

NanoXplore

NanoXplore Inc.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine-month periods ended
March 31, 2026 and 2025



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

This Interim Management's discussion and analysis ("MD&A") provides a review of NanoXplore Inc.'s operations, performance and financial position for the three and nine-month periods ended March 31, 2026 and 2025 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended March 31, 2026 and 2025. The purpose of this document is to provide information on our activities. The information contained herein is dated as of May 13, 2026, date on which the MD&A was approved by the Corporation's board of directors. You will find more information about us on NanoXplore's website at www.nanoxplore.ca and on SEDAR+ at <https://www.sedarplus.ca>, including all press releases.

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

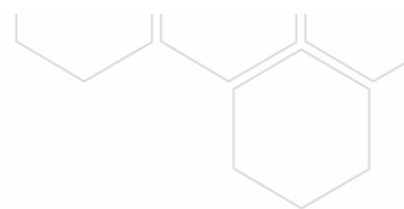
"Q3-2026" and "Q3-2025" refer to the three-month periods ended March 31, 2026 and 2025 respectively, and "YTD 2026" and "YTD 2025" refer to the nine-month periods ended March 31, 2026 and 2025 respectively.

1. FORWARD-LOOKING STATEMENTS

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

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

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



2. BUSINESS OVERVIEW

CORPORATION OVERVIEW

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

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

The Corporation has the following subsidiaries:

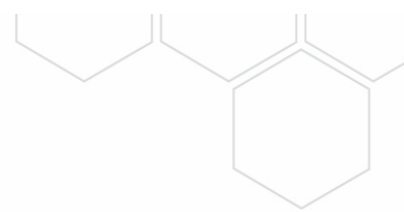
Subsidiaries	Reporting segment
CEBO Injections SA ("CEBO"), based in Switzerland, with an equity interest of 100% [2025 – NanoXplore Switzerland Holding SA ("NanoXplore Switzerland"), based in Switzerland, with an equity interest of 100%. NanoXplore Switzerland holds 100% of CEBO. These companies have been merged as at July 1 st , 2024]	Advanced Materials, Plastics and Composite Products
NanoXplore Holdings USA, Inc. ("NanoXplore Holdings USA"), based in the United States, with an equity interest of 100% [2025 – 100%]. NanoXplore Holdings USA holds 100% of NanoXplore USA, Inc. and of RMC Advanced Technologies Inc. [2025 – 100%].	Advanced Materials, Plastics and Composite Products
Sigma Industries Inc. ("Sigma"), based in Canada, with an equity interest of 100% [2025 – 100%]. Sigma has two active wholly owned subsidiaries; Faroex Ltd., based in Manitoba, and Rene Composite Materials Ltd., based in Quebec. [2025 – 100%]	Advanced Materials, Plastics and Composite Products
Canuck Compounds Inc. ("Canuck"), based in Canada, with an equity interest of 100% [2025 – 100%]	Advanced Materials, Plastics and Composite Products
VoltaXplore Inc. ("VoltaXplore"), based in Canada, with an equity interest of 100% [2025 – 100%]	Battery Cells and Materials

REPORTING SEGMENTS

The Corporation has two reportable segments based on products:

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

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



KEY FINANCIAL HIGHLIGHTS Q3-2026

- Total revenues of \$32,347,377 compared to \$30,446,165 last year, representing a 6% increase;
- Adjusted gross margin⁽¹⁾ on revenues from customers of 22.9% compared to 22.4% last year;
- Loss of \$2,646,921 compared to a loss of \$1,747,714 last year;
- Adjusted EBITDA⁽²⁾ of \$1,179,521 compared to \$1,420,555 last year;
- Adjusted EBITDA⁽²⁾ of \$1,237,132 compared to \$1,318,149 last year for the Advanced Materials, Plastics and Composite Products segment;
- Adjusted EBITDA⁽²⁾ loss of \$57,611 compared to an adjusted EBITDA⁽²⁾ of \$102,406 last year for the Battery Cells and Materials segment;
- Total liquidity of \$34,401,126 as at March 31, 2026, including cash and cash equivalents of \$24,401,126;
- Total long-term debt of \$16,118,123 as at March 31, 2026, higher by \$11,805,199 compared to June 30, 2025.

