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

The following management's discussion and analysis ("**MD&A**") dated November 2, 2026, is intended to assist the readers in the understanding of EcoSynthetix Inc. and its wholly owned subsidiaries ("**EcoSynthetix**" or the "**Company**"), its business environment, strategies and performance and risk factors. It should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2025. Financial data has been prepared in conformity with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("IASB") and 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 Company, together with its consolidated subsidiaries, is referred to as the "Company", "we", "us", or "our". Our functional currency and reporting currency is the U.S. dollar. Unless otherwise indicated, all references to "$" and "dollars" in this discussion and analysis mean U.S. dollars.

Certain measures used in this MD&A do not have any standardized meaning under IFRS. When used, these measures are defined in such terms as to allow the reconciliation to the closest IFRS measure. It is unlikely that these measures could be compared to similar measures presented by other companies. See "IFRS and non-IFRS Measures".

Forward-looking statements are included in this MD&A. See "Forward-Looking Statements" below for a discussion of risks, uncertainties and assumptions relating to these statements. For a description of the risks relating to the Company, refer to the "Risk Factors" section of this MD&A and the "Risk Factors" section of the Company's Annual Information Form dated February 17, 2026.

Forward-looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. These statements relate to, but are not limited to, future events or future performance, our expectations regarding the Company's growth, results of operations, estimated future revenues, and requirements for additional capital, production costs, future demand for latex-based products, business prospects and opportunities, our ability to successfully commercialize our products, expectations as to the amount of reduction that the Company's products may have on a manufacturer's carbon footprint. Forward-looking statements are often, but not always, identified by use of words such as ''may'', ''will'', ''should'', ''could'', ''seek'', ''anticipate'', ''contemplate'', ''continue'', ''expect'', ''intend'', ''plan'', ''potential'', ''budget'', ''target'', ''believe'', ''estimate'' and similar expressions. The forward-looking statements in this document include, but are not limited to, statements regarding the Company's expected product pipeline, plans to expand the Company's business into new markets, the Company's ability to achieve organizational efficiencies, and other statements regarding the Company's plans and expectations in 2026. Such statements reflect our current views and beliefs with respect to future events, are subject to risks and uncertainties, and are based upon several estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Those assumptions and risks include, but are not limited to, the Company's ability to successfully allocate capital as needed and to develop new products, as well as the fact that our results of operations and business outlook are subject to significant risk, volatility, and uncertainty. Many factors could cause actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements.

We have made material assumptions regarding, among other things: that our intellectual property rights are adequately protected; our ability to obtain the materials or services necessary for the production of our products; our ability to convert prospects from the industrial trial phase into full commercial customers; our ability to market products successfully to our customers; that we will continue to possess unique intellectual property rights; changes in demand for and prices of our products or the materials required to produce those products; labour and material costs remaining consistent with our current expectations; the price and availability of substitute or competitive products; and that we do not and will not infringe third party intellectual property rights. Some of our assumptions are based upon internal estimates and analysis of current market conditions and trends, management plans and strategies, economic conditions and other factors and are necessarily subject to risks and uncertainties inherent in projecting future conditions and results.

Some of the risks that could affect our future results and could cause those results to differ materially from those expressed in the forward-looking information include, among other things: the impact of the conflict in Ukraine including the potential expansion of the conflict into other countries or regions; the availability and price of natural feedstocks used in the production of our products; changes in government regulations and policies relating to our business; agricultural risks that could impact crop yields and bio-based materials; dependence on certain customers and changes in customer demand; credit and concentration risk associated with cash and cash equivalents as well as accounts receivable; the inability to effectively expand our production facilities; the risk of volatility in global financial conditions, as well as significant decline in general economic conditions; increase in industry competition; a significant decrease in the market price of petroleum related feedstocks; inflationary pressures that may affect labour, raw materials, energy, agricultural commodities and other input costs; fluctuations in energy costs used to run production facilities; variations in our financial results; our ability to effectively commercially market and sell our products; the inability to retain key personnel; the inability to develop new technologies and products; company growth and the impact of significant operating and capital cost increases; insufficient product liability insurance; an inability to protect, defend or use our intellectual property and/or infringement of third-party intellectual property; enforcement of intellectual property rights; the ability to acquire intellectual property; the risk of litigation with respect to intellectual property and other matters; our ability to protect our know-how and trade secrets; changes to regulatory requirements, both regionally and internationally, governing development, production, exports, taxes, labour standards, waste disposal, and use, environmental protection, project safety and other matters; the impact of infectious disease outbreaks on our business; a shortage of supplies, equipment and parts; a breach in cyber-security; artificial intelligence and emerging technology; changes in the current political and regulatory environments in which we operate; the inability to secure additional government grants; a deterioration in our cash balances or liquidity; the inability to obtain equity or debt financing; the impact of issuance of additional equity securities on the trading price of the common shares; the impact of ethical, legal and social concerns relating to genetically modified organisms and the food versus fuel debate; the risk of business interruptions; the impact of volatile market price for common shares; the impact of changes in interest rates; the impact of changes in foreign currency exchange; losses from hedging activities and changes in hedging strategy, as well as the factors identified in the “Risk Factors” section of the Company’s Annual Information Form dated February 17, 2026. Such factors are not intended to represent a complete list of the factors that could affect us. These factors should be considered carefully, and prospective investors should not place undue reliance on forward-looking information.

