash equivalents | 30,144,435 | 18,587,960 | 11,556,475 | Refer to Cash Flows section |
| Accounts receivable and Contract asset | 22,704,489 | 20,799,450 | 1,905,039 | Mainly due to timing of cash receipts and tooling projects |
| Inventory | 15,984,834 | 16,718,702 | (733,868) | |
| Right-of-use assets | 18,369,255 | 6,130,403 | 12,238,852 | Mainly due to a new building lease |
| Property, plant and equipment, and equipment deposits | 72,506,893 | 70,072,367 | 2,434,526 | Mainly due to higher equipment |
| Intangible assets | 11,640,830 | 11,959,491 | (318,661) | |
| Goodwill | 1,919,673 | 1,919,673 | — | |
| Other assets | 6,076,818 | 5,013,832 | 1,062,986 | Mainly due to higher Prepaid expenses and higher Deferred taxes assets |
| Total assets | 179,347,227 | 151,201,878 | 28,145,349 | |
| Liabilities and Shareholders' Equity | | | | |
| Liabilities | | | | |
| Accounts payable, accrued liabilities and income taxes payable | 12,849,736 | 21,460,473 | (8,610,737) | Mainly due to payment of variable compensation and timing in vendor cash payments |
| Contract liability | 250,838 | 1,890,709 | (1,639,871) | Timing in tooling projects |
| Operating loans | 693,184 | 857,750 | (164,566) | |
| Defined benefit liabilities | 637,875 | 941,466 | (303,591) | |
| Lease liability | 29,594,714 | 17,448,582 | 12,146,132 | Mainly due to an addition of new lease offset by lease payments |
| Long-term debt | 13,922,418 | 4,312,924 | 9,609,494 | Mainly due to an addition of long-term debt due to equipment purchase offset by debt repayments |
| Deferred taxes liabilities | 4,158,451 | 4,934,852 | (776,401) | |
| Total liabilities | 62,107,216 | 51,846,756 | 10,260,460 | |
| Shareholders' Equity | | | | |
| Share capital | 207,319,700 | 182,683,203 | 24,636,497 | Mainly due to private placement |
| Reserve | 7,651,719 | 7,290,752 | 360,967 | |
| Foreign currency translation reserve | 271,889 | 95,323 | 176,566 | |
| Deficit | (98,003,297) | (90,714,156) | (7,289,141) | |
| Total shareholders' equity | 117,240,011 | 99,355,122 | 17,884,889 | |
| Total liabilities and shareholders' equity | 179,347,227 | 151,201,878 | 28,145,349 | |



CASH FLOWS

| | YTD 2026 \$ | YTD 2025 \$ | Variation \$ | % |
|---|---------------------|--------------------|---------------------|-----------------|
| Cash flows generated by (used in) operating activities prior to changes in non-cash working capital items | (1,396,710) | 1,365,439 | (2,762,149) | (202%) |
| Changes in non-cash working capital items | (11,279,062) | (2,170,659) | (9,108,403) | (420%) |
| Operating activities | (12,675,772) | (805,220) | (11,870,552) | (1,474%) |
| Financing activities | 31,490,985 | (1,895,995) | 33,386,980 | 1,761% |
| Investing activities | (7,272,111) | (2,786,087) | (4,486,024) | (161%) |
| Net effect of currency exchange rate on cash and cash equivalents | 13,373 | 33,226 | (19,853) | (60%) |
| Net change in cash and cash equivalents | 11,556,475 | (5,454,076) | 17,010,551 | 312% |

Operating activities

Cash flows used in operating activities prior to changes in non-cash working capital items were \$1,396,710 this current period compared to a cash flows generated \$1,365,439 last year period. The variation is mainly explained by a decrease of the adjusted EBITDA of \$3,392,095 partially offset by an income tax recovery.

Changes in non-cash working capital items amounted to \$11,279,062 this current period, which is explained as follows:

- A decrease in accounts payable of \$7,417,031 mainly due to payment of variable compensation and timing in vendor payments;
- A decrease of income taxes payable of \$850,251 due to timing of payments;
- An increase in accounts receivable of \$2,089,888 mainly due to timing of collections and tooling projects;
- An increase in prepaid expenses and other assets of \$46,207 due to timing of payments;
- A decrease in contract liability of \$1,639,871 due to timing in tooling projects;
- Partially offset by a decrease in inventory of \$764,186 mainly due to timing of purchases.

Financing activities

Cash flows generated in financing activities were \$31,490,985 this current period compared to a cash flows used of \$1,895,995 last year period. This current period, private placement of \$24,287,497 and an addition of long-term debt of \$10,700,400 were completed. This was partially offset by repayments of \$3,557,616 on long-term debt and lease liability and repayment of \$173,296 on operating loans.

Last year, repayments of \$2,937,597 were completed on long-term debt and lease liability and repayments of \$635,640 on operating loans. This was offset by a cash advance on lease liability of \$1,677,242.