KEY FINANCIAL HIGHLIGHTS YTD 2026

- Total revenues of \$83,370,318 compared to \$97,232,465 last year, representing a 14% decrease;
- Adjusted gross margin⁽¹⁾ on revenues from customers of 20.8% compared to 21.5% last year;
- Loss of \$10,259,657 compared to a loss of \$7,361,648 last year;
- Adjusted EBITDA⁽²⁾ of \$13,775 compared to \$3,646,904 last year;
- Adjusted EBITDA⁽²⁾ of \$99,341 compared to \$4,150,179 last year for the Advanced Materials, Plastics and Composite Products segment;
- Adjusted EBITDA⁽²⁾ loss of \$85,566 compared to \$503,275 last year for the Battery Cells and Materials segment.

BUSINESS HIGHLIGHTS

During the nine-month periods ended March 31, 2026, the Corporation continued to focus on developing markets for its graphene products and developing downstream pre-mixed additives and products that facilitate such introduction. The Corporation has been successful in the integration of GrapheneBlack into multiple streams of products, both internally and externally. The Corporation continues its engagement with many potential customers who are currently validating GrapheneBlack and GrapheneBlack improved masterbatches, concentrates, and products.

CEO Succession plan

On December 4, 2025, Soroush Nazarpour stepped down from his functions as President and Chief Executive Officer and was re-elected to the Board of Directors, at the annual general meeting. Rocco Marinaccio, the Corporation's Chief Operating Officer, has succeeded Mr. Nazarpour as President and Chief Executive Officer on the same date. On February 27, 2026, Mr. Nazarpour tendered his resignation to the Board of Directors.

Commercial

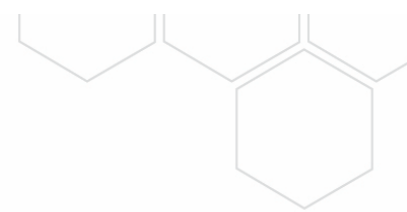
On September 18, 2025, the Corporation announced the signing of a multi-year supply agreement with Chevron Phillips Chemical for the sale of a proprietary carbon product as a formulation additive to drilling fluids. This was the culmination of over 18 months of collaborative work between the companies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

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

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

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

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



Financing

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

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

Strategic and investment plan update

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

As part of its strategic and investment plan:

- 1) During fiscal year 2024, the Corporation was awarded three programs from two existing customers, one large commercial vehicle OEM and one industrial equipment manufacturer, to supply exterior parts of vehicles. These components are used in both internal combustion engines and electric vehicles. Production for the first program started during the summer of 2025 in our Newton, NC plant while the start of production for the other two programs is planned for Q2 and Q3 fiscal year 2027. These programs generally last for a period of 10 years. The Corporation estimates that these programs will generate \$24M in annual sales at mature volumes.
- 2) During fiscal year 2024, the Corporation was asked by one of our customers to expand its Saint-Clotilde-de-Beauce facility to allow for a capacity expansion of a graphene-enhanced part we currently supply. This expansion was completed in May 2025. The expansion was mostly paid for by our customer but currently remains underutilized due to lower demand. The expansion costs were approximately \$8M, of which \$5M was paid by the customer. Consequently, the previously announced SMC lightweighting initiative capex of \$30M to \$35M will now be 25M and will be completed during Q4 fiscal year 2026.
- 3) Part of the strategic plan is the active anode materials ("CSPG") and dry-process graphene initiative. The objective of CSPG production was to create a graphite waste stream that would be financially beneficial for ultra low-cost graphene production. Despite having obtained financial support intentions from both Provincial and Federal governments, the changes over the last year in the economic and geopolitical landscape have caused a reduction in the financial viability of such an investment interest from potential customers to enter into binding agreements. In January 2026, the Corporation made the strategic decision to not pursue this part of the initiative and focus solely on dry-process graphene. Instead, the Corporation has chosen to explore alternative sources for waste-stream graphite that could potentially be available in North America in the future. This new direction will avoid an estimated \$100M investment while still securing low-cost graphite by-product ideal for ultra low-cost dry-process graphene production.
- 4) In September 2025, the Corporation started a new lease for a plant in Statesville, NC as part of the US expansion of graphene-enhanced composite parts manufacturing and began generating sales in October 2025.

