24/5
ANNUAL REPORT

Shedding light is our promise that your innovation journey will be well defined, structured, transparent, and a source of real value.

Because nothing about innovation should be left to chance.

MISSION

Bring to life innovations that enable the industry from all over the country to be more productive and competitive.

VISION

Establish ourselves, through light, as a world-class reference in translational innovation.

VALUES

Listen. Understand. Commit.

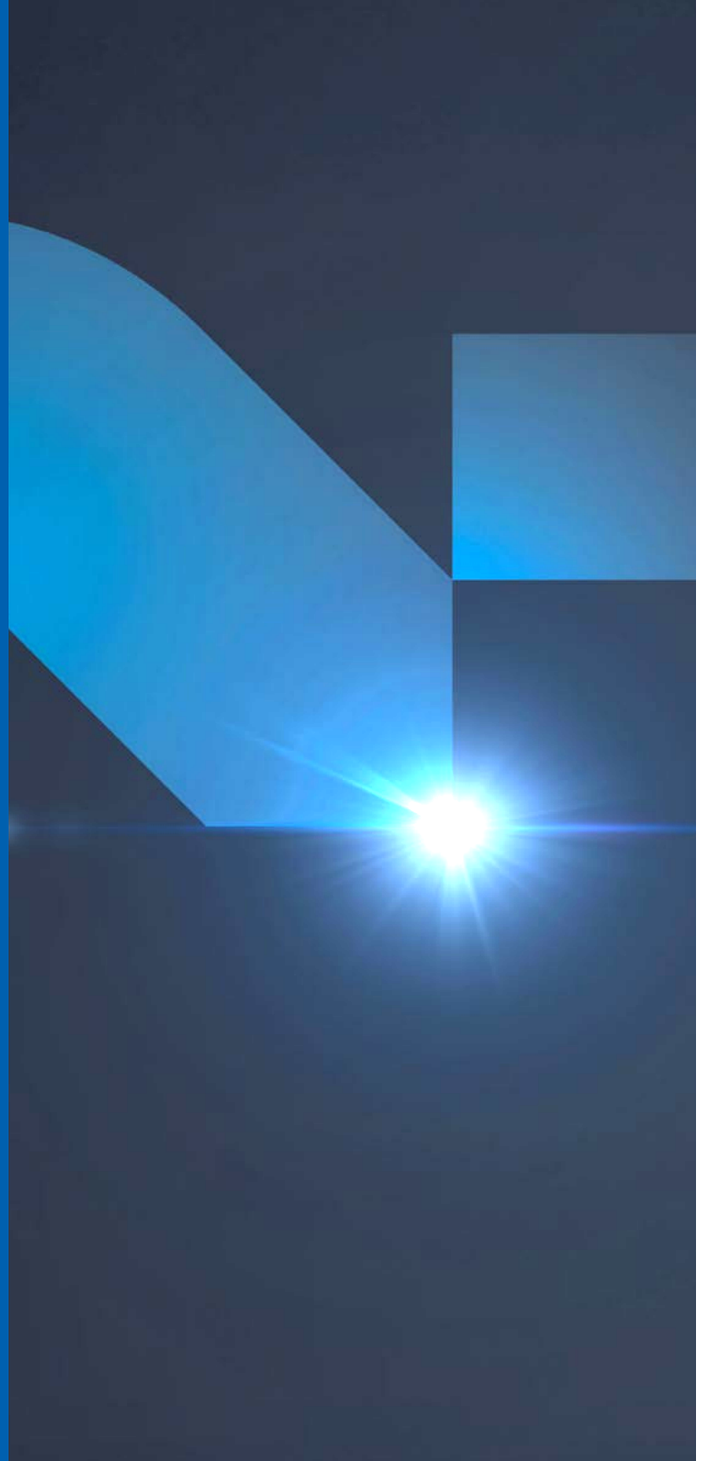
INO's activities are made possible thanks to the sustained collaboration of its partners:

Canada Economic Development for Quebec Regions

Québec

capitale affaires
Service du développement économique de la Ville de Québec

Ville de Québec



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MESSAGES FROM THE EXECUTIVE

DARE TO WRITE HISTORY

After the COVID crisis, we feel like we're not turning the page, just rereading the same chapter. Thus, the final months of the 2024-2025 fiscal year were marked by a geopolitical context that disrupted international relations, undermined traditional alliances between trading partners, and created significant stock market volatility amid a tariff war. This creates numerous challenges for the team, but especially for INO's clients, who must more than ever increase their productivity, design differentiated products, and expand into new markets.

