



# Interim Condensed Consolidated Financial Statements

Period Ended September 30, 2025

Nanalysis Scientific Corp.

## **Notice Pursuant to National Instrument 51-102**

These unaudited interim condensed consolidated financial statements were reviewed by the Audit Committee of the Company's Board of Directors and approved by Nanalysis' Board of Directors on November 24, 2025. No requirement exists for these unaudited interim condensed consolidated financial statements to be reviewed by the Company's auditor and, as such, no review was performed.

## Interim Condensed Consolidated Statement of Financial Position

(unaudited) (\$000's)	Note	September 30, 2025	December 31, 2024
<b>ASSETS</b>			
Current			
Cash		410	1,376
Accounts receivable		7,997	9,920
Other receivables		887	957
Leases receivable		207	189
Inventory	5	4,101	4,386
Prepaid expenses and other assets	6	1,442	1,430
		15,044	18,258
Prepaid expenses and other assets	6	1,519	2,135
Leases receivable		173	343
Property and equipment	7	1,003	1,280
Right of use assets	7	1,343	1,613
Intangible assets	8	12,328	13,046
Goodwill	8	5,696	5,696
		22,062	24,113
<b>Total Assets</b>		<b>37,106</b>	<b>42,371</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities		4,541	5,826
Line of credit	9	3,705	2,797
Warranty provision		140	218
Unearned revenue and grants	10	1,444	1,193
Current portion of lease liability	11	793	826
Current portion of contingent consideration liability	17[c]	173	299
Current portion of long-term debt/repayable contributions	9	6,735	3,218
		17,531	14,377
Unearned revenue and grants	10	569	653
Lease liability	11	980	1,378
Contingent consideration liability	17[c]	153	158
Long-term debt/repayable contributions	9	6,531	10,142
Deferred income tax liability		86	117
<b>Total Liabilities</b>		<b>25,850</b>	<b>26,825</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	12	57,954	57,565
Share purchase warrants	12	94	154
Contributed surplus		6,372	5,999
Accumulated deficit		(53,531)	(48,602)
Accumulated other comprehensive income		367	430
<b>Total Shareholders' Equity</b>		<b>11,256</b>	<b>15,546</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>37,106</b>	<b>42,371</b>

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

# Interim Condensed Consolidated Statement of Loss and Comprehensive Loss

(unaudited) (\$000s)	Note	Three months ended September 30		Nine months ended September 30	
		2025	2024	2025	2024
Product sales	15[a]	2,719	4,242	9,308	13,860
Service revenue	15[a]	6,566	6,328	20,147	19,346
<b>Total sales and revenue</b>		<b>9,285</b>	<b>10,570</b>	<b>29,455</b>	<b>33,206</b>
Cost of product sold	13[a]	1,512	2,042	3,911	6,966
Cost of services	13[b]	5,744	5,535	18,474	17,679
<b>Total cost of sales and services</b>		<b>7,256</b>	<b>7,577</b>	<b>22,385</b>	<b>24,645</b>
Gross profit		2,029	2,993	7,070	8,561
Sales and marketing	13[c]	769	1,117	3,096	3,468
General and administration	13[d]	1,443	1,494	4,695	4,337
Research and development	13[e]	89	118	368	440
		2,301	2,729	8,159	8,245
(Loss) Income before other items		(272)	264	(1,089)	316
<b>Other Items</b>					
Depreciation and amortization expense	7,8	830	1,098	2,676	3,267
Finance expense		248	341	934	1,052
Stock-based compensation expense	12[f]	70	181	313	829
Other expenses (income)	14	64	(94)	(118)	310
Loss from associate	4	-	305	-	740
Impairment of assets		-	74	-	274
Loss before tax		(1,484)	(1,641)	(4,894)	(6,156)
Current income tax expense (recovery)		29	(22)	66	12
Deferred income tax (recovery) expense		(13)	25	(31)	(7)
<b>Net loss</b>		<b>(1,500)</b>	<b>(1,644)</b>	<b>(4,929)</b>	<b>(6,161)</b>
Other comprehensive income (loss)		45	(122)	(63)	(20)
<b>Total comprehensive loss</b>		<b>(1,455)</b>	<b>(1,766)</b>	<b>(4,992)</b>	<b>(6,181)</b>
<b>Loss per share</b>					
Basic loss per common share	12[c]	(0.01)	(0.02)	(0.04)	(0.06)
Diluted loss per common share	12[c]	(0.01)	(0.02)	(0.04)	(0.06)

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

## Interim Condensed Consolidated Statement of Changes in Equity

(unaudited)		Shares	Share	Share	Contributed	Accum. Other	Accum.	Non-	
(\$000's except numbers of shares)	Note	Outstanding	Purchase	Capital	Surplus	Comp. Loss	Deficit	Controlling	Total
		(000's)	\$	\$	\$	\$	\$	\$	\$
<b>Balance at January 1, 2024</b>		<b>101,916</b>	<b>358</b>	<b>53,201</b>	<b>4,673</b>	<b>238</b>	<b>(34,989)</b>	-	<b>23,481</b>
Exercise of options and RSUs		75	-	-	-	-	-	-	-
Stock-based compensation		-	-	-	829	-	-	-	829
Issuance of common shares and warrants (net of issuance costs)		11,111	94	4,337	-	-	-	-	4,431
Expiration of warrants		-	(298)	-	298	-	-	-	-
Net loss for the period		-	-	-	-	-	(6,161)	-	(6,161)
Other comprehensive income		-	-	-	-	(20)	-	-	(20)
<b>Balance at September 30, 2024</b>		<b>113,102</b>	<b>154</b>	<b>57,538</b>	<b>5,800</b>	<b>218</b>	<b>(41,150)</b>	-	<b>22,560</b>
<b>Balance at January 1, 2025</b>		<b>113,224</b>	<b>154</b>	<b>57,565</b>	<b>5,999</b>	<b>430</b>	<b>(48,602)</b>	-	<b>15,546</b>
Exercise of options and RSUs	12	-	-	-	-	-	-	-	-
Stock-based compensation	12	-	-	-	313	-	-	-	313
Issuance of common shares and warrants (net of issuance costs)	12	1,600	-	389	-	-	-	-	389
Expiration of warrants	12	-	(60)	-	60	-	-	-	-
Net loss for the period		-	-	-	-	-	(4,929)	-	(4,929)
Other comprehensive loss		-	-	-	-	(63)	-	-	(63)
<b>Balance at September 30, 2025</b>		<b>114,824</b>	<b>94</b>	<b>57,954</b>	<b>6,372</b>	<b>367</b>	<b>(53,531)</b>	-	<b>11,256</b>

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

# Interim Condensed Consolidated Statement of Cashflow

(unaudited) (\$000's)	Note	Nine months ended September 30	
		2025	2024
<b>Cash flows from operating activities</b>			
Net loss		(4,929)	(6,161)
Add (deduct) non-cash items:			
Non-cash expenses		95	183
Depreciation of property and equipment	7	936	1,156
Amortization of intangible assets	8	1,922	2,315
Deferred tax recovery		(31)	(7)
Loss from associate	4[a]	-	740
Interest and foreign exchange on loan to associate	4[b]	(69)	(32)
Revaluation of contingent consideration	17[c]	(131)	120
Revaluation of promissory notes	17[b]	-	1
Stock-based compensation	12[f]	313	829
Finance expense	19	934	1,052
Changes in non-cash working capital	19	1,762	2,000
Cash flows generated from operating activities		802	2,196
<b>Cash flows from investing activities</b>			
Purchases of property and equipment	7	(177)	(56)
Additions to intangible assets	8	(1,202)	(1,453)
Proceeds on disposal of property and equipment and intangibles	7,8	76	60
Cash flows used in investing activities		(1,303)	(1,449)
<b>Cash flows from financing activities</b>			
Proceeds from financing net of finance fees	12[a]	389	4,337
Cash interest paid	19	(717)	(904)
Payment of lease obligations	11	(634)	(593)
Proceeds from long-term debt net of deferred finance fees	9	1,588	-
Funds withdrawn from line of credit	9	908	1,188
Repayment of line of credit	9	-	(2,902)
Repayment of long-term debt	9,19	(1,999)	(2,409)
Cash flows used in financing activities		(465)	(1,283)
Decrease in cash and equivalents		(966)	(536)
Cash, beginning of period		1,376	759
Cash, end of period		410	223