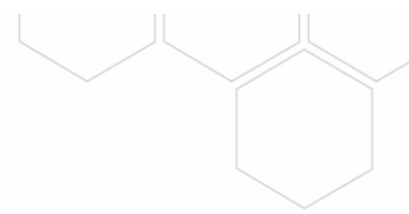
R&D Improvement: Large-Scale dry process for manufacturing of graphene

During the nine-month period ended March 31, 2026, the Corporation continued to advance the development and scale-up of its novel dry graphene manufacturing process. The resulting dry-exfoliated products, branded GrapheneBlack xGnP™ D-Series, are intended to address markets that are largely complementary to those served by the Corporation's liquid-phase exfoliation products (X-Series), with limited overlap in application.

Based on management's current estimates, the dry process is expected to require approximately 50% less capital expenditure and approximately one-quarter of the floor space required for an equivalent liquid-phase facility.

The Corporation reported the installation of one production module for dry-process graphene. The mechanical and electrical work has been completed on schedule and within budget. Depending on product grade, the line is designed to deliver annual production capacity of 500 to 1,000 tonnes.

The dry process eliminates several manufacturing steps required in liquid-phase production, including washing and drying. Management believes this simpler manufacturing sequence, combined with reduced water consumption, may result in lower unit



production costs and a reduced environmental footprint relative to the liquid-phase process. These cost reductions are expected to bring the Corporation's production costs closer to those of traditional carbon additives, such as specialty carbon blacks.

The underlying technology is protected by several granted patents held by the Corporation. In internal testing, D-Series graphene has improved certain physical properties of polymers, including electrical conductivity and mechanical properties. Potential end-use applications identified by management include energy storage, recycled plastics, packaging, insulation foams, lightweight composites, plastic pipes, and geosynthetics. Commercial adoption in any of these applications remains subject to customer qualification and validation.

During the period, the Corporation continued sampling D-Series graphene with new and existing customers and advanced product validation activities, including the production of plastic masterbatches and compounds incorporating D-Series graphene and the testing of their mechanical, electrical, and other physical properties. Results to date indicate improved performance relative to currently produced grades in certain target markets, at a lower cost to end users. Management believes these attributes may, if confirmed through final customer qualification, accelerate the adoption of graphene and shorten the sales cycle in markets that were not previously addressable with the X-Series product line.

Other Update

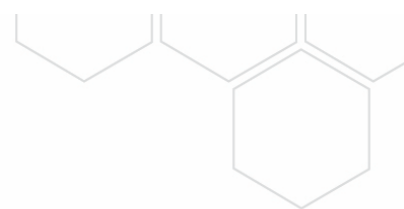
In August 2025, the Corporation was selected to receive up to \$2,750,000 over the next 3 years from Natural Resources Canada under the Energy Innovation Program's Battery Industry Acceleration call for proposals for the research and development on the use of Silicon Graphene in ultra-high-power cylindrical battery cells. In April 2026, this amount was increased by \$700,000 for a total of \$3,450,000.

Total liquidity

As at March 31, 2026, the Corporation had total liquidity of \$34,401,126 including cash and cash equivalents and availability under the Corporation's credit facilities.

Long-term debt

The total long-term debt increased from \$4,312,924 as at June 30, 2025 to \$16,118,123 as at March 31, 2026 for a variation of \$11,805,199. Addition of long-term debt amounted to \$13,488,955 and repayments amounted to \$1,779,959 during the nine-month periods ended March 31, 2026.



3. OVERALL RESULTS

HIGHLIGHTS

The following table sets out certain highlights of the Corporation's performance for the three and nine-month periods ended March 31, 2026 and 2025. Refer to the Corporation's unaudited condensed interim consolidated financial statements for the three and nine-month periods ended March 31, 2026 and 2025 for a detailed account of the Corporation's performance for the results presented in the tables below.

In summary:

	Q3-2026	Q3-2025	Variation		YTD 2026	YTD 2025	Variation	
	\$	\$	\$	%	\$	\$	\$	%
Revenues	32,347,377	30,446,165	1,901,212	6%	83,370,318	97,232,465	(13,862,147)	(14%)
Operating loss	(2,010,091)	(2,248,090)	237,999	11%	(10,111,703)	(6,830,232)	(3,281,471)	(48%)
Loss	(2,646,921)	(1,747,714)	(899,207)	(51%)	(10,259,657)	(7,361,648)	(2,898,009)	(39%)
Loss per share (Basic and diluted)	(0.01)	(0.01)			(0.06)	(0.04)		
Non-IFRS Measure *								
Adjusted EBITDA	1,179,521	1,420,555	(241,034)	(17%)	13,775	3,646,904	(3,633,129)	(100%)