IFRS and Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of the results of operations of the Company from management’s perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of the financial information of the Company reported under IFRS. We use non-IFRS measures such as Adjusted EBITDA to provide investors with a supplemental measure of operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet its capital expenditure and working capital requirements.

Adjusted EBITDA as presented herein is not a recognized measure under IFRS and should not be considered as an alternative to operating income or net income as measures of operating results or an alternative to cash flows as measures of liquidity. Adjusted EBITDA is defined as consolidated net income (loss) before interest, income taxes, depreciation, amortization, impairment loss on property, plant and equipment (PP&E), gain or loss on disposals of PP&E, accretion, and other non-cash expenses deducted in determining consolidated net income (loss).

Overview

We are a renewable chemicals company specializing in bio-based materials that are used as inputs in a wide range of products that allow customers to reduce their use of harmful materials, such as formaldehyde and styrene-based chemicals, and enable carbon footprint reductions. Our flagship products, DuraBind™, Bioform™, SurfLock™, and EcoSphere®, are used to manufacture wood composites, personal care, graphic paper, pulp, paperboard, and tissue

products and enable performance improvements, economic benefits and sustainability. Our strategy is to commercialize a broad range of bio-based polymer and monomer products within specific market segments. We have developed processes that leverage “green” technology to produce bio-based materials from natural polysaccharide feedstocks, such as corn starch, as an alternative to petroleum-derived feedstocks.

To date, we have developed the following two bio-based technology platforms that support broad application across a wide range of industries: (i) a biopolymer nanosphere technology that has been fully scaled and validated; and (ii) a bio-based sugar macromer technology. Our biopolymer nanosphere technology has generated four product families, EcoSphere, Bioform, SurfLock, and DuraBind biopolymers. Our bio-based sugar macromer technology has generated two product families, EcoMer® biomonomers and EcoStix® bio-based pressure sensitive adhesives. Substantially all our revenue has been generated from the sale of our biopolymer nanosphere technology into graphic paper, paperboard, pulp, tissue and wood composite markets.

Factors Affecting the Results of Operation

Commercialization

Our customers typically go through the following evaluation stages prior to commercial adoption of our products:

(i) laboratory evaluation;
(ii) pilot scale production testing; and
(iii) industrial trials representing full scale production.

Our performance is influenced by our ability to convert prospects from the industrial trial phase into full commercial customers. The industrial trial stage is an important part of the sales cycle; it requires potential customers to invest significant resources, including labour and operating expenditures, and the product must meet or surpass rigorous qualification procedures. Successfully reaching the industrial trial stage with a potential customer reflects substantial interest and commitment from them.

Our financial condition and results of operations are influenced by a variety of other factors, including:

- Optimizing the formulation of existing products to allow higher substitution rates by current and new customers and the ability to effectively develop products for new markets which could be a significant source of revenue growth in the future

- Pricing of incumbent technologies and other substitutes for our products

- Feedstock, other input and production costs and availability

Net Sales

Revenue is recognized when the Company has satisfied its performance obligations as set out in the contract with the customer, the contract has commercial substance, and it is probable that the Company will collect the consideration it is entitled to on performance of its obligations in the contract. These criteria are generally met when the transfer of control of goods has occurred, which typically occurs at the time of shipment or delivery, depending on the terms of the agreement. Net sales are measured based on the price specified in the sales contract, net of any discounts and estimated returns at the time of sale.