It is precisely in this dynamic that INO reveals its full relevance. Thanks to its proven capabilities, the organization plays a key role in strengthening strategic sectors of the Canadian economy and in the emergence of new companies in cutting-edge fields.

True to its mandate, INO is privileged to contribute to the growth of large, small, and medium-sized enterprises. This accessibility, so dear to the organization, was significantly expanded almost five years ago with the creation of Quantino, its technology business incubator. As of March 31, 2025, the latter had already welcomed 36 companies, including 8 in 2024-2025, in a stimulating environment promoting the acceleration of technological development and offering business support of unparalleled value. This commitment to the next generation demonstrates INO's deep commitment to the importance of supporting the start-ups that will become the economic drivers of tomorrow.

Driving Today's Economy... and Tomorrow's

In 2024-2025, the various committees of the Board of Directors once again played a strategic role in expanding INO's technological capabilities, always in line with the needs of the industrial sectors it serves. This year, the organization particularly distinguished itself in the field of private aerospace, a sector in full swing, propelled in particular by initiatives to put satellites into orbit for Earth observation and environmental protection.

Customer Experience: A Daily Commitment

Customer experience remains a strategic priority at the heart of the decisions of the board of directors and senior management, for whom the values of listening, understanding, and commitment guide their actions. On a daily basis, an internal committee made up of local managers works to ensure that every interaction with INO is a positive experience, delivering value, and generating customer satisfaction.

New Perspectives, Next Chapters

At the September 2024 Annual General Meeting, three pillars of the board stepped down after a combined 66 years of service: Denis Faubert, François Giroux, and Hugues St-Pierre. This mark of unwavering commitment to INO will likely never be matched, particularly given the amendments to the bylaws adopted in 2018, which now limit the number of terms to three. The year was also marked by the departure of Ms. Véronique Proulx, now President and CEO of the F*édération des chambres de commerce du Québec*, and the arrival of inspiring new members: Daniel Cotnoir (expert consultant in applied AI, Google), Marjolaine Giasson (Chief Financial Officer, *La Maison Simons*), Michel Leblanc (R&D Director, EXFO), and Yan Plante (President and CEO, RDÉE Canada). Thank you all — old and new — for your valuable involvement in the country's largest optics and photonics innovation center.

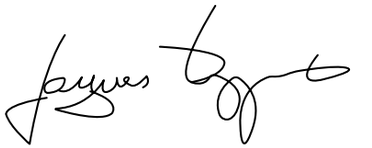
On a more personal note, it will also be my turn to turn a page and begin a new chapter after 27 years as a director at INO, including over 7 as Chairman of the Board.

A New Economic Narrative for Québec

Over the years, INO has continued to impress me. I've witnessed the dazzling development of photonics in our region. Companies that emerged from INO now shine on the international stage. Québec City has established itself as a global center of excellence, thanks to a unique concentration of expertise around INO, Université Laval's Centre for Optics, Photonics and Lasers, and a dynamic industrial base.

The emergence of cutting-edge applications — in imaging, detection, telecommunications, health, defense, and manufacturing — has enabled the development of research and the transformation of science into concrete solutions tailored to market needs. This ability to make research and development a driver of tangible benefits of more than $500 million per year on the GDP is undoubtedly what most distinguishes INO and makes it such a remarkable success story. A huge thank you to our funders, members, clients, colleagues and to all those who, near or far, participate in the growth of this gem that deserves even greater recognition.

Now it's up to you to write the next chapters, which I will read with great pleasure!



Jacques Topping, FCPA, MBA, ASC
Chairman of the Board

TRANSFORMING IDEAS INTO PROSPERITY

In April 2024, while the entire southern Québec was looking up to admire a natural phenomenon that would plunge it into darkness, INO was emerging from a lackluster fiscal year. R&D investments had slowed across the country, a consequence, among other things, of interest rates at their highest level in over 20 years. As a result, the volume of external mandates carried out by the organization had suffered. Financial results had declined, but the team was mobilized to ensure that this imposed transition would be only a brief eclipse in INO's rich history.

Hats off to the entire team: mission accomplished! The return to growth in 2024-2025 is remarkable. Sales saw a slight increase, a sign that innovation is gradually regaining its place to redeploy a wealth-creating economy that is less dependent on the United States. Prototype and short-run manufacturing activities — a service that INO offers to companies upstream of large-scale production — reached historic highs. These achievements, combined with rigorous expense control and excellent performance by the project execution team, generated a surplus of revenue over expenses of $3,462,148.

Thus, for the 8th time in the last nine years, INO presents positive financial statements, which is important for the organization, as it enters the final year of its funding agreements with the federal and provincial governments.