By reporting segment:

	Q3-2026	Q3-2025	Variation		YTD 2026	YTD 2025	Variation	
	\$	\$	\$	%	\$	\$	\$	%
From Advanced Materials, Plastics and Composite Products								
Revenues	32,023,721	29,920,598	2,103,123	7%	82,480,150	96,665,557	(14,185,407)	(15%)
Non-IFRS Measure *								
Adjusted EBITDA	1,237,132	1,318,149	(81,017)	(6%)	99,341	4,150,179	(4,050,838)	(98%)
From Battery Cells and Materials								
Revenues	323,656	525,567	(201,911)	(38%)	890,168	566,908	323,260	57%
Non-IFRS Measure*								
Adjusted EBITDA	(57,611)	102,406	(160,017)	(156%)	(85,566)	(503,275)	417,709	83%

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

* NON-IFRS MEASURES

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

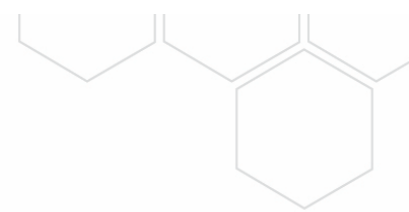
The following tables provide a reconciliation of IFRS "Loss" to Non-IFRS "Adjusted EBITDA" and of IFRS "Gross margin" to Non-IFRS "Adjusted Gross margin" for the three and nine-month periods ended March 31, 2026 and 2025 and for the three-month periods ended December 31, 2025 (Q2-2026) and September 30, 2025 (Q1-2026).

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

	Q3-2026	Q3-2025	YTD 2026	YTD 2025
			\$	\$
Loss	(2,646,921)	(1,747,714)	(10,259,657)	(7,361,648)
Current and deferred income tax expenses (recovery)	28,936	(638,838)	(1,238,343)	235,931
Net interest expenses	607,894	138,462	1,386,297	295,485
Foreign exchange	(521,172)	433,114	(73,553)	665,116
Share-based compensation expenses	492,320	299,769	968,287	1,183,487
Non-operational items ⁽¹⁾	45,000	115,000	(31,000)	270,000
Depreciation and amortization	3,173,464	2,820,762	9,261,744	8,358,533
Adjusted EBITDA	1,179,521	1,420,555	13,775	3,646,904
- From Advanced Materials, Plastics and Composite Products	1,237,132	1,318,149	99,341	4,150,179
- From Battery Cells and Materials	(57,611)	102,406	(85,566)	(503,275)

	Q3-2026	Q2-2026	Q1-2026
	\$	\$	\$
Loss	(2,646,921)	(3,836,406)	(3,776,330)
Current and deferred income tax expenses (recovery)	28,936	(350,783)	(916,496)
Net interest expenses	607,894	441,592	336,811
Foreign exchange	(521,172)	681,567	(233,948)
Share-based compensation expenses	492,320	271,421	204,546
Non-operational items ⁽¹⁾	45,000	(116,000)	40,000
Depreciation and amortization	3,173,464	3,132,964	2,955,316
Adjusted EBITDA	1,179,521	224,355	(1,390,101)
- From Advanced Materials, Plastics and Composite Products	1,237,132	180,967	(1,318,758)
- From Battery Cells and Materials	(57,611)	43,388	(71,343)

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



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

	Q3-2026 \$	Q3-2025 \$	YTD 2026 \$	YTD 2025 \$
Revenues from customers	31,656,876	29,239,999	81,571,908	95,204,015
Cost of sales	24,399,896	22,677,052	64,567,239	74,732,162
Adjusted gross margin	7,256,980	6,562,947	17,004,669	20,471,853
Depreciation (production)	2,146,397	1,750,221	6,204,452	5,015,485
Gross margin	5,110,583	4,812,726	10,800,217	15,456,368

	Q3-2026 \$	Q2-2026 \$	Q1-2026 \$
Revenues from customers	31,656,876	26,928,115	22,986,917
Cost of sales	24,399,896	21,145,796	19,021,547
Adjusted gross margin	7,256,980	5,782,319	3,965,370
Depreciation (production)	2,146,397	2,284,743	1,773,312
Gross margin	5,110,583	3,497,576	2,192,058