Cost of sales and gross profit

Our gross profit is derived from our net sales less our cost of sales. Cost of sales includes raw material costs, contract manufacturing costs, direct labour associated with manufacturing, freight costs and depreciation related to manufacturing equipment. Direct materials consist of the costs of natural feedstock and process chemicals. Cost of sales is mainly affected by natural feedstock costs and other input and production costs.

Selling, general and administrative

Selling, general and administrative expenses (SG&A) primarily relate to salaries and benefits and other employee related costs, which collectively represent approximately 50% of total SG&A. In addition to this, SG&A includes travel expenses, professional fees, facility costs, foreign exchange gains and losses, insurance, marketing costs and share-based compensation.

Foreign exchange represents the revaluation of monetary assets and liabilities denominated in foreign currencies. The change in foreign exchange gains and losses are primarily due to foreign exchange rate fluctuations between the U.S. dollar (our functional currency) and foreign currencies on our net monetary position in those respective currencies.

Research and development

Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are expensed as incurred unless they meet certain capitalization criteria. No development costs have been capitalized to date.

Our research and development expenses (R&D) consist of costs incurred to develop and test our products. Salaries and benefits related to employees directly involved in research and development activities represent approximately 60% of total R&D excluding the impact of refundable Scientific Research and Experimental Development (SR&ED) credits. In addition, R&D includes costs related to consultants, facility costs including depreciation on property, plant and equipment not utilized in our production process, supplies and other costs directly associated with product development.

Results of operations

The following is a summary of our results of operations for the three and nine months ended September 30, 2026, and 2025:

	Three months ended		Change	
	September 30, 2026	September 30, 2025	$	%
Net sales	3,645,064	5,833,596	(2,188,532)	-38%
Gross profit	1,117,524	1,741,483	(623,959)	-36%
Loss from operations	(516,288)	(429,636)	(86,652)	20%
Net loss	(258,668)	(91,028)	(167,640)	184%
Weighted average number of shares outstanding	58,782,768	58,672,511	110,257	0%
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	184%
Adjusted EBITDA[1] (loss)	39,437	201,780	(162,343)	-80%

	Nine months ended		Change	
	September 30, 2026	September 30, 2025	$	%
Net sales	11,960,226	14,880,268	(2,920,042)	-20%
Gross profit	3,344,426	4,032,358	(687,932)	-17%
Loss from operations	(2,076,253)	(1,654,064)	(422,189)	26%
Net loss	(1,281,125)	(586,550)	(694,575)	118%
Weighted average number of shares outstanding	58,866,604	58,594,020	272,584	0%
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	117%
Adjusted EBITDA[1] (loss)	(456,157)	(61,020)	(395,137)	648%

[1] Refer to "IFRS and Non-IFRS Measures" and "Adjusted EBITDA" sections in this MD&A

Net Sales – Net sales for the three months ended September 30, 2026, were $3.6 million, compared to $5.8 million in the prior-year period, a decrease of $2.2 million, or 38%. For the nine months ended September 30, 2026, net sales were $12.0 million, compared to $14.9 million in the prior-year period, a decrease of $2.9 million, or 20%. Sales volumes decreased by 41% and 23% in the three- and nine-month periods, respectively, reflecting lower sales in key end markets and challenging market conditions. In wood composites, the key strategic account is

prioritizing manufacturing efficiency amid softer end-market demand. In pulp, the unusually narrow price spread between hardwood and softwood pulp has reduced the economic incentive to use premium products. A higher average selling price, driven by product mix and foreign exchange movements, partially offset the volume declines.

Gross profit – Gross profit for the three months ended September 30, 2026, was $1.1 million compared to $1.7 million in the prior-year period, a decrease of $0.6 million, or 36%. For the nine months ended September 30, 2026, gross profit was $3.3 million compared to $4.0 million, a decrease of $0.7 million, or 17%. The decrease in both periods was due to lower volumes partially offset by a higher average selling price.

Gross profit as a percentage of sales for the three and nine months ended September 30, 2026, was 30.7% and 28.0%, respectively, compared to 29.9% and 27.1% in the prior-year periods. Adjusted for manufacturing depreciation, gross profit was 37.8% and 34.1%, compared to 34.2% and 31.9%, respectively, in the prior-year periods. The improvement in both periods is due to a higher average selling price.