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

# Notes to the Interim Condensed Consolidated Financial Statements

*For the three and nine months ended September 30, 2025, and 2024 (unaudited)*

*Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted*

## 1. REPORTING ENTITY

Nanalysis Scientific Corp. (“Nanalysis” or the “Company”) was incorporated on February 27, 2017, under the laws of the Province of British Columbia. Nanalysis has two primary operating segments. Its first operating segment, Scientific Equipment, conducts scientific equipment manufacturing and sales, primarily as a patent-protected technology company that develops, manufactures, and sells innovative magnetic resonance (“MR”) products for education, pharmaceutical, biotech, nutraceutical, chemical, food, materials, security, life science and medical applications. Building a name for itself as a pioneer of benchtop nuclear magnetic resonance spectrometers (“Benchtop NMR”), Nanalysis has established itself as a world leader in highly homogenous compact magnet technology with a vision to democratize and proliferate MR through method validation and productization. Its second operating segment, Security Services, focuses on providing security services, namely providing preventative and on-call maintenance services, as well as installation of detection. The majority of this segment consists of servicing a Crown Corporation of the Government of Canada, maintaining imaging and security equipment at international airports across Canada.

The Company is publicly traded on the TSX Venture Exchange under the symbol “NSCI”, on the OTCQX exchange in the United States under ticker symbol “NSCIF”, and under the Frankfurt Stock Exchange under ticker symbol “1N1”.

The Company’s registered and records office is located at Suite 1000, Livingston Place West, 250 2<sup>nd</sup> Street SW, Calgary, Alberta, T2P 0C1. Its head office is located at Bay 1, 4600 5th Street NE, Calgary, Alberta T2E 7C3.

## 2. BASIS OF PRESENTATION

### [a] Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) on a basis consistent with the accounting, estimation and valuation policies described in the Company’s audited Consolidated Financial Statements as at and for the year ended December 31, 2024. Certain information and disclosures normally required to be included in the notes to the financial statements have been condensed or omitted. These unaudited interim condensed consolidated financial statements should be read in conjunction with Nanalysis’ consolidated financial statements as at and for the year ended December 31, 2024, filed under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

These unaudited interim condensed consolidated financial statements were approved by the Company’s Board of Directors on November 24, 2025. No requirement exists for these unaudited interim condensed consolidated financial statements to be reviewed by the Company’s auditor and, as such, no review was performed.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 2. BASIS OF PRESENTATION (continued)

### [b] Going concern

These interim condensed consolidated financial statements have been prepared in accordance with IFRS policies applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At September 30, 2025, the Company's borrowings which are subject to financial covenants were \$6,167 on the term loan and \$3,705 borrowed on its line of credit (December 31, 2024 - \$7,500 on the term loan and \$2,797 on the line of credit). At September 30, 2025, the Company was compliant with its current ratio covenant but is not in compliance with its funded debt to Bank EBITDA covenant and fixed charge coverage ratio covenant (Note 9F). As such, this has created an unconditional right for ATB Financial to demand repayment of the term loan and the Company has therefore classified the full balance of the term loan as a current liability at September 30, 2025.

The Company's liquidity is dependent on its ability to continue generating positive cash flows from operations, to raise capital by selling additional equity, or by obtaining new or amended credit facilities. There can be no assurance that the Company will maintain sufficient cash flows to fund its ongoing operations. In addition, the Company may not be able to secure adequate debt or equity financing on desirable terms, or at all. Due to the above factors, there is material uncertainty that may cast doubt on the Company's ability to continue as a going concern.

These interim condensed consolidated financial statements do not include adjustments to the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments, other than in the normal course of business, at amounts different from those in these interim condensed consolidated financial statements. Such adjustments could be material.

### [c] Basis of measurement

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value.

### [d] Basis of consolidation

Nanalysis is the ultimate parent company of a consolidated group of companies. These consolidated financial statements include the Company's subsidiaries: Nanalysis Corp., RS2D S.A.S., One Moon Scientific, K'(Prime) Technologies Inc., KPrime Group USA, and K'Prime Technologies. All intercompany transactions and balances have been eliminated.

	Ownership September 30, 2025	Ownership December 31, 2024	Incorporated	Nature
<b>Subsidiaries</b>				
Nanalysis Corp.	100%	100%	Canada	Technology, Manufacturing
RS2D S.A.S.	100%	100%	France	Technology
One Moon Scientific	100%	100%	USA	Software
K'(Prime) Technologies Inc.	100%	100%	Canada	Sales, Distribution, Service
KPrime Group USA	100%	100%	USA	Sales, Distribution, Service
KPrime Technologies	100%	100%	USA	Sales, Distribution, Service
<b>Associates</b>				
Quad Systems AG	39%	43%	Switzerland	Technology
Quad Systems Ltd.	39%	43%	United Kingdom	Technology
Guodo Ruide Technology (Shanghai) Co. Ltd	29%	33%	China	Technology

# Notes to the Interim Condensed Consolidated Financial Statements

*For the three and nine months ended September 30, 2025, and 2024 (unaudited)*

*Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted*

## 2. BASIS OF PRESENTATION (continued)

Subsidiaries are those entities over which the Company has control. The Company controls an entity when it is exposed to or has the rights to variable returns from its involvement with the investment and can affect those returns through its power over the investee. The existence and effect of voting rights are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. Non-controlling interests, if any, represent interests in subsidiaries owned by outside parties. Non-controlling interests are measured at the proportionate interest in the recognized amounts of the assets and liabilities on the date acquired plus their proportionate share of subsequent changes in equity, less distributions made to minority partners in those entities. For each business combination, the Company elects to measure any non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets on a historical cost basis.

### [e] Functional and foreign currency

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The financial statements of each subsidiary are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency"). The functional currency of each of the Company's subsidiaries is the Canadian dollar, except for RS2D whose functional currency is the Euro, and KPrime Group USA, KPrime Technologies, and One Moon Scientific whose functional currency is the USD. Non-monetary assets denominated in foreign currencies are translated at historical exchange rates. Foreign exchange gains and losses resulting from the settlement of transactions denominated in a currency other than an entity's functional currency are recognized in the consolidated statements of loss and comprehensive loss. Assets and liabilities of entities with functional currencies other than the Canadian dollar are translated into Canadian dollars at the period-end exchange rate, and the results of their operations are translated at the average rates for the period. The period end translation adjustments are included in other comprehensive income.

### [f] Comparative Figures

Certain comparative information has been reclassified to conform with the presentation adopted in the current period.

## 3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

The preparation of these unaudited interim condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the interim condensed consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The impacts of such estimates are pervasive throughout these interim condensed consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Notes 2 and 3 to the Company's audited consolidated financial statements as at and for the year ended December 31, 2024, contain descriptions of the accounting policies, judgements, estimates and assumptions that are considered significant.

In the normal course of operations, the Company may become involved in, named as a party to, or be the subject of, various legal proceedings. The outcome of outstanding, pending, or future proceedings cannot be predicted

# Notes to the Interim Condensed Consolidated Financial Statements

*For the three and nine months ended September 30, 2025, and 2024 (unaudited)*

*Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted*

## 3. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES (continued)

with certainty. For claims in which outcomes are not determinable, no provision for settlement has been made in the interim condensed consolidated financial statements.

The Company was involved in an ongoing arbitration related to a past acquisition. This matter was resolved during the nine-months ended September 30, 2025, at no material impact to the Company.