RESULTS OF OPERATIONS VARIANCE ANALYSIS – THREE-MONTH PERIOD

Revenues

	Q3-2026 \$	Q3-2025 \$	Variation		Q2-2026 \$	Variation	
			\$	%		\$	%
Revenues from customers	31,656,876	29,239,999	2,416,877	8%	26,928,115	4,728,761	18%
Other income	690,501	1,206,166	(515,665)	(43%)	652,175	38,326	6%
Total revenues	32,347,377	30,446,165	1,901,212	6%	27,580,290	4,767,087	17%

All revenues are coming from the Advanced Materials, Plastics and Composite Products segment, except for \$323,656 of revenues from Other income [Q3-2025 – \$525,567] from the Battery Cells and Materials segment.

Revenues from customers increased from \$29,239,999 in Q3-2025 to \$31,656,876 in Q3-2026. This increase is mainly due to higher volume and higher tooling revenues.

Other income decreased from \$1,206,166 in Q3-2025 to \$690,501 in Q3-2026. The variation is due to grants and refundable tax credits received for Research & Development ("R&D") programs.

Adjusted EBITDA

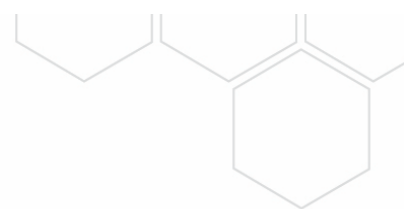
1) From Advanced Materials, Plastics and Composite Products

The adjusted EBITDA decreased from \$1,318,149 in Q3-2025 to \$1,237,132 in Q3-2026. The variation is explained as follows:

- Lower Other income of \$313,754;
- Higher selling, general & administration expenses and R&D expenses ("Operational expenses") of \$391,288;
- Partially offset by
 - Adjusted gross margin on revenues from customers increased by \$694,033 compared to last year due to higher volume and higher tooling revenues, improved productivity and cost control.

2) From Battery Cells and Materials

The adjusted EBITDA decreased from \$102,406 in Q3-2025 to an adjusted EBITDA loss of \$57,611 in Q3-2026. The variation is explained by a decrease of Other income of \$201,911.



Loss

The loss increased from \$1,747,714 in Q3-2025 to \$2,646,921 in Q3-2026. The variation is mainly explained as follows:

- A decrease in adjusted EBITDA of \$241,034 as explained above;
- Higher depreciation and amortization of \$352,702;
- Higher share-based compensation expenses of \$192,551;
- Net interest expenses increase of \$469,432;
- Net income tax expense of \$28,936 in Q3-2026 compared to a recovery of \$638,838 in Q3-2025;
- Partially offset by a foreign exchange gain of \$521,172 in Q3-2026 compared to a loss of \$433,114 in Q3-2025.

Foreign exchange

	Q3-2026	Q3-2025	Variation		Q2-2026	Variation	
	\$	\$	\$	%	\$	\$	%
Foreign exchange from operations	(746,303)	755,572	(1,501,875)	199%	1,019,622	(1,765,925)	173%
Foreign exchange on derivative contracts	225,131	(322,458)	547,589	(170%)	(338,055)	563,186	(167%)
Total foreign exchange	(521,172)	433,114	(954,286)	220%	681,567	(1,202,739)	176%

The Corporation had a positive impact on foreign exchange from operations of \$746,303 in Q3-2026 compared to a negative impact of \$755,572 in Q3-2025. This is due to fluctuation of the US rate at the end of each quarter.

The foreign exchange on derivative contracts is a non-realized loss of \$225,131 in Q3-2026 compared to a non-realized gain of \$322,458 in Q3-2025. The variation is due to the fluctuation of the US rate between the quarters and the level of coverage.

RESULTS OF OPERATIONS VARIANCE ANALYSIS – NINE-MONTH PERIODS

Revenues

	YTD 2026	YTD 2025	Variation	
	\$	\$	\$	%
Revenues from customers	81,571,908	95,204,015	(13,632,107)	(14%)
Other income	1,798,410	2,028,450	(230,040)	(11%)
Total revenues	83,370,318	97,232,465	(13,862,147)	(14%)

All revenues are coming from the Advanced Materials, Plastics and Composite products segment, except for \$127,004 of revenues from customers and \$763,164 from Other income [YTD 2025 – nil and \$566,908 respectively] coming from the Battery Cells and Materials segment.