Operating Expenses

The following table sets forth the breakdown of our operating expenses by category during the three and nine months ended September 30, 2026, and 2025:

	Three months ended		Change	
	September 30, 2026	**September 30, 2025**	**$**	**%**
Selling, general and administrative	1,365,884	1,784,332	(418,448)	-23%
Research and development	267,928	386,787	(118,859)	-31%
Total operating expenses	1,633,812	2,171,119	(537,307)	-25%

	Nine months ended		Change	
	September 30, 2026	**September 30, 2025**	**$**	**%**
Selling, general and administrative	4,624,055	4,486,489	137,566	3%
Research and development	796,624	1,199,933	(403,309)	-34%
Total operating expenses	5,420,679	5,686,422	(265,743)	-5%

Selling, general and administrative (SG&A) – SG&A expenses for the three months ended September 30, 2026, were $1.4 million, compared to $1.8 million in the prior-year period, a decrease of $0.4 million, or 23%. The decrease reflected a $0.4 million reduction in salaries and benefits, driven by lower variable compensation. For the nine months ended September 30, 2026, SG&A expenses were $4.6 million, compared to $4.5 million in the prior-year period, an increase of $0.1 million, or 3%. An unfavorable change in foreign exchange gains and losses increased expenses by $0.2 million, while lower salaries and benefits reduced expenses by $0.2 million. The decrease in salaries and benefits included a $0.5 million reduction in variable compensation, partially offset by increases in other salary and benefit costs. Variable compensation was lower because the Company has not achieved its performance objectives in the current year.

Research and development (R&D) – R&D expenses for the three months ended September 30, 2026, were $0.3 million compared to $0.4 million in the prior-year period, a decrease of $0.1 million, or 31%. The decrease was primarily due to a reduction in variable compensation when compared to the prior-year period. R&D expenses for the nine months ended September 30, 2026, were $0.8 million compared to $1.2 million in the prior-year period, a decrease of $0.4 million, or 34%. The decrease was primarily attributable to refundable SR&ED tax credits of $0.3 million and a $0.1 million reduction in variable compensation. R&D expenses represented 7% of sales in both periods, compared to 7% and 8% in the prior-year periods. The Company's R&D efforts remain focused on enhancing the value of existing products and expanding its addressable market opportunities.

Loss from operations – Loss from operations for the three and nine months ended September 30, 2026, was $0.5 million and $2.1 million, respectively, compared to $0.4 million and $1.7 million in the prior-year periods. The higher operating loss in both periods was primarily due to lower gross profit, driven by lower sales volumes, partially offset by lower operating expenses.

Net loss – Net loss for the three months ended September 30, 2026, was $0.3 million, compared to $0.1 million in the prior-year period. For the nine months ended September 30, 2026, net loss was $1.3 million, or $0.02 per

common share, compared to $0.6 million, or $0.01 per common share, in the prior-year period. The increase in net loss of $0.2 million and $0.7 million during both periods is due to a higher loss from operations as well as lower interest income. Lower interest income in both periods reflected declining interest rates compared to the prior-year period.

Financial Condition

Current assets

	September 30 2026	December 31 2025	Change $	Change %
Cash	7,662,412	8,420,285	(757,873)	-9%
Term deposits	21,708,314	21,161,145	547,169	3%
Accounts receivable	2,140,431	3,234,911	(1,094,480)	-34%
Inventory	3,831,692	3,767,661	64,031	2%
Prepaid expenses	188,163	204,272	(16,109)	-8%
Total current assets	35,531,012	36,788,274	(1,257,262)	-3%

Total current assets – Total current assets decreased by $1.3 million, or 3%, to $35.5 million at September 30, 2026, from $36.8 million at December 31, 2025. Cash decreased as cash used in investing and financing activities exceeded cash generated from operations. Term deposits increased by $0.5 million, reflecting purchases net of maturities, partially offset by lower accrued interest. Accounts receivable decreased by $1.1 million due to the timing of customer receipts and lower order volumes.