## 4. INVESTMENT IN ASSOCIATE

### [a] Investment in associate

As at September 30, 2025, the Company owned a total of 300,000 common shares of Quad AG representing a 39.12% equity interest in Quad AG (December 31, 2024 – 43.48%). The deemed disposition of the Company's interest in Quad had a nominal accounting impact. Quad AG has two subsidiaries of which the Company holds the following interests through its investment in Quad AG:

- Quad Ltd. (United Kingdom) – 39.12% (December 31, 2024 – 43.48%).
- Guodo Ruide Technology (Shanghai) Co. Ltd. – 29.34% (December 31, 2024 – 32.61%).

At December 31, 2024, the Company identified indicators of impairment related to the performance of Quad against its financial forecasts. As a result, the Company completed an impairment analysis by calculating the recoverable amount of Quad at December 31, 2024. The fair value of the Company's investment in associate relies on the discounted cash flow model. The inputs to these models were taken from observable markets where possible, but where this was not feasible, a degree of judgement is required in establishing fair values. Judgements include earnings before income taxes, interest, depreciation and amortization ("EBITDA") from the investment, growth rates, and discount rates. In this case, the recoverable amount was substantially arrived at through the use of Level 3 estimates, which are estimates based on unobservable inputs for which there is little to no available market data, requiring the Company to develop its own assumptions. The discount rate used in this discounted cash flow model was 23.9%.

Based on the outcome of this recoverable amount analysis, the Company determined that its investment in associate should be fully impaired at December 31, 2024.

Unless an entity has incurred a legal or constructive obligation, losses in excess of the recoverable amount of the investment are not recognized.

During the three- and nine- months ended September 30, 2025, no amounts were recognized in income as a loss from associate from Quad. The table below reflects the loss from associate recognized in the three- and nine- months ended September 30, 2024.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 4. INVESTMENT IN ASSOCIATE (continued)

(\$000's)	Three months ended September 30, 2024	Nine months ended September 30, 2024
Quad	305	740
Total loss from associate	305	740

### [b] Loan to associate

On July 18, 2023, the Company agreed to terms on a loan to Quad denominated in CHF. The Company paid out the first tranche of CHF 218 to Quad as per a Shareholders Loan Agreement dated July 4, 2023. Subsequently, the second and final tranche of CHF 218 was paid out on November 17, 2023. The loan is interest bearing at standard interest rates for this type of loan as established under Swiss law, and interest is accrued on the loan for each reporting period. For the period from the advancement of the loan until September 30, 2025, the annual interest rate applicable was 3.75%. The loan and accumulated interest are due five calendar years from advancement date.

As required under IFRS 9, the Company performed an analysis of lifetime expected credit losses on the loan to associate and accrued interest expense during the financial year ended December 31, 2024. This analysis was performed in conjunction with the fair value analysis of the investment in Quad referenced in Note 4(a). As a result of this analysis, the Company determined that the loan to associate was fully impaired at December 31, 2024. Due to the impairment, no accumulated interest has been recognized on the loan for the three- and nine- months ended September 30, 2025.

## 5. INVENTORY

(\$000's)	September 30, 2025	December 31, 2024
Raw materials	2,127	2,129
Work in process	670	757
Finished goods	1,382	1,580
Inventory provision	(78)	(80)
Total inventory	4,101	4,386

## 6. PREPAID EXPENSES AND OTHER ASSETS

(\$000's)	September 30, 2025	December 31, 2024
Deferred wages	2,307	2,930
Other prepayments and other assets	654	635
Total prepaid expenses and other assets	2,961	3,565
Less: Current portion	1,442	1,430
Non-current portion of prepaid expenses and other assets	1,519	2,135

During the three and nine months ended September 30, 2025, the Company amortized \$217 and \$623 of previously deferred wages into cost of services (three and nine months ended September 30, 2024 - \$214 and \$680) (Note 13[b]).

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 7. PROPERTY AND EQUIPMENT

(\$000's)	Office Furniture and Equipment	Computer Hardware	Equipment	Leasehold Improvements	Right of Use Assets	Total
<b>Cost:</b>						
<b>Balance, December 31, 2023</b>	<b>222</b>	<b>440</b>	<b>3,300</b>	<b>586</b>	<b>4,273</b>	<b>8,821</b>
Additions	21	8	26	1	88	144
Disposals and transfers	(20)	(8)	(20)	(5)	(1,124)	(1,177)
Foreign exchange	3	2	11	-	38	54
<b>Balance, December 31, 2024</b>	<b>226</b>	<b>442</b>	<b>3,317</b>	<b>582</b>	<b>3,275</b>	<b>7,842</b>
Additions	6	1	146	24	390	567
Disposals and transfers	(7)	-	(50)	(1)	(888)	(946)
Foreign exchange	13	9	30	-	23	75
<b>Balance, September 30, 2025</b>	<b>238</b>	<b>452</b>	<b>3,443</b>	<b>605</b>	<b>2,800</b>	<b>7,538</b>
<b>Accumulated amortization:</b>						
<b>Balance, December 31, 2023</b>	<b>154</b>	<b>228</b>	<b>1,861</b>	<b>402</b>	<b>1,439</b>	<b>4,084</b>
Depreciation	29	119	462	61	850	1,521
Disposals and transfers	(20)	(8)	(10)	(3)	(644)	(685)
Foreign exchange	3	2	7	-	17	29
<b>Balance, December 31, 2024</b>	<b>166</b>	<b>341</b>	<b>2,320</b>	<b>460</b>	<b>1,662</b>	<b>4,949</b>
Depreciation	18	69	297	48	504	936
Disposals and transfers	(7)	-	(18)	(1)	(729)	(755)
Foreign exchange	11	9	22	-	20	62
<b>Balance, September 30, 2025</b>	<b>188</b>	<b>419</b>	<b>2,621</b>	<b>507</b>	<b>1,457</b>	<b>5,192</b>
<b>Net book value:</b>						
Balance, December 31, 2024	60	101	997	122	1,613	2,893
<b>Balance, September 30, 2025</b>	<b>50</b>	<b>33</b>	<b>822</b>	<b>98</b>	<b>1,343</b>	<b>2,346</b>

During the three- and nine-months ended September 30, 2025, depreciation of \$53 and \$182 was recognized as an expense in cost of product sold (three- and nine-months ended September 30, 2024 - \$67 and \$204) (Note 13). The Company did not identify any indicators of impairment as at September 30, 2025.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 8. INTANGIBLE ASSETS

(\$000's)	Development & technology costs	Customer relationships	Patents	Software	Goodwill	Total
<b>Cost:</b>						
<b>Balance, December 31, 2023</b>	<b>20,716</b>	<b>2,081</b>	<b>1,125</b>	<b>1,696</b>	<b>5,696</b>	<b>31,314</b>
Additions	1,303	-	56	443	-	1,802
Disposals and transfers to inventory	(60)	-	-	(176)	-	(236)
Foreign exchange	27	-	-	1	-	28
<b>Balance, December 31, 2024</b>	<b>21,986</b>	<b>2,081</b>	<b>1,181</b>	<b>1,964</b>	<b>5,696</b>	<b>32,908</b>
Additions	873	-	74	255	-	1,202
Disposals and transfers to inventory	-	-	-	(44)	-	(44)
Foreign exchange	80	-	-	3	-	83
<b>Balance, September 30, 2025</b>	<b>22,939</b>	<b>2,081</b>	<b>1,255</b>	<b>2,178</b>	<b>5,696</b>	<b>34,149</b>
<b>Accumulated amortization and impairment:</b>						
<b>Balance, December 31, 2023</b>	<b>8,244</b>	<b>410</b>	<b>621</b>	<b>397</b>	<b>-</b>	<b>9,672</b>
Amortization	2,614	208	154	129	-	3,105
Disposals	-	-	-	(80)	-	(80)
Impairment of intangible asset	-	1,463	-	-	-	1,463
Foreign exchange	5	-	-	1	-	6
<b>Balance, December 31, 2024</b>	<b>10,863</b>	<b>2,081</b>	<b>775</b>	<b>447</b>	<b>-</b>	<b>14,166</b>
Amortization	1,753	-	69	100	-	1,922
Foreign exchange	34	-	-	3	-	37
<b>Balance, September 30, 2025</b>	<b>12,650</b>	<b>2,081</b>	<b>844</b>	<b>550</b>	<b>-</b>	<b>16,125</b>
<b>Net book value:</b>						
Balance, December 31, 2024	11,123	-	406	1,517	5,696	18,742
<b>Balance, September 30, 2025</b>	<b>10,289</b>	<b>-</b>	<b>411</b>	<b>1,628</b>	<b>5,696</b>	<b>18,024</b>

