EcoSynthetix Inc.

Interim Consolidated Financial Statements
(Unaudited)
September 30, 2026
(expressed in US dollars)

Notice of No Auditor Review of Interim Financial Statements

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

The accompanying unaudited interim consolidated financial statements of EcoSynthetix Inc. (the Company) have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

EcoSynthetix Inc.

Interim Consolidated Balance Sheets
(Unaudited)

(expressed in US dollars)

	September 30, 2026 $	December 31, 2025 $
Assets		
Current assets		
Cash	7,662,412	8,420,285
Term deposits (note 2)	21,708,314	21,161,145
Accounts receivable (note 3)	2,140,431	3,234,911
Inventory (note 4)	3,831,692	3,767,661
Prepaid expenses	188,163	204,272
	35,531,012	36,788,274
Property, plant and equipment (note 5)	5,714,241	5,943,242
Total assets	41,245,253	42,731,516
Liabilities		
Current liabilities		
Trade accounts payable and accrued liabilities (note 6)	1,935,414	2,355,358
Lease liability (note 7)	1,418,027	1,786,798
Total liabilities	3,353,441	4,142,156
Shareholders' Equity		
Common shares (note 9)	489,272,798	488,725,570
Contributed surplus	11,248,159	11,211,810
Accumulated deficit	(462,629,145)	(461,348,020)
Total shareholders' equity	37,891,812	38,589,360
Total liabilities and shareholders' equity	41,245,253	42,731,516

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

EcoSynthetix Inc.

Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

(expressed in US dollars)

	Three months ended September 30		Nine months ended September 30	
	2026 $	2025 $	2026 $	2025 $
Net sales (note 10)	3,645,064	5,833,596	11,960,226	14,880,268
Cost of sales (notes 5 and 11)	2,527,540	4,092,113	8,615,800	10,847,910
Gross profit on sales	1,117,524	1,741,483	3,344,426	4,032,358
Expenses (notes 5 and 11)				
Selling, general and administrative	1,365,884	1,784,332	4,624,055	4,486,489
Research and development	267,928	386,787	796,624	1,199,933
	1,633,812	2,171,119	5,420,679	5,686,422
Loss from operations	(516,288)	(429,636)	(2,076,253)	(1,654,064)
Net interest income (note 2)	257,620	338,608	795,128	1,067,514
Net loss and comprehensive loss	(258,668)	(91,028)	(1,281,125)	(586,550)
Basic and diluted loss per common share	-	-	(0.02)	(0.01)
Weighted average number of common shares outstanding	58,782,768	58,672,511	58,866,604	58,594,020

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

EcoSynthetix Inc.

Interim Consolidated Statements of Shareholders' Equity

(Unaudited)

For the nine months ended September 30, 2026 and September 30, 2025

(expressed in US dollars)

	Common shares $	Contributed surplus $	Accumulated deficit $	Total $
Balance – January 1, 2025	489,246,909	11,013,304	(460,914,223)	39,345,990
Share-based compensation (note 8)	-	781,333	-	781,333
Common share options exercised (note 9)	66,373	(23,135)	-	43,238
Common shares repurchased (note 9)	(1,049,088)	-	-	(1,049,088)
Restricted share units exercised (note 9)	125,967	(125,967)	-	-
Deferred share units exercised (note 9)	694,631	(694,631)	-	-
Net loss and comprehensive loss for the period	-	-	(586,550)	(586,550)
Balance – September 30, 2025	489,084,792	10,950,904	(461,500,773)	38,534,923
Balance – January 1, 2026	488,725,570	11,211,810	(461,348,020)	38,589,360
Share-based compensation (note 8)	-	686,109	-	686,109
Common share options exercised (note 9)	1,000,021	(336,267)	-	663,754
Common shares repurchased (note 9)	(766,286)	-	-	(766,286)
Restricted share units exercised (note 9)	313,493	(313,493)	-	-
Net loss and comprehensive loss for the period	-	-	(1,281,125)	(1,281,125)
Balance – September 30, 2026	489,272,798	11,248,159	(462,629,145)	37,891,812

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

EcoSynthetix Inc.