Total assets and liabilities

	September 30 2026	December 31 2025	Change $	Change %
Total assets	41,245,253	42,731,516	(1,486,263)	-3%
Total liabilities	3,353,441	4,142,156	(788,715)	-19%

Total assets – Total assets as of September 30, 2026, were $41.2 million compared to $42.7 million as of December 31, 2025, representing a decrease of $1.5 million, or 3%. The decrease was primarily due to lower total current assets of $1.3 million and lower PP&E of $0.2 million. During the period, $0.7 million in PP&E additions relating to machinery and equipment were offset by $1.0 million in depreciation.

Total liabilities – Total liabilities as of September 30, 2026, were $3.4 million compared to $4.1 million as of December 31, 2025, representing a decrease of $0.8 million, or 19%. The decrease is primarily due to lower accrued variable compensation of $0.8 million.

Liquidity and Capital Resources

We currently fund our business operations through cash flow generated from our operations and from existing cash and term deposits. We believe that ongoing operations, working capital and associated cash flow in addition to our cash resources provide sufficient liquidity to support our ongoing business operations for the foreseeable future.

Below is a summary of our cash flows provided by (used in) operating activities, financing activities, and investing activities for the three and nine months ended September 30, 2026, and 2025:

	Three months ended		Change	
	September 30, 2026	September 30, 2025	$	%
Cash provided by operating activities	270,001	520,699	(250,698)	-48%
Cash (used in) provided by investing activities	(37,130)	3,586,296	(3,623,426)	-101%
Cash (used in) financing activities	(132,987)	(437,635)	304,648	-70%
Effect of exchange rate changes on cash	16,240	(24,214)	40,454	-167%
Change in cash	116,124	3,645,146	(3,529,022)	-97%
Beginning cash	7,546,288	5,767,420	1,778,868	31%
Ending cash	**7,662,412**	**9,412,566**	**(1,750,154)**	**-19%**

	Nine months ended		Change	
	September 30, 2026	September 30, 2025	$	%
Cash provided by operating activities	1,223,979	282,836	941,143	333%
Cash (used in) provided by investing activities	(1,460,112)	2,515,508	(3,975,620)	-158%
Cash (used in) financing activities	(403,521)	(1,244,631)	841,110	-68%
Effect of exchange rate changes on cash	(118,219)	137,450	(255,669)	-186%
Change in cash	(757,873)	1,691,163	(2,449,036)	-145%
Beginning cash	8,420,285	7,721,403	698,882	9%
Ending cash	**7,662,412**	**9,412,566**	**(1,750,154)**	**-19%**

Cash provided by operating activities – Cash provided by operating activities during the three months ended September 30, 2026, was $0.3 million, compared to $0.5 million in the prior-year period. In the current quarter and the same quarter last year, cash provided by operating activities was generated from net loss adjusted for non-cash items of $0.3 million and $0.6 million respectively.

For the nine months ended September 30, 2026, cash provided by operating activities was $1.2 million, compared to $0.3 million in the prior-year period. Cash provided by operating activities in the current-year period primarily reflected $0.9 million of interest received on term deposits, $0.6 million cash generated from working capital, and $0.4 million in cash generated from net loss adjusted for non-cash items and was partially offset by $0.7 million of accrued interest on term deposits. In the prior-year period, cash provided by operating activities primarily reflected $1.3 million of interest received on term deposits, $0.9 million in cash generated from net loss adjusted for non-cash items and was partially offset by cash used in working capital of $1.0 million and accrued interest on term deposits of $0.9 million.

Cash (used in) investing activities – Cash used in investing activities for the three months ended September 30, 2026, was a nominal amount. In the prior-year period, cash provided by investing activities was $3.6 million, consisting of $3.9 million in term deposit proceeds on maturity, net of new term deposit purchases, partially offset by $0.3 million in PP&E purchases of machinery and equipment.

For the nine months ended September 30, 2026, cash used in investing activities was $1.5 million, consisting of $0.7 million in new term deposit purchases, net of maturities, and $0.7 million in PP&E purchases, primarily machinery and equipment. In the prior-year period, cash provided by investing activities was $2.5 million, consisting of $3.0 million in term deposit proceeds on maturity, net of new term deposit purchases, partially offset by $0.5 million in PP&E purchases of machinery and equipment.

Cash (used in) financing activities – Cash used in financing activities for the three months ended September 30, 2026, and 2025 primarily related to purchases of common shares under the normal course issuer bid (NCIB) and payments on the Company's lease liabilities.