Development and technology costs consist of proprietary technology acquired from RS2D that is used in the 100MHz unit and the Company's MRI technology, as well as its 100MHz, new 60MHz, and ancillary products development costs. Customer relationships consist of existing relationships acquired with K'Prime and were fully impaired at December 31, 2024. The Company did not identify any indicators of impairment related to intangible assets as at September 30, 2025.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 9. LOANS AND BORROWINGS

(\$000's)	Note	September 30, 2025	December 31, 2024
Western Economic Diversification Canada interest-free loans	A	1,130	1,462
Prêt garanti par l'état Euro denominated loan	B	25	45
Regional Recovery Relief Fund interest-free loan	A	465	528
Business Scale-up interest-free loan	A	4,085	3,979
Line of credit	C	3,705	2,797
Term Bank loan	D	6,167	7,500
Unsecured Promissory Notes	E	1,686	-
Other		22	30
<b>Total loans and borrowings</b>		<b>17,285</b>	<b>16,341</b>
Less: Deferred finance fees		(314)	(184)
<b>Total loans and borrowings net of finance fees</b>		<b>16,971</b>	<b>16,157</b>
Less: current portion		10,440	6,015
<b>Non-current portion of loans and borrowings</b>		<b>6,531</b>	<b>10,142</b>

### Credit Facilities

#### Note A – Nanalysis

The Company has the following unsecured interest-free loans:

- WINN #2: \$2,773 initially repayable in monthly installments of \$46 commencing February 1, 2022, and maturing on January 31, 2027. The obligation was recorded at its fair value at inception, estimated using a 6.0% discount rate. Any amounts in default will incur interest at the Bank of Canada minimum lending interest rate plus 3% compounded monthly. This loan is unsecured.
- Regional Recovery Relief Fund ("RRRF"): \$1,000 initially repayable in 35 monthly installments of \$28 commencing January 1, 2023. The obligation was recorded at its fair value at inception, estimated using a 6.0% discount rate. Any amounts in default will incur interest at the Bank of Canada minimum lending interest rate plus 3% compounded monthly. This loan is unsecured.
- Business Scale-up: In 2022, the Company received a funding contribution commitment of \$5.0 million from Prairies Economic Development Canada's Business Scale-up and Productivity program. The Company began drawing on the loan in 2022 and will continue to draw on the loan until the earlier of drawing the full available amount of the facility or the beginning of repayments on September 1, 2025. As at September 30, 2025, the Company had withdrawn 100% of the available funding (December 31, 2024 – 99.7%). The obligation was recorded at its fair value at inception estimated using a 6%-12% discount rate depending on the timing of each drawdown on the facility. Any amounts in default will incur interest at the Bank of Canada minimum lending interest rate plus 3% compounded monthly. This loan is unsecured and repayable over 60 months beginning September 1, 2025.

# Notes to the Interim Condensed Consolidated Financial Statements

*For the three and nine months ended September 30, 2025, and 2024 (unaudited)*

*Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted*

## **9. LOANS AND BORROWINGS (continued)**

On March 13, 2024, the Company renegotiated its payments related to WINN #2 and RRRF as follows:

- WINN #2 became repayable in monthly installments of one thousand dollars per month, effective April 1, 2024, and increasing to \$71 effective April 1, 2025, until maturity on January 31, 2027. All other terms and conditions of the loan remain unchanged.
- RRRF became repayable in monthly installments of one hundred dollars per month, effective April 1, 2024, and increasing to \$18, effective April 1, 2025, with a revised maturity date of December 31, 2027. This reflects an extension to maturity of two years.

Effective August 25, 2025, the Company obtained a payment holiday on the WINN #2, RRRF and Business Scale-up loans for six months, as well as a six-month extension in the amortization period of each. Scheduled repayments resume in February for the RRRF loan and March for the Business Scale-up and WINN #2 loans.

### **Note B – RS2D**

RS2D has one Euro denominated loan - Prêt garanti par l'état – ("PGE"). This is an unsecured Euro denominated loan granted by the French state to RS2D. The loan bears interest at 0.7% and is repayable in monthly installments of \$3, commencing on July 20, 2021, and maturing on June 20, 2026. The obligation was recorded as its fair value at inception estimated using a 2.5% discount rate.

### **Note C – Line of Credit**

The Company has an operating line of credit with ATB Financial, under which the Company may borrow up to \$5,000 at an interest rate of prime plus 1.0%. This facility also bears a standby fee of 0.4% per annum on the unused portion of the facility. On March 28, 2024, the Company negotiated a covenant holiday with its lender which resulted in an increase to the interest rate to prime plus 2.5%. During any period of default, the Company's fees and interest rates will increase by 2.00%. See Note F – Debt Covenants.

The borrowing base of the facility is based on the value of the Company's accounts receivable and inventory, less any amounts outstanding on its \$300 credit card facility, also advanced by ATB Financial. The available borrowing base for the Company was reduced as a result of the covenant breach, from \$5,000 to \$4,300 during the quarter ended September 30, 2025.

# Notes to the Interim Condensed Consolidated Financial Statements

*For the three and nine months ended September 30, 2025, and 2024 (unaudited)*

*Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted*

## 9. LOANS AND BORROWINGS (continued)

### **Note D – Term Bank Loan**

The Company has a term loan of \$10,000 from ATB Financial which was advanced in one tranche on June 29, 2023, and bears interest at a rate of prime plus 2.50%. During any period of default, the Company's fees and interest rates will increase by 2.00%. The loan was originally amortized over 48 months, with repayments having begun in January 2024. During the period ending September 30, 2025, the Company signed an amending agreement with its lender, obtaining a reduction in its loan principal payment from May 31, 2025, to April 30, 2026, as well as an extension of its loan amortization to May 31, 2028. The Company will repay its term loan on the following schedule:

- May 31, 2025 - April 30, 2026, the Company will repay \$100 per month;
- May 31, 2026 – January 31, 2028, the Company will repay \$208 per month;
- February 29, 2028 – April 30, 2028, the Company will repay \$325 per month, with a final payment of \$117 on May 31, 2028.

Included in this amending agreement was a financing fee payable to the Company's lender of \$200. See Note F – Debt Covenants.

### **Note E – Unsecured promissory notes**

On June 12, 2025, the Company issued unsecured promissory notes for aggregate gross proceeds of \$2,000 (Note 12[b]). The unsecured promissory notes mature on June 13, 2027, and bear simple interest at a rate of 12% per annum, payable annually within 30 days of the first and second anniversary date of the unsecured promissory notes. At the Company's option, and subject to TSX Venture Exchange approval, interest may be paid in cash or common shares of the Company. The Company intends to use the net proceeds from the Offering for general working capital purposes and to support ongoing business operations.

### **Note F – Debt Covenants**

Both the operating line of credit (Note C) and term loan facility (Note D) are secured by a general security agreement over the property of Nanalysis Scientific Corp. and its significant subsidiaries. As a condition of both the operating and term facilities, the Company must maintain a current ratio greater than or equal to 1.10:1.00, funded debt to Bank EBITDA must not exceed 3.50:1, and the Company must maintain a fixed charge coverage ratio of greater than or equal to 1.20:1. At September 30, 2025 the Company was not in compliance with its funded debt to Bank EBITDA and fixed charge coverage ratio covenants.