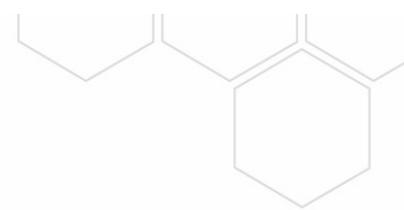
Investing activities

Cash flows used in investing activities were \$7,272,111 this current period compared to \$2,786,087 last year period. This current period, the Corporation paid \$5,753,229 for capital expenditures and \$875,094 for equipment deposits mainly related to additions of composite equipment and \$643,788 for intangible assets.

Last year, the Corporation paid \$2,932,013 for capital expenditures and \$2,139,838 for equipment deposits, mainly related to additions of composite equipment offset by an equipment disposal which has been subsequently leased back of \$2,285,764.

LIQUIDITY AND CAPITAL RESOURCES

The Advanced Materials, Plastics and Composites Products segment has generated revenues, the graphene commercial activity is still in the commercial introduction stage and, as a result, the Corporation could be dependent on external financing to fund its continued development program, if the commercial introduction of the graphene is delayed. However, regarding the Battery Cells segment, the Corporation is dependent on external financing before it can build the production facility and commercialize its products. The Corporation's main sources of funding have been the issuance of equity securities for cash, debt, cash flow from operations and funds from the government of Quebec with respect to R&D tax credits and other programs.



OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company did not have any off-balance sheet arrangements, except for the commitment disclosed in the unaudited condensed interim consolidated financial statements for the three and six-month periods ended December 31, 2025 and 2024.

Management believes that the Company will be able to meet its obligations with cash on hand, cash flows from operations and drawdowns under existing credit facilities.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

For a detailed description of the financial instruments and risk management associated with the Corporation and its activities, please refer to the consolidated financial statements for the years ended June 30, 2025 and 2024. These identified financial instruments and risks are consistent through the periods.

OUTSTANDING SHARES

As at February 9, 2026, the Corporation has:

- 181,428,781 common shares issued and outstanding;
- 3,992,843 options outstanding with expiry dates ranging between February 23, 2026 and December 3, 2035 with exercise prices between \$1.93 and \$5.27. If all the options were exercised, 3,992,843 shares would be issued for cash proceeds of \$10,176,145.

5. RELATED PARTY TRANSACTIONS

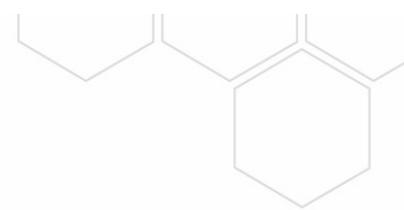
For a detailed description of all related party transactions, please refer to the note 7 "Related party transactions" in the unaudited condensed interim consolidated financial statements for the three and six-month periods ended December 31, 2025 and 2024.

6. RISKS AND UNCERTAINTIES

The economic context, strongly impacted by the uncertainty surrounding the evolution of trade relations with the United States, continues to have a significant impact on the judgments made as well as on the estimates and assumptions formulated by management for the purposes of preparing the consolidated financial statements for the three and six-month periods ended December 31, 2025. The judgments, estimates and assumptions that will be formulated for the coming periods will be reassessed in light of the evolution of this highly uncertain context and could therefore differ from those that were formulated for the preparation of the consolidated financial statements for the three and six-month periods ended December 31, 2025. The Corporation is closely monitoring the evolution of the situation and its impact on its results and its financial position.

Furthermore, other information contained in this MD&A, should be considered carefully. The operations of the Corporation are speculative due to the high-risk nature of its business, which relates to acquisitions, financing, technology and manufacturing. These risk factors could materially affect the Corporation's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Corporation. The risks apply to each segment.

For a detailed description of risks and uncertainties, refer to the management's discussion and analysis for the years ended June 30, 2025 and 2024.



7. ACCOUNTING POLICIES

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and judgments about the future. Management periodically reviews these estimates, which are based on historical experience, changes in the business environment and other factors, including expectations of future events, that management considers reasonable under the circumstances. The estimates involve judgments we make based on the information available. However, accounting estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The Corporation based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market events or to circumstances beyond the Corporation's control. Such changes are reflected in the assumptions when they occur. This discussion addresses only those estimates that we consider important based on the degree of uncertainty and the likelihood of a material impact if we had used different estimates. There are many other areas in which we use estimates about uncertain matters.

For a detailed description of the critical accounting judgments and estimates associated with the Corporation and its activities, please refer to the section "Significant management estimates and judgments in applying accounting policies" in the note 2 in the consolidated financial statements for the years ended June 30, 2025 and 2024.

FUTURE CHANGES IN ACCOUNTING POLICIES

Certain standards and amendments to existing standards have been published, and their adoption is mandatory for future accounting periods. Refer to the note 3 in the consolidated financial statements for the years ended June 30, 2025 and 2024 for the details of these standards and amendments.

8. CONTROLS AND PROCEDURES

In accordance with National Instrument 52-109 of the Canadian Securities Authorities, the Corporation has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, attest to the design of the disclosure controls and procedures ("DC&P") and the design and effectiveness of internal controls over financial reporting.

No changes were made to the Corporation's internal controls over financial reporting during Q2-2026 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

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Performance Through Carbon Chemistry

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