For the nine months ended September 30, 2026, cash used in financing activities was $0.4 million, reflecting $0.8 million used to repurchase common shares under the NCIB and $0.3 million of lease liability payments, partially offset by $0.7 million of proceeds from the exercise of stock options. In the prior-year period, cash used in financing activities was $1.2 million, reflecting $1.0 million used to repurchase common shares under the NCIB and $0.2 million of lease liability payments.

Effect of exchange rate changes on cash – The effect of exchange rate changes on cash was primarily attributable to the revaluation of cash denominated in Canadian dollars and the impact of currency fluctuations between the Canadian dollar and U.S. dollar.

Capital Management

The Company's objective in managing capital is to maintain sufficient liquidity to fund operations, research and product development, working capital requirements and capital expenditures, while supporting its growth strategy and managing financial risk conservatively. The Company's capital resources have been funded primarily through net proceeds from issuances of common shares and cash flows generated from operating activities. The Company currently meets its funding requirements using existing cash and term deposits and cash flows generated from operating activities and monitors the adequacy of these resources against its business plan and anticipated funding requirements.

The Company has a NCIB in place under which it may repurchase its common shares. In evaluating purchases under the NCIB, the Company considers its current and anticipated liquidity requirements, operating performance, investment opportunities, prevailing share price and market conditions. Decisions regarding the timing and amount of share repurchases balance the potential benefits to shareholders with maintaining financial flexibility to fund operations and support long-term growth. Share repurchases under the NCIB are one component of the Company's overall approach to capital allocation. Purchases during the reporting period are described under "Liquidity and Capital Resources".

The Company does not currently pay dividends on its common shares in order to preserve its capacity to finance ongoing growth.

Commitments

The Company entered the following contractual obligations in the normal course of operations that were not recognized as liabilities as at September 30, 2026:

I. The Company is committed to purchasing $1.0 million of raw materials and other costs associated with production and $0.3 million in PP&E relating to machinery and equipment.

Summary of Quarterly Results

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended September 30, 2026. This information has been prepared on the same basis as the annual financial statements and all necessary adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results when read in conjunction with the quarterly and annual financial statements of the Company and the related notes to those statements.

	Three months ended							
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Net sales	3,645,064	4,540,723	3,774,439	5,916,822	5,833,596	5,004,511	4,042,161	5,432,916
Gross profit	1,117,524	1,296,949	929,953	2,003,569	1,741,483	1,422,836	868,039	1,571,481
Loss from operations	(516,288)	(702,216)	(857,749)	(140,102)	(429,636)	(248,352)	(976,076)	(622,261)
Net (loss) income	(258,668)	(430,370)	(592,087)	152,753	(91,028)	111,004	(606,526)	(206,884)
Weighted average number of shares outstanding	58,782,768	58,820,064	58,999,361	58,546,276	58,672,511	58,576,242	58,531,759	58,593,194
Basic and diluted (loss) income per share	(0.00)	(0.01)	(0.01)	0.00	(0.00)	0.00	(0.01)	(0.00)
Adjusted EBITDA [(1)] (loss)	39,437	(154,526)	(341,068)	477,909	201,780	238,211	(501,011)	92,341

The following table reconciles net (loss) income to Adjusted EBITDA (loss) for the three months ended:

	Three months ended							
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Net (loss) income	(258,668)	(430,370)	(592,087)	152,753	(91,028)	111,004	(606,526)	(206,884)
Depreciation	324,652	312,447	296,888	357,105	265,525	275,783	270,403	352,162
Share-based compensation	231,073	235,243	219,793	260,906	365,891	210,780	204,662	362,440
Net interest income	(257,620)	(271,846)	(265,662)	(292,855)	(338,608)	(359,356)	(369,550)	(415,377)
Adjusted EBITDA[(1)] (loss)	39,437	(154,526)	(341,068)	477,909	201,780	238,211	(501,011)	92,341

Notes:

(1) Refer to "IFRS and Non-IFRS Measures" section in this MD&A

Adjusted EBITDA (loss)

The following table reconciles net loss to Adjusted EBITDA (loss) for the three and nine months ended September 30, 2026, and 2025.