On May 27, 2025, the Company renewed its term and operating facilities with ATB Financial and renegotiated its covenant terms. Pursuant to the amending agreement, the Company will be subject to a funded debt to Bank EBITDA covenant of no greater than 4.00:1, tested for the quarters ending June 30, 2025, September 30, 2025, and December 31, 2025. Effective March 31, 2026, the Company will be required to maintain a funded debt to Bank EBITDA covenant of 3.50:1. Additionally, the Company will be subject to a fixed charge coverage ratio covenant of no less than 1.00:1 for the quarters ending September 30, 2025, and December 31, 2025. Effective March 31, 2026, the Company will be required to maintain a fixed charge coverage ratio covenant of 1.20:1.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 9. LOANS AND BORROWINGS (continued)

At September 30, 2025, the Company's applicable current ratio for its bank covenant was 1.51:1.00, but the Company was not in compliance with its funded debt to Bank EBITDA covenant and the fixed charge coverage ratio covenant. As such, this has created an unconditional right for ATB Financial to demand repayment of the term loan and the Company has therefore classified the full balance of the term loan as a current liability at September 30, 2025.

## 10. UNEARNED REVENUE AND DEPOSITS

The table below discloses the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as at September 30, 2025, and the time frame in which the Company expects to recognize this in the statement of comprehensive loss.

(\$000's)

As at September 30, 2025	Less than 12 months	12 to 24 months	Thereafter	Total
Extended warranty	444	293	276	1,013
Prepayment on contracts	1,000	-	-	1,000
Other unearned amounts	-	-	-	-
<b>Total</b>	<b>1,444</b>	<b>293</b>	<b>276</b>	<b>2,013</b>

(\$000's)

As at December 31, 2024	Less than 12 months	12 to 24 months	Thereafter	Total
Extended warranty	520	337	316	1,173
Prepayment on contracts	646	-	-	646
Other unearned amounts	27	-	-	27
<b>Total</b>	<b>1,193</b>	<b>337</b>	<b>316</b>	<b>1,846</b>

For the three- and nine-months ended September 30, 2025, \$179 and \$784, respectively, was recognized in revenue and grants relating to performance obligations satisfied during the period (three- and nine-months ended September 30, 2024 - \$334 and \$1,101).

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 11. LEASE LIABILITIES

(\$000's)	
Balance, January 1, 2024	2,921
Additions	78
Lease payments	(801)
Disposals	(45)
Foreign exchange	51
<b>Balance, December 31, 2024</b>	<b>2,204</b>
Additions	393
Lease payments	(634)
Disposals	(175)
Foreign exchange	(15)
<b>Balance, September 30, 2025</b>	<b>1,773</b>

(\$000's)	September 30, 2025	December 31, 2024
Current portion	793	826
Long-term portion	980	1,378
<b>Total</b>	<b>1,773</b>	<b>2,204</b>

(\$000's)	Nine months ended September 30	
	2025	2024
Interest expense related to leases	114	119

The Company and its subsidiaries have commitments under leases for buildings, office space, and vehicles, with varying terms that expire between 2025 and 2028. The Company has sub-leased one of its building facilities starting December 2024.

The Company also has contractual commitments for leases that are short-term or low-value and accounts for them as operating leases. These operating leases relate to airport spaces, and the leases are due as follows:

(\$000's)	September 30, 2025
Within one year	152
1-3 years	67
4-5 years	2
<b>Total operating lease commitments</b>	<b>221</b>

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 12. SHARE CAPITAL

### [a] Authorized

Unlimited number of common shares, without nominal or par value

Unlimited number of Class A voting preferred shares without par value

Unlimited number of Class B non-voting preferred shares without par value

### [b] Issued Common shares

Common Shares Issued	Number
<b>Balance, December 31, 2023</b>	<b>101,915,910</b>
Issuance of common shares	11,193,582
Exercise of stock options and RSUs	115,000
<b>Balance, December 31, 2024</b>	<b>113,224,492</b>
Issuance of common shares	1,600,000
Exercise of stock options and RSUs	-
<b>Balance, September 30, 2025</b>	<b>114,824,492</b>

On March 20, 2024, the Company announced and closed a public prospectus exempt offering of units and concurrent brokered private offering of units with each unit comprised of one common share and one half warrant exercisable at \$0.65 and expiring on March 20, 2026. A total of 11,111,110 units were issued at a price of \$0.45 per unit for gross proceeds of \$5,000 and net proceeds of \$4,337.

On June 12, 2025, in connection with the unsecured promissory notes (Note 9E), the Company issued 1,600,000 common shares of the Company to the lenders. These shares represent a value equal to 20% of the principal amount of the unsecured promissory notes, calculated based on a market price of \$0.25 per share, which was the closing price of the Company's common shares on June 5, 2025, prior to the announcement of the promissory note offering. These shares are subject to a four-month hold period, expiring October 13, 2025.

### [c] Loss per share

(\$000's) except for number of shares	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
<b>Numerator</b>				
Loss attributable to common shares (\$)	(1,500)	(1,644)	(4,929)	(6,161)
<b>Denominator</b>				
Weighted average number of shares for basic earning per share calculation (000's)	114,824	113,101	113,869	109,808
Weighted average number of shares for diluted earning per share calculation (000's)	114,824	113,101	113,869	109,808
Basic loss per common share (\$/share)	(0.01)	(0.02)	(0.04)	(0.06)
Diluted loss per common share (\$/share)	(0.01)	(0.02)	(0.04)	(0.06)

All potentially dilutive instruments were excluded from the diluted weighted-average share calculation as they were anti-dilutive to the loss for the period.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 12. SHARE CAPITAL (continued)

### [d] Stock options

The Company has a stock option plan that provides for the issuance of options to eligible persons. The option price under each option granted must be no less than the discount market price defined by the TSX-V. The term of the options must be no longer than five years, and the directors of the Company determine the vesting period, which is typically three years. The maximum number of outstanding options must be no more than 10% of the issued and outstanding common shares at any point in time, with the 10% including both stock options and restricted share units. The maximum number of outstanding options issued for investor relations must be no more than 2% of the issued and outstanding shares, and options issued for investor relations must vest in stages over a 12-month period with no more than one quarter of the options vesting in any three-month period. Stock options and RSUs are settled in shares of the Company.

Stock Options Outstanding	Number	Weighted Average Exercise Price (\$)
<b>Balance, December 31, 2023</b>	<b>7,678,867</b>	<b>0.99</b>
Granted	2,297,000	0.50
Exercised	-	-
Expired	(1,147,500)	0.90
Forfeitures	(1,130,977)	0.63
<b>Balance, December 31, 2024</b>	<b>7,697,390</b>	<b>0.91</b>
Granted	1,162,000	0.43
Exercised	-	-
Expired	(686,667)	0.60
Forfeitures	(1,777,842)	0.96
<b>Balance, September 30, 2025</b>	<b>6,394,881</b>	<b>0.81</b>

The fair values of stock options granted were estimated using the Black-Scholes option pricing model with the following weighted-average assumptions.

	2025	2024
Risk-free interest rate	2.63% - 2.96%	2.71% - 3.42%
Estimated annualized volatility based on historical performance	72% - 74%	74% - 76%
Expected life	5.0 years	5.0 years
Expected dividend yield	0%	0%
Exercise price	\$0.35 - \$0.50	\$0.50

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 12. SHARE CAPITAL (continued)

As at September 30, 2025, the Company had the following stock options outstanding and exercisable:

Exercise Price	Number of Options Outstanding	Weighted Average Life	Number of Options Exercisable
\$0.35	665,000	4.76	200,000
\$0.50	2,501,000	3.86	1,272,843
\$0.60	572,500	0.41	572,500
\$1.10	1,100,881	2.35	794,921
\$1.20	25,000	1.72	25,000
\$1.24	50,000	1.04	50,000
\$1.30	100,000	0.76	100,000
\$1.32	1,080,500	1.42	1,080,500
\$1.50	200,000	1.21	200,000
\$1.70	100,000	1.13	100,000
	<b>6,394,881</b>		<b>4,395,764</b>

### [e] Restricted Share Units ("RSUs")

The Company maintains an RSU plan as compensation for certain directors and employees of the Company. These RSUs vest over three years from the grant date and expire at the end of the third full calendar year subsequent to the grant date.