Revenues from customers decreased from \$95,204,015 in the last year period to \$81,571,908 in the current period. This decrease is mainly due to lower volume and tooling revenues.

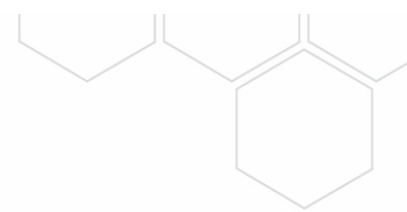
Other income decreased from \$2,028,450 in the last year period to \$1,798,410 in the current period. The variation is due to grants and refundable tax credits received for R&D programs.

Adjusted EBITDA

1) From Advanced Materials, Plastics and Composite Products

The adjusted EBITDA decreased from \$4,150,179 in the last year period to \$99,341 in the current period. The variation is explained as follows:

- Adjusted gross margin on revenues from customers decreased by \$3,594,188 compared to last year due to lower volume and lower tooling revenues partially offset by higher powder sales, improved productivity and cost control;
- Lower Other income of \$426,296;
- Partially offset by lower Operational expenses of \$270,654.



2) From Battery Cells and Materials

The adjusted EBITDA loss improved from a loss of \$503,275 in the last year period to \$85,566 in the current period. The variation is explained by an increase of revenues from customers and Other income of \$127,004 and \$196,256 respectively and by lower Operational expenses of \$94,441.

Loss

The loss increased from \$7,361,648 in the last year period to \$10,259,657 in the current period. The variation is mainly explained as follows:

- A decrease in adjusted EBITDA of \$3,633,129 as explained above;
- Higher depreciation and amortization of \$903,211;
- Net interest expenses increase of \$1,090,812;
- Partially offset by:
 - Foreign exchange gain of \$73,553 in the current period compared to a loss of \$665,116 in the last year period;
 - Net income tax recovery of \$1,238,343 this year compared to an expense of \$235,931 last year;
 - Lower share-based compensation expenses of \$215,200.

Foreign exchange

	YTD 2026	YTD 2025	Variation	
	\$	\$	\$	%
Foreign exchange from operations	(491,015)	(656,670)	165,655	(25%)
Foreign exchange on derivative contracts	417,462	1,321,786	(904,324)	68%
Total foreign exchange	(73,553)	665,116	(738,669)	111%

The Corporation had a positive impact on foreign exchange from operations of \$491,015 in the current period compared to \$656,670 in the last year period. This is due to fluctuation of the US rate at the end of each quarter.

The foreign exchange on derivative contracts is a non-realized loss of \$417,462 in the current period compared to \$1,321,786 in the last year period. The variation is due to the fluctuation of the US rate between the quarters and the level of coverage.

FINANCIAL OUTLOOK

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

SUMMARY OF QUARTERLY RESULTS

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

		Revenues	Adjusted EBITDA	Loss	Basic and diluted loss per share	
		\$	\$	\$	\$	
Q3-2026	March 31, 2026	32,347,377	1,179,521	(2,646,921)	(0.01)	Note 1
Q2-2026	December 31, 2025	27,580,290	224,355	(3,836,406)	(0.02)	Note 2
Q1-2026	September 30, 2025	23,442,651	(1,390,101)	(3,776,330)	(0.02)	Note 3
Q4-2025	June 30, 2025	31,685,923	2,475,379	(2,295,472)	(0.01)	Note 4
Q3-2025	March 31, 2025	30,446,165	1,420,555	(1,747,714)	(0.01)	Note 5
Q2-2025	December 31, 2024	33,120,886	1,102,050	(2,894,922)	(0.02)	
Q1-2025	September 30, 2024	33,665,414	1,124,299	(2,719,012)	(0.02)	Note 6
Q4-2024	June 30, 2024	38,125,566	2,488,304	(2,421,110)	(0.01)	Note 7

Note 1 The revenues were higher due to higher volume partially offset by lower tooling revenues. Adjusted EBITDA was higher due to higher Adjusted Gross Margin. Loss was lower due to higher Adjusted EBITDA and a positive impact of Foreign exchange.

Note 2 The revenues were higher due to higher volume and higher tooling revenues. Adjusted EBITDA was higher due to higher Adjusted Gross Margin. Loss was higher due to lower net income tax recovery.