Interim Consolidated Statements of Cash Flows
(Unaudited)

(expressed in US dollars)

	Three months ended September 30		Nine months ended September 30	
	2026 $	2025 $	2026 $	2025 $
Cash provided by (used in)				
Operating activities				
Net loss and comprehensive loss for the period	(258,668)	(91,028)	(1,281,125)	(586,550)
Items not affecting cash				
Depreciation (note 5)	324,652	265,525	933,987	811,711
Share-based compensation (note 8)	231,073	365,891	686,109	781,333
Other	(13,053)	27,520	51,752	(125,307)
Changes in non-cash working capital				
Accounts receivable (note 3)	326,923	202,465	1,094,480	(61,260)
Inventory (note 4)	(605,334)	(812,881)	(32,526)	(1,265,288)
Prepaid expenses	102,606	(217,779)	16,109	(333,254)
Trade accounts payable and accrued liabilities (note 6)	313,762	761,605	(434,128)	621,959
Interest on term deposits				
Interest received on term deposits	78,411	291,473	879,234	1,333,322
Accrued interest on term deposits (note 2)	(230,371)	(272,092)	(689,913)	(893,830)
	270,001	520,699	1,223,979	282,836
Investing activities				
Purchase of property, plant and equipment	(37,130)	(341,430)	(723,622)	(506,718)
Receipts on mature term deposits (note 2)	3,750,000	6,950,000	24,277,774	26,500,000
Purchase of term deposits (note 2)	(3,750,000)	(3,022,274)	(25,014,264)	(23,477,774)
	(37,130)	3,586,296	(1,460,112)	2,515,508
Financing activities				
Payments made on lease liability (note 7)	(100,368)	(77,906)	(300,989)	(238,781)
Common shares repurchased (note 9)	(32,619)	(359,729)	(766,286)	(1,049,088)
Exercise of common share options (note 9)	-	-	663,754	43,238
	(132,987)	(437,635)	(403,521)	(1,244,631)
Effect of exchange rate changes on cash	16,240	(24,214)	(118,219)	137,450
Change in cash during the period	116,124	3,645,146	(757,873)	1,691,163
Cash – Beginning of period	7,546,288	5,767,420	8,420,285	7,721,403
Cash – End of period	7,662,412	9,412,566	7,662,412	9,412,566

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

(expressed in US dollars)

1 Business operations

EcoSynthetix Inc. (EcoSynthetix or the Company) is engaged in the development and commercialization of environmentally friendly, bio-based technologies as replacement solutions for synthetic, petrochemical-based adhesives and other related products in the Americas, Europe, the Middle East and Africa (EMEA) and Asia Pacific. EcoSynthetix is incorporated and domiciled in Canada. The address of its registered office is 3365 Mainway, Burlington, Ontario, Canada.

The unaudited interim consolidated financial statements (interim financial statements) for the three and nine months ended September 30, 2026 were prepared using the same accounting policies and methods as those used in the Company's audited consolidated financial statements for the year ended December 31, 2025. The policies applied in these interim financial statements are based on International Financial Reporting Standards (IFRS) issued and in effect as at November 2, 2026, the date the Board of Directors approved the interim financial statements. The interim financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board, have been omitted or condensed. The preparation of interim consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim consolidated financial statements, have been set out in note 2 to the Company's consolidated financial statements for the year ended December 31, 2025. These interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2025.

2 Term deposits and net interest income

The Company has non-redeemable guaranteed investment certificates maturing between January 2027 and September 2027 at annual interest rates between 4.16% and 4.81%. All term deposits are held with two large chartered Canadian banks. The carrying value of all term deposits includes accrued interest and is recorded at amortized cost using the effective interest method.

	Three months ended September 30		Nine months ended September 30	
	2026 $	**2025 $**	**2026 $**	**2025 $**
Interest earned on term deposits	230,371	272,092	689,913	893,830
Interest earned on cash deposits	48,289	74,787	173,114	187,386
Interest expense on lease liability	(21,040)	(8,271)	(67,899)	(13,702)
	257,620	338,608	795,128	1,067,514

(expressed in US dollars)

3 Accounts receivable

	September 30, 2026 $	December 31, 2025 $
Trade accounts receivable	1,875,452	2,928,354
Commodity taxes receivable	186,402	295,056
Other receivables	78,577	11,501
	2,140,431	3,234,911

4 Inventory

	September 30, 2026 $	December 31, 2025 $
Raw materials	1,090,804	1,623,564
Finished goods	2,740,888	2,144,097
	3,831,692	3,767,661

The Company had a recorded provision of $116,313 against finished goods and raw materials inventory as at September 30, 2026 (December 31, 2025 – $223,561).