During the period ended December 31, 2024, 445,000 RSUs were granted, out of which 100,000 vested immediately and the remaining 345,000 vest over three years. As at December 31, 2024, all 1,000,000 RSUs available under the plan at that time had been granted.

During the period ended September 30, 2025, the shareholders approved an amendment to the RSU plan to add 2,000,000 RSUs to the existing plan. As at September 30, 2025, 1,000,000 RSUs available under the plan had been granted (December 31, 2024 – 1,000,000).

RSUs Outstanding	Number
<b>Balance, December 31, 2023</b>	<b>295,000</b>
Granted	445,000
Exercised	(115,000)
<b>Balance, December 31, 2024</b>	<b>625,000</b>
Granted	-
Exercised	-
<b>Balance, September 30, 2025</b>	<b>625,000</b>

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 12. SHARE CAPITAL (continued)

### [f] Stock-based compensation expense

(\$000's)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Stock-based compensation expenses related to stock options	58	150	271	686
Stock-based compensation expenses related to RSUs	12	31	42	143
<b>Total</b>	<b>70</b>	<b>181</b>	<b>313</b>	<b>829</b>

### [g] Warrants

Warrants Outstanding	Number	Weighted Average Exercise Price (\$)
<b>Balance, December 31, 2023</b>	<b>8,166,042</b>	<b>0.89</b>
Issued	6,407,724	0.65
Expired	(7,666,042)	0.89
<b>Balance, December 31, 2024</b>	<b>6,907,724</b>	<b>0.66</b>
Issued	-	-
Expired	(500,000)	0.80
<b>Balance, September 30, 2025</b>	<b>6,407,724</b>	<b>0.65</b>

Type of Warrant	Expiry Date	Exercise Price (\$)	Number of Warrants Outstanding	Vested and Exercisable
Warrant	June 29, 2025	0.80	-	-
Warrant	March 20, 2026	0.65	5,555,555	5,555,555
Broker warrant	March 20, 2026	0.65	852,169	852,169
			<b>6,407,724</b>	<b>6,407,724</b>

On March 20, 2024, the Company completed a public prospectus exempt offering of units and concurrent brokered private offering of units discussed in Note 12[b]. The combined offering resulted in the Company issuing 5,555,555 warrants that expire on March 20, 2026. In addition, 852,169 broker warrants were issued in relation to the same combined offering, with an expiry date of March 20, 2026. The fair values of broker and lender warrants were estimated using the Black-Scholes option pricing model.

During the period ended September 30, 2025, 500,000 warrants expired resulting in an increase in contributed surplus of \$60. During the period ending December 31, 2024, 7,666,042 warrants expired, resulting in an increase in contributed surplus of \$298.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 13. OPERATING EXPENSES

### [a] Cost of product sold

(\$000's)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Direct material costs and direct overhead	981	1,505	2,526	5,205
Salaries and wages	353	431	1,166	1,488
Warranty expense	125	39	37	69
Depreciation	53	67	182	204
	<b>1,512</b>	<b>2,042</b>	<b>3,911</b>	<b>6,966</b>

### [b] Cost of services

(\$000's)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Direct material costs	713	959	3,759	4,048
Salaries and wages	3,895	3,566	11,296	10,491
Training and related costs	342	365	1,328	988
Direct overhead	794	645	2,091	2,152
	<b>5,744</b>	<b>5,535</b>	<b>18,474</b>	<b>17,679</b>

### [c] Sales and marketing

(\$000's)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Salaries and wages	570	742	1,989	2,359
Selling commissions	174	252	687	721
Travel and accommodation	68	51	164	142
Advertising, conferences and trade shows	46	39	161	155
Other expenses	(89)	33	95	91
	<b>769</b>	<b>1,117</b>	<b>3,096</b>	<b>3,468</b>

### [d] General and administrative expenses

(\$000's)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Salary related expenses	522	656	1,800	1,868
Consulting and professional fees	339	207	1,148	663
Investor relations expenses	121	145	260	321
IT expenses	151	127	466	408
Travel and accommodation	20	13	38	35
Office and facility expenses, and other	290	346	983	1,042
	<b>1,443</b>	<b>1,494</b>	<b>4,695</b>	<b>4,337</b>

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 13. OPERATING EXPENSES (continued)

### [e] Research and development expenses

(\$000's)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Salary related expenses	60	41	247	292
Consulting and professional fees	24	70	97	138
Materials and supplies	5	7	24	10
	<b>89</b>	<b>118</b>	<b>368</b>	<b>440</b>

Research and development expenses are costs that do not meet the criteria to be capitalized to intangible assets and are expensed in the period in which they are incurred.

## 14. OTHER EXPENSES (INCOME)

(\$000's)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Contingent consideration (gain) loss	(57)	5	(131)	121
Foreign exchange gain	(5)	(141)	(148)	(96)
Restructuring costs	140	42	175	285
Gain on disposal of assets	(14)	-	(14)	-
	<b>64</b>	<b>(94)</b>	<b>(118)</b>	<b>310</b>

## 15. REVENUE AND SEGMENT INFORMATION

### [a] Segment information

The Company's activities are carried out through three operating segments, within which are two reportable segments: Scientific Equipment and Security Services. The Company's executive leadership is responsible for strategic decision making, resource allocation, and assessing financial performance, and, as a group, is identified as our chief operating decision maker for the purpose of reporting segment information.

The Company's Scientific Equipment segment is comprised of its proprietary product sales as well as sales of third-party products and investment in associate. The Security Services segment is comprised of the Company's commercial and airport security equipment maintenance and installation services. Its Corporate operating segment includes the Company's costs related to general corporate overhead.

Inter-segment transactions are recorded at values that approximate third-party selling prices and are eliminated for segmented reporting.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 15. REVENUE AND SEGMENT INFORMATION (continued)

(\$000's)

Three months ended September 30, 2025	Scientific Equipment	Security Services	Corporate	Total
Revenue	2,719	6,566	-	9,285
(Loss) income before other items	(255)	683	(700)	(272)
Net (loss) income	(857)	388	(1,031)	(1,500)
Depreciation and amortization expense	679	151	-	830
Capital expenditures	273	80	-	353
Total assets as at September 30, 2025	20,762	15,444	900	37,106

(\$000's)

Three months ended September 30, 2024	Scientific Equipment	Security Services	Corporate	Total
Revenue	4,242	6,328	-	10,570
Income (loss) before other items	368	571	(675)	264
Net (loss) income	(812)	439	(1,271)	(1,644)
Depreciation and amortization expense	890	208	-	1,098
Capital expenditures	204	226	-	430
Total assets as at September 30, 2024	32,353	16,269	944	49,566

(\$000's)

Nine months ended September 30, 2025	Scientific Equipment	Security Services	Corporate	Total
Revenue	9,308	20,147	-	29,455
Income (loss) before other items	121	1,020	(2,230)	(1,089)
Impairment of assets	-	-	-	-
Net (loss) income	(2,427)	427	(2,929)	(4,929)
Depreciation and amortization expense	2,248	428	-	2,676
Capital expenditures	1,035	344	-	1,379
Total assets as at September 30, 2025	20,762	15,444	900	37,106

(\$000's)

Nine months ended September 30, 2024	Scientific Equipment	Security Services	Corporate	Total
Revenue	13,860	19,346	-	33,206
Income (loss) before other items	1,298	905	(1,887)	316
Impairment of assets	274	-	-	274
Net (loss) income	(2,089)	259	(4,331)	(6,161)
Depreciation and amortization expense	2,667	600	-	3,267
Capital expenditures	1,236	273	-	1,509
Total assets as at September 30, 2024	32,353	16,269	944	49,566

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 15. REVENUE AND SEGMENT INFORMATION (continued)

### [b] Geographic segments

The Company's revenues are allocated to geographic segments as follows:

(\$000's)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Canada	6,987	6,776	21,634	21,598
United States of America	1,691	1,518	6,021	5,455
Europe	288	2,202	948	4,756
Asia	244	13	482	561
Other	75	61	370	836
	<b>9,285</b>	<b>10,570</b>	<b>29,455</b>	<b>33,206</b>

## 16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and manage capital so that it can continue to provide returns for shareholders and benefits for other stakeholders through the development, maintenance and expansion of its operating segments. The Company attempts to maximize return to shareholders.