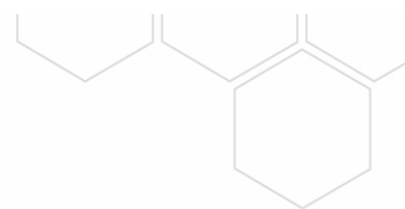
Note 3 The revenues were lower due to lower volume and lower tooling revenues. Adjusted EBITDA was lower due to lower Adjusted Gross Margin. Loss was higher due to lower Adjusted EBITDA partially offset by a net income tax recovery.

Note 4 The revenues were higher due to higher tooling revenues. Adjusted EBITDA was higher due to higher tooling revenues and adjusted gross margin. Loss was higher due to non operational items.

Note 5 The revenues were lower due to lower tooling revenues, offset by higher Other income. Adjusted EBITDA was higher due to higher Other income, offset by lower margin. Loss was lower mainly due to higher Adjusted EBITDA and net income tax recovery.

Note 6 The revenues and Adjusted EBITDA were lower due to lower volume. Loss is higher mainly due to lower revenues.

Note 7 The revenues and Adjusted EBITDA were higher due to higher volume. Loss is lower mainly due to higher adjusted gross margin on revenues from customers.



4. FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

CONSOLIDATED FINANCIAL POSITION

	As at March 31, 2026	As at June 30, 2025	Variation	Main reasons for significant variation
	\$	\$	\$	
Assets				
Cash and cash equivalents	24,401,126	18,587,960	5,813,166	Refer to Cash Flows section
Accounts receivable and Contract asset	31,833,822	20,799,450	11,034,372	Mainly due to higher activity, timing of cash receipts and tooling projects
Inventory	15,585,488	16,718,702	(1,133,214)	Timing of raw material purchases
Right-of-use assets	17,740,163	6,130,403	11,609,760	Mainly due to a new building lease
Property, plant and equipment, and equipment deposits	74,195,737	70,072,367	4,123,370	Mainly due to higher equipment
Intangible assets	11,217,988	11,959,491	(741,503)	
Goodwill	1,919,673	1,919,673	—	
Other assets	7,108,140	5,013,832	2,094,308	Mainly due to higher Prepaid expenses and higher Deferred taxes assets
Total assets	184,002,137	151,201,878	32,800,259	
Liabilities and Shareholders' Equity				
Liabilities				
Accounts payable, accrued liabilities and income taxes payable	17,744,396	21,460,473	(3,716,077)	Mainly due to payment of variable compensation and timing in vendor cash payments
Contract liability	479,293	1,890,709	(1,411,416)	Timing in tooling projects
Operating loans	696,320	857,750	(161,430)	
Defined benefit liabilities	772,043	941,466	(169,423)	
Lease liability	29,213,132	17,448,582	11,764,550	Mainly due to an addition of new lease offset by lease payments
Long-term debt	16,118,123	4,312,924	11,805,199	Mainly due to an addition of long-term debt due to equipment purchase offset by debt repayments
Deferred taxes liabilities	4,122,044	4,934,852	(812,808)	
Total liabilities	69,145,351	51,846,756	17,298,595	
Shareholders' Equity				
Share capital	207,510,956	182,683,203	24,827,753	Mainly due to private placement
Reserve	8,072,783	7,290,752	782,031	
Foreign currency translation reserve	45,547	95,323	(49,776)	
Deficit	(100,772,500)	(90,714,156)	(10,058,344)	
Total shareholders' equity	114,856,786	99,355,122	15,501,664	
Total liabilities and shareholders' equity	184,002,137	151,201,878	32,800,259	

CASH FLOWS

	YTD 2026 \$	YTD 2025 \$	Variation \$	%
Cash flows generated by (used in) operating activities prior to changes in non-cash working capital items	(500,959)	2,231,927	(2,732,886)	(122%)
Changes in non-cash working capital items	(15,638,845)	1,889,204	(17,528,049)	(928%)
Operating activities	(16,139,804)	4,121,131	(20,260,935)	(492%)
Financing activities	32,356,396	(3,703,266)	36,059,662	974%
Investing activities	(10,422,804)	(6,269,826)	(4,152,978)	(66%)
Net effect of currency exchange rate on cash and cash equivalents	19,378	51,940	(32,562)	(63%)
Net change in cash and cash equivalents	5,813,166	(5,800,021)	11,613,187	200%

Operating activities

Cash flows used in operating activities prior to changes in non-cash working capital items were \$500,959 this current period compared to a cash flows generated \$2,231,927 last year period. The variation is mainly explained by a decrease of the adjusted EBITDA of \$3,633,129 partially offset by an income tax recovery.