But beyond financial performance, it is the economic benefits and value generated that best illustrate INO's importance to the Canadian economy. This year, two independent studies highlighted that INO's activities generate an annual increase in gross domestic product of $500 million. This is an exceptional performance that makes INO one of the most profitable and prolific strategic assets in the Canadian innovation support ecosystem.

A Role Set to Grow

The Québec Innovation Council, in its report *Vers un Québec innovant*, emphasizes that improving business productivity is essential to maintaining Québec's wealth. Among the 13 recommendations the authors unveiled at an event held at INO was the "development of innovation laboratories in strategic sectors". According to the authors, these laboratories, which will be dedicated to developing new solutions, technologies, products, and services for industry, should be created from existing facilities and could involve the merger of several stakeholders.

This is precisely what INO has been successfully doing for nearly 40 years. The acceleration of advances in artificial intelligence is now leading the organization to expand its expertise in this field. As a result, local companies will be able to reap the productivity gains associated with combining AI with photonics and quantum technologies. Negotiations for the renewal of INO's five-year government funding are currently being conducted on the basis of this enhanced mandate.

Investments in Physical and Digital Infrastructure

Discussions are underway to increase a $20 million envelope obtained in 2021 for a major headquarters revitalization project. The goal is to provide Québec City with a forward-looking environment that will be bright, modern, focused on interdisciplinarity, innovation, and employee well-being. The work will also include upgrades to electromechanical and architectural systems as well as the long-awaited modernization of high-level laboratories and cleanrooms.

In the digital sphere, INO has been operating in a completely new IT environment since December 2024. The migration to the new management systems, including the enterprise resource planning (ERP), has been a general success. A transition period is underway, as is often the case after IT projects of this magnitude. The coming months will reveal the promised productivity gains, thanks to better user mastery of the tools and optimized data quality. INO will then be able to take full advantage of these solutions to improve the agility of its processes, reduce costs, and maximize the value delivered to its customers.

Finally, as part of its digital transformation, INO has also deployed a fully secure internal chatbot based on the latest advances in artificial intelligence. This innovative tool will facilitate rapid access to information, reduce administrative tasks, and stimulate collaboration between teams—a further testament to INO's commitment to technological excellence and operational efficiency.

Under a Lucky Star

The year 2024–2025 ends on a very positive note despite an uncertain international context. The transition toward industrial innovation laboratory status will position INO — and possibly other similar organizations — as central and recognized players within Québec's innovation ecosystem. Everything suggests that this recognition will come with the resources needed to further strengthen technology transfer between research and industry, thereby fostering the commercialization of innovative solutions. From the very beginning, INO has fulfilled this role with resounding success.

Finally, to close the parenthesis on astronomical phenomena, the next total solar eclipse for Québec will take place on May 1, 2079 and you will have to visit the Magdalen Islands to admire it! Until then, who can predict all the future repercussions of technological innovation on the diversification and influence of the Canadian economy?

Alain Chandonnet, Ph.D.
President and CEO

INO

SHEDDING LIGHT

INO IN SHORT

2024-2025 IN SHORT

As the largest center of expertise in industrial optics and photonics in Canada, INO has been creating and developing tailor-made solutions for nearly 40 years to meet the needs of Québec and Canadian companies in various sectors of activity.

The organization now generates new business activities through its innovations that increase the country's GDP by more than $500M per year.

410
PATENTS
TO DATE
(including 8
in 2024-2025)

84
TECHNOLOGY
TRANSFERS
TO DATE
(including 3
in 2024-2025)

36
SPIN-OFFS
COMPANIES
TO DATE
(including 1
in 2024-2025)

185
EMPLOYEES

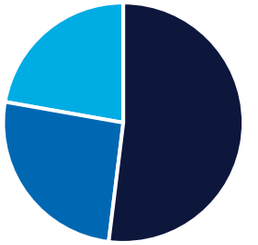
181
CLIENTS
IN 2024-2025

- BIOMEDTECH
- DEFENSE, SECURITY AND AEROSPACE
- SUSTAINABLE RESOURCES, AGRICULTURE AND MANUFACTURING
- INDUSTRIALIZED SOLUTIONS

Client Breakdown by Country-Continent (in $)

- **50%** Canada
- **27%** Asia
- **14%** USA
- **9%** Europe

Distribution of Operating Revenues

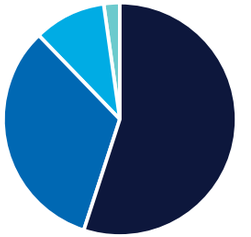


- **52%** External Revenues
- **26%** Internal Research Program - Québec
- **22%** Internal Research Program - Canada