The Company defines its capital as share capital, debt, and contributed surplus. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's liquidity needs in the short and long term can be addressed in multiple ways with funds from operations, available cash balances, new debt instruments, equity issuances and government funding. The Company monitors its financing requirements through regular forecasting of its cash position. Financing decisions are based on the timing and extent of expected operating and capital outlays.

The Company has financed its capital requirements primarily through loans and share issuances since inception. The Company may issue new securities. The Company is not subject to any externally imposed capital requirements.

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### [a] Fair value of financial instruments

The carrying values of cash, accounts receivable, other receivables, accounts payable and accrued liabilities, and the line of credit approximate fair value due to the short-term nature of these instruments. The loan to associate is measured at amortized cost and its fair value approximates its carrying value. The Company's bank loan, WINN loan, RRRF loan, Prêt garanti par l'état, and business scale-up loans are measured at amortized cost. The carrying value of these loans at September 30, 2025, was \$11,872 and the fair value was \$11,836. The carrying value of these loans as at December 31, 2024, was \$13,514 and the fair value was \$13,434.

# Notes to the Interim Condensed Consolidated Financial Statements

*For the three and nine months ended September 30, 2025, and 2024 (unaudited)*

*Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted*

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### **[b] Fair value of promissory notes**

The Company accounts for its One Moon Scientific promissory note as a derivative financial liability and revalues the note using the Company's quoted market share price at the reporting period for unmatured portions of the liability, based on a specified formula within the note. All One Moon Scientific promissory notes had been settled in 2024. As such, during the three and nine months ended September 30, 2025, no unrealized loss or gain was recorded (three and nine months ended September 30, 2024, the Company recognized an unrealized gain (loss) of \$3 and (\$1)).

### **[c] Fair value of contingent consideration**

#### K'Prime Acquisition

Contingent consideration related to the K'Prime acquisition is based on the K'Prime subsidiary reaching certain performance goals related to entity performance, to be settled in cash, as well as contingent consideration related to the performance on a specific contract to be settled in shares of the Company.

Contingent consideration has been valued using an income approach and discounted using a risk-adjusted discount rate estimated to best reflect the subsidiary's ongoing operations. The Company evaluates all inputs, including the risk-adjusted discount rate at each reporting period. The share settled portion of contingent consideration is based on a set percentage of revenue from a specific contract within the subsidiary.

The Company has determined, using internal forecasts, the estimated amount of share consideration and valued it using an income approach, discounted using a risk-adjusted discount rate specific to that contract. Forecast amounts of contingent consideration and the risk-adjusted discount rate are evaluated by the Company at each reporting period.

For the three- and nine-months ended September 30, 2025, the Company recognized an unrealized gain of \$61 and \$126 (three- and nine-months ended September 30, 2024 – unrealized loss of \$10 and \$86). Subsequent to the end of the period, the remaining contingent consideration related to the K'Prime acquisition was settled by the issuance of 959,373 common shares of the Company.

#### One Moon Scientific Acquisition

Contingent consideration payable related to the acquisition of One Moon Scientific ("OMS") is based on performance goals related to specific targets that OMS must meet through the end of 2026. The Company has used internal forecasts to estimate the amount of each component of contingent consideration and valued it using an income approach, discounted using a risk-adjusted discount rate.

The Company reassesses the forecast and estimated amount of contingent consideration and revises the risk-free discount rate based on available market data at each reporting period.

The Company has entered into an amendment to the purchase agreement, extending the period in which contingent consideration may be paid out on the acquisition to the end of 2026. For the three- and nine-months ended September 30, 2025, the Company recognized an unrealized (loss) gain of (\$4) and \$5 related to revaluation of contingent consideration related to the OMS acquisition within business acquisition costs (three- and nine-months ended September 30, 2024 – unrealized gain (loss) of \$2 and (\$34)).

Significant assumptions used in valuation of contingent consideration include forecasted revenue and applicable discount rates.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### [d] Fair value hierarchy

The three-level hierarchy reflects the significance of inputs used when determining fair value:

- **Level 1:** Fair value is determined using readily observable inputs from public or active markets.
- **Level 2:** Fair value is determined using inputs other than those quoted in public or active markets and may be both directly and indirectly observable.
- **Level 3:** Fair value is derived using unobservable inputs for which there is little to no available market data, and therefore the Company must develop its own assumptions for valuation.

#### September 30, 2025

(\$000's)	Level 1	Level 2	Level 3	Total
<b>Financial liabilities at fair value through profit or loss</b>				
Contingent consideration	-	-	326	<b>326</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>326</b>	<b>326</b>
Current portion	-	-	173	<b>173</b>
Long-term portion	-	-	153	<b>153</b>

#### December 31, 2024

(\$000's)	Level 1	Level 2	Level 3	Total
<b>Financial liabilities at fair value through profit or loss</b>				
Contingent consideration	-	-	457	<b>457</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>457</b>	<b>457</b>
Current portion	-	-	299	<b>299</b>
Long-term portion	-	-	158	<b>158</b>

The Company did not transfer any financial instruments between valuation hierarchy levels between September 30, 2025, and December 31, 2024.

### [e] Risk management

The following presents information about the Company's exposure to each of the above risks and the Company's objectives, policies, and processes for measuring and managing risk.

#### [i] Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

# Notes to the Interim Condensed Consolidated Financial Statements

*For the three and nine months ended September 30, 2025, and 2024 (unaudited)*

*Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted*

## **17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

### **[ii] Credit risk**

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in the event of non-performance by counterparties in connection with its cash, accounts receivable, other receivables and loan to associate. The Company's maximum exposure to credit risk at September 30, 2025, is the carrying amount of cash, accounts receivable, other receivables, and loan to associate on the consolidated statement of financial position. The Company mitigates this risk by holding its cash in major Canadian financial institutions and performing credit inquiries on its customers.

Management regularly assesses the Company's exposure to credit risk and provides allowances for potentially uncollectible accounts receivable as they become known. Although collection of these receivables could be influenced by economic factors, management considers the risk of significant loss to be mitigated by the number, reputation, and nature of the companies with which the Company does business.

Management assesses the expected risk of credit loss at each reporting period based on consideration of factors such as the history, creditworthiness and financial condition of each individual customer, economic factors, the age of the financial instrument, in particular instruments over 180 days past due, the willingness of the counterparty to engage in a payment plan, and any other criteria deemed material to the analysis. Trade accounts receivable are written off when there is no reasonable expectation of recovery. During the three and nine months ended September 30, 2025, bad debts of \$Nil were recognized as an expense (2024 - \$Nil).

### **[iii] Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As of September 30, 2025, the Company had working capital of (\$2,487) (December 31, 2024 - \$3,881). (Note 2(b)) The Company's exposure to liquidity risk is dependent on its ability to capitalize on its research and development, ability to manufacture and deploy new products, sale of inventory, collection of accounts receivable and other receivables, and the raising of funds to meet commitments, sustain operations, continue research and development, and service contracts. The Company manages liquidity risk through the management of working capital, cash flows, availability of borrowing facilities and share issuances. The Company has liabilities with varying maturities as disclosed in the interim condensed consolidated statement of financial position and Notes 9, 10, and 11.

### **[iv] Market risk**

Market risk is the risk of loss that results from changes in market prices. Market risk is comprised of foreign currency risk and interest rate risk. The level of market risk to which the Company is exposed to depends on market conditions, expectations of future price or market rate movements, and the composition of the Company's financial assets and liabilities. The Company regularly monitors market risk exposure, tolerance, and control processes in order to manage the exposure related to changes in market risk and to stay within acceptable market risk limits.