	Three months ended		Change	
	September 30, 2026	September 30, 2025	$	%
Net loss	(258,668)	(91,028)	(167,640)	184%
Depreciation	324,652	265,525	59,127	22%
Share-based compensation	231,073	365,891	(134,818)	-37%
Net interest income	(257,620)	(338,608)	80,988	-24%
Adjusted EBITDA[(1)] (loss)	39,437	201,780	(162,343)	-80%

	Nine months ended		Change	
	September 30, 2026	September 30, 2025	$	%
Net loss	(1,281,125)	(586,550)	(694,575)	118%
Depreciation	933,987	811,711	122,276	15%
Share-based compensation	686,109	781,333	(95,224)	-12%
Net interest income	(795,128)	(1,067,514)	272,386	-26%
Adjusted EBITDA[(1)] (loss)	(456,157)	(61,020)	(395,137)	648%

Notes:
(1) Refer to "IFRS and Non-IFRS Measures" section in this MD&A

Adjusted EBITDA for the three months ended September 30, 2026, was a nominal amount compared to Adjusted EBITDA of $0.2 million in the prior-year period representing a decrease in Adjusted EBITDA of $0.2 million. Adjusted EBITDA loss for the nine months ended September 30, 2026, was $0.5 million compared to $0.1 million in the prior-year period representing an increase in Adjusted EBITDA loss of $0.4 million. The changes during both comparative periods are primarily attributable to lower gross profit, due to lower volumes, partially offset by lower operating costs adjusted for non-cash items.

Internal control over financial reporting

There were no changes in the Company's internal control over financial reporting during the three and nine months ended September 30, 2026, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Additional Information

Additional information relating to EcoSynthetix Inc., including continuous disclosure documents, are available on SEDAR at www.sedarplus.ca.

Common Share Trading Information

The Company's common shares trade on the Toronto Stock Exchange under the symbol "ECO". As at November 2, 2026, the Company had **58,715,088** common shares issued and outstanding. If all outstanding share options were exercised and assuming the settlement of outstanding Restricted Share Units and Deferred Share Units through common shares, there would be the equivalent of **62,050,588** common shares issued and outstanding on a fully diluted basis.

Outlook

Our proprietary biopolymers serve large global end markets, including wood composites, pulp, tissue, paperboard and personal care. We have diversified our revenue base beyond legacy coated paper and established commercial relationships with leading global manufacturers. These markets represent our primary long-term growth opportunities.

Challenging market conditions continue to affect near-term growth. We remain focused on increasing product use by existing customers, expanding into additional manufacturing lines and facilities, and converting trials into commercial sales. To support these efforts, we have expanded our sales team and distributor network and plan to make further investments in these areas. We continue to manage spending while supporting commercialization and product development, with our strong balance sheet providing flexibility to pursue these priorities and make selective share purchases under our NCIB, while maintaining sufficient liquidity to fund operations and execute our growth strategy.

To drive sustainable growth and profitability, we remain focused on the following strategic priorities:

1. Diversify growth across attractive end markets

We seek to expand adoption across wood composites, pulp, tissue, paperboard and personal care. Our experience in graphic paper demonstrated performance and cost benefits at commercial scale and established customer relationships that support opportunities in adjacent markets.

2. Expand SurfLock adoption in pulp, tissue, and paperboard

SurfLock has been commercially adopted by a major global market pulp producer and leading tissue manufacturers. We pursue further adoption through customer trials, direct engagement and regional distribution partners. Growth depends on product performance and customer economics, including the price spread between hardwood and softwood pulp.

3. Expand DuraBind adoption in wood composites

DuraBind is commercially used by leading global wood composite manufacturers. We pursue expansion within these customers and opportunities with other manufacturers by offering a lower carbon footprint, improved indoor air quality and comparable performance. End-market demand and customer production priorities may affect the timing of growth.

4. Grow Bioform in personal care through Dow

Dow commercializes Bioform technology exclusively in personal care under its Dow MaizeCare™ portfolio. These biodegradable, bio-based polymers target hair styling, skin care and colour cosmetics applications.

5. Advance innovation and new product development

We continue to expand applications for our EcoSphere®, DuraBind®, SurfLock™ and Bioform™ product families while improving performance, sustainability and cost competitiveness. New development focuses on applications supported by customer demand and commercial engagement.

Our commercial relationships, manufacturing capabilities and financial resources support our long-term strategy. Higher sales volumes would allow us to spread operating costs over a larger revenue base and support improved profitability.

Further discussion of our strategy is provided in our 2025 Annual Information Form, dated February 17, 2026, available on SEDAR+ at www.sedarplus.ca.