Distribution of Revenues by Business Unit

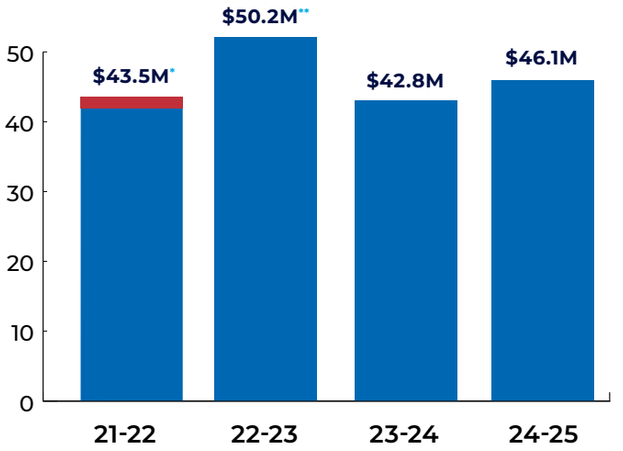
- **49%** Industrialized Solutions
- **35%** Defense, Security, and Aerospace
- **8%** Biomedtech
- **8%** Sustainable Resources, Agriculture and Manufacturing

Distribution of Revenues by Client Category



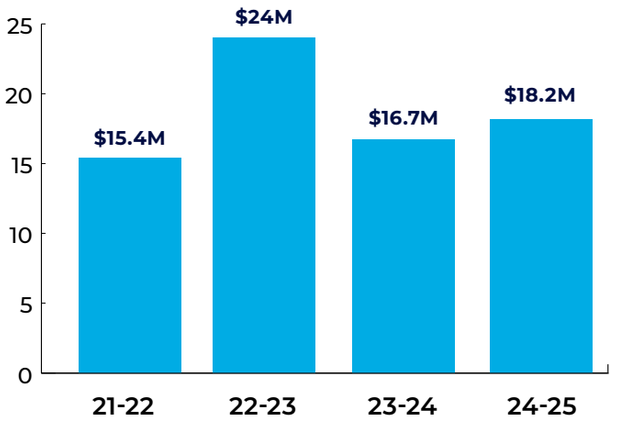
- **55%** Large Companies
- **33%** SME
- **10%** Governments / Agencies
- **2%** Universities

Changes in Total Earnings

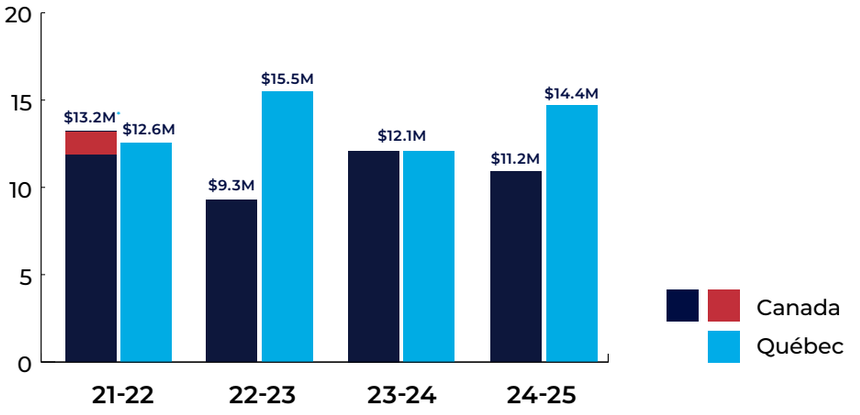


* Includes $1M of CEWS in 2021-2022
** Excludes a gain on the disposal of investments of $10.7M