5 Property, plant and equipment

The composition of the net carrying amount of the Company's property, plant and equipment is presented in the following table:

	Machinery and equipment $	Right-of-use asset $	Computer hardware $	Total $
Cost				
December 31, 2025	15,655,964	4,024,778	11,680	19,692,422
Additions	737,542	-	-	737,542
Disposals	(28,939)	-	-	(28,939)
September 30, 2026	16,364,567	4,024,778	11,680	20,401,025
Accumulated depreciation				
December 31, 2025	(11,878,000)	(1,867,525)	(3,655)	(13,749,180)
Depreciation expense	(627,826)	(334,746)	(2,920)	(965,492)
Disposals	27,888	-	-	27,888
September 30, 2026	(12,477,938)	(2,202,271)	(6,575)	(14,686,784)
Net carrying amount				
December 31, 2025	3,777,964	2,157,253	8,025	5,943,242
September 30, 2026	3,886,629	1,822,507	5,105	5,714,241

(expressed in US dollars)

For the three and nine months ended September 30, 2026, depreciation expense of $260,649 and $734,867 (2025 – $251,149 and $710,425) has been charged to cost of sales and $64,003 and $199,120 (2025 – $14,376 and $101,286) has been charged to research and development. For the nine months ended September 30, 2026, depreciation expense of $31,505 was capitalized into inventory (2025 – $24,654 depreciation expense was expensed from inventory).

During the nine months ended September 30, 2026, the Company disposed of machinery and equipment. The disposed assets had a carrying value of $1,051. There were no proceeds received on disposal and the corresponding loss on disposal was recorded in the interim consolidated statements of operations and comprehensive loss.

There was $138,338 of property, plant and equipment additions included in trade accounts payable and accrued liabilities as at September 30, 2026 (December 31, 2025– $124,418).

6 Trade accounts payable and accrued liabilities

	September 30, 2026 $	December 31, 2025 $
Trade accounts payable	1,228,895	770,341
Short-term lease liability (note 7)	405,746	405,483
Accrued liabilities	300,773	1,179,534
	1,935,414	2,355,358

Included in accrued liabilities as at December 31, 2025 is accrued variable employee compensation of $775,000 relating to the Company's performance towards its annual corporate performance objectives. For the nine months ended September 30, 2026, the Company has not accrued variable employee compensation.

7 Lease liability

The Company has one right-of-use asset under property, plant and equipment and a corresponding lease liability for the lease associated with the Company's corporate headquarters located in Burlington, Ontario. The lease liability is measured at amortized cost by discounting the lease payments over the remaining term of the lease at the Company's estimated incremental borrowing rate of 4.452%.

	September 30, 2026 $	December 31, 2025 $
Lease liability		
Short-term	405,746	405,483
Long-term	1,418,027	1,786,798
	1,823,773	2,192,281

(expressed in US dollars)

For the three and nine months ended September 30, 2026, total cash payments of $121,408 and $368,888 (2025 – $86,177 and $252,483) were made on the lease liability. Cash payments for the three and nine months ended September 30, 2026 include interest expense of $21,040 and $67,899 (2025 – $8,271 and $13,702), which has been recognized in net interest income on the interim consolidated statements of operations and comprehensive loss, and principal payments of $100,368 and $300,989 (2025 – $77,906 and $238,781).

8 Share-based compensation

As at September 30, 2026, the Company had outstanding share options to purchase 2,125,862 shares of the Company. The share options expire at various dates through January 5, 2033.