### **[v] Currency risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The majority of the Company's sales are in Canadian dollars and U.S. dollars. The Company has not entered into foreign exchange derivative contracts.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company had the following assets and liabilities denominated in U.S. dollars at the end of period:

(000's)	September 30, 2025	December 31, 2024
	US\$	US\$
Cash	25	430
Accounts receivable	1,524	1,616
Prepayments and other receivables	146	80
Lease receivables	274	369
Inventory	78	78
Accounts payable & accrued liabilities	(208)	(528)
Unearned revenue	(549)	(779)
Debt and lease liabilities	(254)	(350)
<b>Total</b>	<b>1,036</b>	<b>916</b>

The above assets and liabilities were translated using an exchange rate of 1.39 at September 30, 2025 (December 31, 2024 – 1.44). Based on the above net exposure, as at September 30, 2025, assuming all other variables remain constant, a 10% appreciation or deterioration of the Canadian dollar against the U.S. dollar would result in a change of approximately \$144 in the Company's other comprehensive income (December 31, 2024 - \$132). Total sales in U.S. dollars for the nine months ended September 30, 2025, were \$4,931 (nine months ended September 30, 2024 - \$5,410). A 10% appreciation or deterioration of the Canadian dollar against the U.S. dollar would result in a change of approximately \$690 (nine months ended September 30, 2024 - \$736).

The Company had the following assets and liabilities denominated in Euros at the end of the period:

(000's)	September 30, 2025	December 31, 2024
	Euro (€)	Euro (€)
Cash	145	503
Accounts receivable	155	562
Prepayments and other receivables	433	416
Inventory	63	47
Accounts payable and accrued liabilities	(196)	(1,104)
Unearned revenue	(586)	(393)
Debt and lease liabilities	(34)	(51)
<b>Total</b>	<b>(20)</b>	<b>(20)</b>

The above assets and liabilities were translated at 1.63 at September 30, 2025 (December 31, 2024 – 1.49). Based on the above net exposure as at September 30, 2025, assuming that all other variables remain constant, a 10% appreciation or deterioration of the Canadian dollar against the Euro would result in a change of approximately \$3 in the Company's other comprehensive income (December 31, 2024 - \$3). Total sales in Euros for the nine months ended September 30, 2025, were €704 (nine months ended September 30, 2024 - €3,065). A 10% appreciation or deterioration of the Canadian dollar against the Euro would result in a change of approximately \$110 (nine months ended September 30, 2024 - \$453).

# Notes to the Interim Condensed Consolidated Financial Statements

*For the three and nine months ended September 30, 2025, and 2024 (unaudited)*

*Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted*

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### [vi] Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. During the nine months ended September 30, 2025, fluctuations in the bank prime interest rate had an insignificant impact on the Company's interest expense. At September 30, 2025, the Company had \$6,167 of outstanding debt on its interest-bearing term loan. If the prime borrowing rate changed by 4%, it would have an impact of \$247 on interest expense on an annualized basis (December 31, 2024 - \$300).

### [vii] Economic dependence

A portion of the Company's operations consists of providing airport security equipment maintenance services to a Crown Corporation of the Government of Canada. During the nine months ended September 30, 2025, the Company was dependent on this service contract for 67% of its revenue (nine months ended September 30, 2024 – 57%). The contract is due for renewal in May 2028. There were no other customers who accounted for more than 10% of the Company's revenue during the period.

## 18. RELATED PARTY DISCLOSURE

### Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the business activities of the Company, including all of its directors, along with certain executives. Directors are remunerated through a cash director's fee and participation in the stock option and RSU plans. Executive compensation is comprised of base salary, benefits and participation in the stock option and RSU plans. The Company does not have a defined benefit or actuarial pension plan. Key management personnel participate in the stock option plan.

### Related party transactions

Related party transactions are assessed for significance within the Company's normal process for transaction approval. Transactions determined to be significant by Management are approved by the Audit Committee of the Board of Directors.

During the nine months ended September 30, 2025, the Company does not have any significant related party transactions. During the nine months ended September 30, 2024, the Company has approved several transactions with directors of the Company or parties related to directors.

- The Company leased its head office from a then director of the Company from January 1, 2024, until April 2024 when the director ceased to be a related party to the Company. During the period from January 1, 2024, to April 2024, when the then director was a related party, the Company incurred \$37 for lease expenses. These amounts have been recorded at the amounts that have been agreed upon by the two parties.
- In addition, amounts were paid to relatives of the same former director of the Company as employment compensation. During the period from January 1, 2024, to April 2024, expenses paid on wages were \$87.

# Notes to the Interim Condensed Consolidated Financial Statements

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

Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted

## 18. RELATED PARTY DISCLOSURE (continued)

### Related party transactions with associate

For the nine months ended September 30, 2025, the Company provided \$108 of consultancy services and \$123 of product sales to Quad (nine months ended September 30, 2024 - \$276 of product sales and \$104 of cost of product sold). These amounts are gross and subject to elimination of 43.48% related to the Company's share in associate until June 20, 2025. On June 20, 2025, there was an increase in share capital in Quad System AG issued to other shareholders, resulting in a relative decrease of the Company's ownership for Quad from 43.48% to 39.12%.

At September 30, 2025, the Company had gross outstanding balances of \$757 (December 31, 2024 - \$762) in accounts receivable and \$103 in accounts payable and accrued liabilities (December 31, 2024 - \$218), due from and to its associate, respectively. During the twelve months ended December 31, 2024, the Company has recognized an impairment provision of \$496 against certain outstanding balances due from its associate. No further impairment provision has been recognized for the nine months ended September 30, 2025.

## 19. SUPPLEMENTAL CASH FLOW INFORMATION

(\$000's)	Nine months ended September 30	
	2025	2024
<b>Changes in items of non-cash working capital in operating activities</b>		
Accounts receivable and other receivables	2,152	(564)
Inventory	289	1,007
Other assets	515	774
Accounts payable and accrued liabilities	(1,194)	689
Share purchase warrants	-	94
	<b>1,762</b>	<b>2,000</b>
<b>Components of finance expense</b>		
Cash interest paid	746	906
Cash interest (received)	(29)	(2)
Non-cash interest expense	217	148
<b>Net finance expense</b>	<b>934</b>	<b>1,052</b>

# Notes to the Interim Condensed Consolidated Financial Statements

*For the three and nine months ended September 30, 2025, and 2024 (unaudited)*

*Amounts are stated in thousands of dollars except per share amounts and certain other exceptions as noted*

## DIRECTORS AND OFFICERS

**Sean Krakiwsky, M.Sc** *(3)*

President & Chief Executive Officer

**Randall McRae, CPA, CA**

Chief Financial Officer

**Julien Muller**

Chief Technology Officer

**Martin Burian, CPA, CA, ICD.D** *(1) (2) (3)*

Chairman of the Board

**Werner Gartner CPA, CMA** *(1)*

Director

**Dr. Michal Okoniewski** *(2) (3)*

Director

**Jennifer Stubbs, CPA** *(1) (2)*

Director

*(1) Member of the Audit Committee*

*(2) Member of the Compensation Committee*

*(3) Corporate Governance and Nomination Committee*

## CORPORATE OFFICE

**Nanalysis Scientific Corp**

Bay 1, 4600 5th Street NE,

Calgary, Alberta T2E 7C3

Phone: 403.769.9499

Email: IR@nanalysis.com

## BANKER

**ATB Financial**

Calgary, Alberta

## LAWYERS

**DLA Piper (Canada) LLP**

Calgary, Alberta

## AUDITORS

**Ernst & Young LLP**

Calgary, Alberta

## STOCK EXCHANGE

**TSX Venture**

Trading Symbol: NSCI

## TRANSFER AGENT AND REGISTRAR

**Odyssey Trust Company**

Calgary, Vancouver, Toronto