Changes in non-cash working capital items amounted to \$15,638,845 this current period, which is explained as follows:

- A decrease in accounts payable of \$2,959,120 mainly due to payment of variable compensation and timing in vendor payments;
- A decrease of income taxes payable of \$850,251 due to timing of payments;
- An increase in accounts receivable of \$10,821,159 mainly due to a higher activity, timing of collections and timing of tooling projects;
- An increase in prepaid expenses and other assets of \$820,118 due to timing of payments;
- A decrease in contract liability of \$1,411,416 due to timing in tooling projects;
- Partially offset by a decrease in inventory of \$1,223,219 mainly due to timing of purchases.

Financing activities

Cash flows generated in financing activities were \$32,356,396 this current period compared to a cash flows used of \$3,703,266 last year period. This current period, private placement of \$24,287,497 and an addition of long-term debt of \$13,488,955 were completed. This was partially offset by repayments of \$5,599,976 on long-term debt and lease liability and repayment of \$174,080 on operating loans.

Last year, repayments of \$4,729,908 were completed on long-term debt and lease liability and repayment of \$650,600 on operating loans. This was offset by a cash advance on equipment lease financing of \$1,677,242.

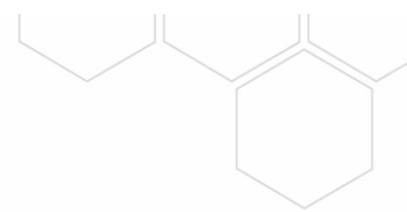
Investing activities

Cash flows used in investing activities were \$10,422,804 this current period compared to \$6,269,826 last year period. This current period, the Corporation paid \$9,731,039 for capital expenditures mainly related to additions of composite equipment and \$691,765 for intangible assets.

Last year, the Corporation paid \$3,353,386 for capital expenditures and \$4,935,870 for equipment deposits, mainly related to additions of composite equipment offset by an equipment disposal which has been subsequently lease back of \$2,285,764.

LIQUIDITY AND CAPITAL RESOURCES

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



OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company did not have any off-balance sheet arrangements, except for the commitment disclosed in the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended March 31, 2026 and 2025.

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

OUTSTANDING SHARES

As at May 12, 2026, the Corporation has:

- 181,487,392 common shares issued and outstanding;
- 3,684,232 options outstanding with expiry dates ranging between August 8, 2027 and December 3, 2035 with exercise prices between \$1.93 and \$3.68. If all the options were exercised, 3,684,232 shares would be issued for cash proceeds of \$8,944,145.

5. RELATED PARTY TRANSACTIONS

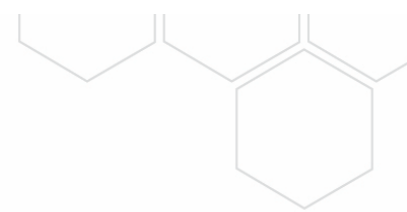
For a detailed description of all related party transactions, please refer to the note 7 "Related party transactions" in the unaudited condensed interim consolidated financial statements for the three and nine-month periods ended March 31, 2026 and 2025.

6. RISKS AND UNCERTAINTIES

The economic context, strongly impacted by the uncertainty surrounding the evolution of trade relations with the United States, continues to have a significant impact on the judgments made as well as on the estimates and assumptions formulated by management for the purposes of preparing the consolidated financial statements for the three and nine-month periods ended March 31, 2026. The judgments, estimates and assumptions that will be formulated for the coming periods will be reassessed in light of the evolution of this highly uncertain context and could therefore differ from those that were formulated for the preparation of the consolidated financial statements for the three and nine-month periods ended March 31, 2026. The Corporation is closely monitoring the evolution of the situation and its impact on its results and its financial position.

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

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



7. ACCOUNTING POLICIES

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

FUTURE CHANGES IN ACCOUNTING POLICIES

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

8. CONTROLS AND PROCEDURES

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

No changes were made to the Corporation's internal controls over financial reporting during Q3-2026 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

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Performance Through Carbon Chemistry

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