	Number of share options outstanding	Weighted average exercise price CA$
Outstanding – December 31, 2025	2,310,489	3.55
Share options granted	322,601	3.26
Share options exercised	(499,245)	1.82
Share forfeiture	(7,983)	3.17
Outstanding – September 30, 2026	2,125,862	4.03

9 Common shares

	Number of common shares	Share capital $
Balance – December 31, 2025	58,487,172	488,725,570
Common share options exercised	499,245	1,000,021
Restricted share units exercised	105,099	313,493
Common shares repurchased	(329,595)	(766,286)
Balance – September 30, 2026	58,761,921	489,272,798

Share exchange

During the nine months ended September 30, 2026, the Company held a normal course issuer bid to repurchase a certain number of its outstanding common shares through the facilities of the Toronto Stock Exchange. During the three and nine months ended September 30, 2026, the Company repurchased and cancelled 23,000 and 329,595 (2025 – 118,035 and 345,635) common shares for a total consideration of $32,619 and $766,286 (2025 – $359,729 and $1,049,088).

(expressed in US dollars)

10 Segmented information and enterprise-wide disclosures

Segmented reporting

The Company operates in one reportable segment and generates revenue primarily from its biopolymer nanosphere technology platform.

Sales by geographic location

The Company is domiciled in Canada. Revenue from external customers located in Canada for the three and nine months ended September 30, 2026 was $502,994 and $1,374,011 (2025 – $479,148 and $1,278,635). The total revenue from external customers in the following regions was as follows:

	Three months ended September 30		Nine months ended September 30	
	2026 $	2025 $	2026 $	2025 $
Americas	1,011,576	2,213,067	2,771,352	4,902,124
EMEA	1,807,393	2,761,922	5,996,191	6,912,407
Asia Pacific	826,095	858,607	3,192,683	3,065,737
	3,645,064	5,833,596	11,960,226	14,880,268

The revenue has been assigned to each jurisdiction based on the location of the customer.

During the three months ended September 30, 2026, revenue attributable to individual countries reporting greater than 10% of total revenue included Japan, Canada and United States, which represented 21%, 14% and 14% respectively. During the three months ended September 30, 2025, revenue attributable to individual countries reporting greater than 10% of total revenue included Brazil, Lithuania and Japan, which represented 22%, 22%, and 15%, respectively.

During the nine months ended September 30, 2026, revenue attributable to individual countries reporting greater than 10% of total revenue included Japan, United States and Canada, which represented 26%, 12% and 11%, respectively. During the nine months ended September 30, 2025, revenue attributable to individual countries reporting greater than 10% of total revenue included Japan, Lithuania and Brazil, which represented 21%, 19%, and 17%, respectively.

(expressed in US dollars)

Sales to major customers

During the three months ended September 30, 2026, the Company derived a significant portion of its revenue from two customers representing 21% and 12% of total revenue (2025 – three customers, representing 22%, 22% and 15% of total revenue). During the nine months ended September 30, 2026, the Company derived a significant portion of its revenue from one customer, representing 26% of total revenue (2025 – three customers, representing 21%, 19% and 17% of total revenue). The concentrations listed do not necessarily apply to the same customers period over period.

Property, plant and equipment

The Company's property, plant and equipment are reported at their net carrying amount and are located in the following countries:

	September 30, 2026 $	December 31, 2025 $
Canada	4,641,519	4,760,494
The Netherlands	1,072,722	1,182,748
	5,714,241	5,943,242

11 Expenses by nature

Additional information on the nature of amounts included in cost of sales and selling, general and administrative expenses is as follows:

	Three months ended September 30		Nine months ended September 30	
	2026 $	2025 $	2026 $	2025 $
Salaries and benefits	778,274	1,208,535	2,716,347	3,046,047
Share-based compensation	231,073	365,891	686,109	781,333
Depreciation	324,652	265,525	933,987	811,711
Foreign exchange (gain) loss	(12,674)	13,145	82,594	(95,474)
Government assistance	(31,152)	-	(271,546)	-

During the three and nine months ended September 30, 2026, the Company recognized Scientific Research and Experimental Development credits in the amount of $31,152 and $271,546 as Bill C-15 was passed into Canadian law in March of 2026.

(expressed in US dollars)

Foreign exchange gains and losses represent the revaluation of monetary assets and liabilities denominated in foreign currencies. The change in foreign exchange revaluation gains and losses is primarily due to foreign exchange rate fluctuations between the US dollar (the Company's functional currency) and foreign currencies and the related impact on the net monetary position in those respective currencies. The foreign exchange (gain) loss for the three and nine months ended September 30, 2026 primarily relates to monetary assets and liabilities denominated in Canadian dollars.