Changes in External Revenues

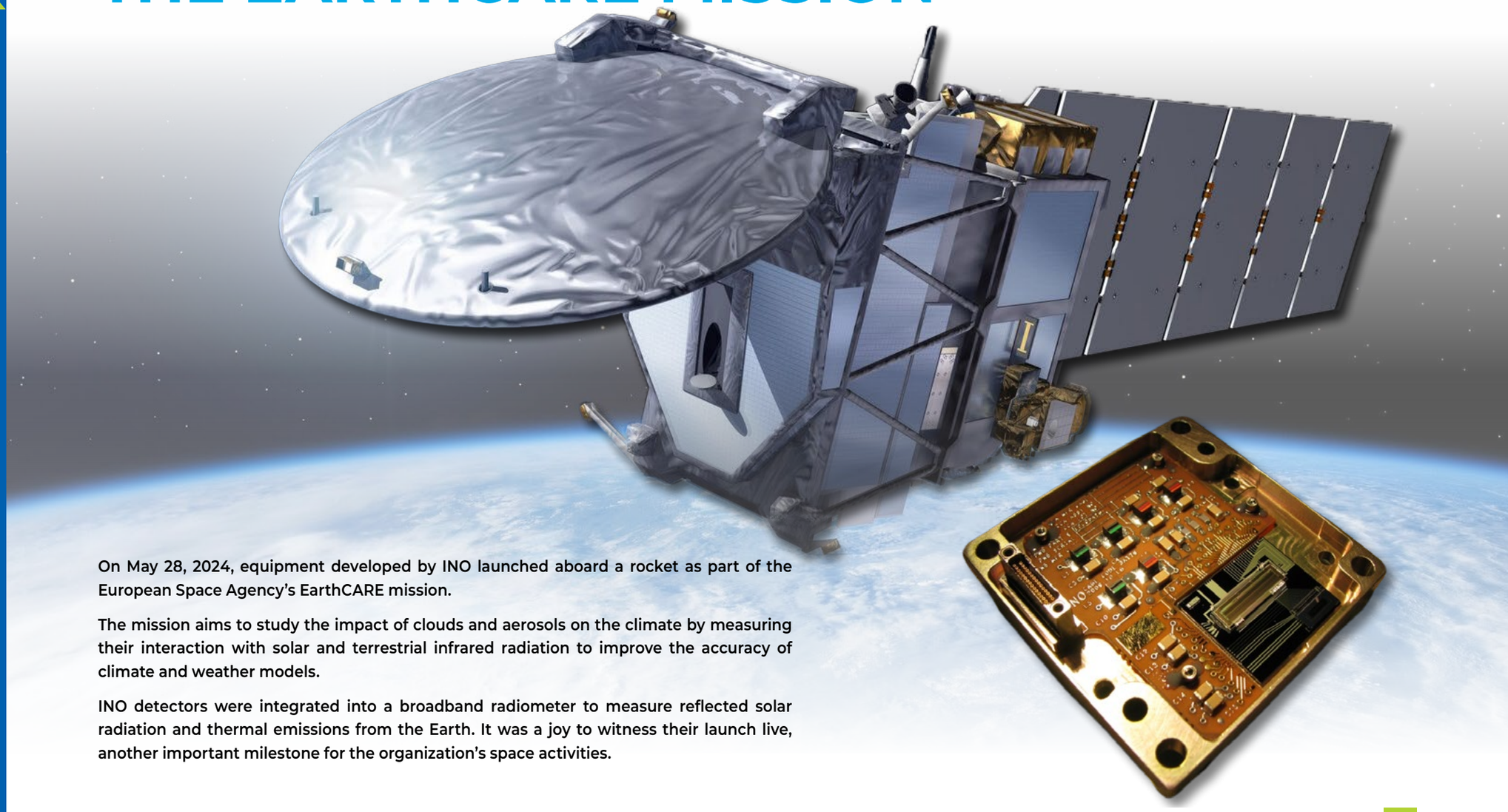


Changes in Government Funding



* Includes $1M of CEWS in 2021-2022

INO ON BOARD THE EARTHCARE MISSION



On May 28, 2024, equipment developed by INO launched aboard a rocket as part of the European Space Agency's EarthCARE mission.

The mission aims to study the impact of clouds and aerosols on the climate by measuring their interaction with solar and terrestrial infrared radiation to improve the accuracy of climate and weather models.

INO detectors were integrated into a broadband radiometer to measure reflected solar radiation and thermal emissions from the Earth. It was a joy to witness their launch live, another important milestone for the organization's space activities.

INO DEMOCRATIZES OPTICS-PHOTONICS AMONG THE BUSINESS COMMUNITY

On November 19, 2024, Alain Chandonnet, President and CEO of INO, addressed members of the Québec City Chamber of Commerce and Industry at a conference dedicated to presenting the organization and its nearly 40 years of impact. His presentation highlighted INO's major contribution to making the Québec City region the largest center of expertise in optics and photonics in Canada.

Passionate about his subject, he clearly demonstrated how technology enables companies in various sectors to develop new products and bring numerous innovations to fruition. These innovations can even lead to new businesses, which in turn contribute to wealth creation in Québec.

INO AND CRIM JOIN FORCES TO ACCELERATE THE ADOPTION OF ARTIFICIAL INTELLIGENCE IN BUSINESSES

In April 2024, INO and the Montreal Computer Science Research Center (CRIM), a leading center of expertise in applied artificial intelligence, entered into a strategic partnership to facilitate the adoption of artificial intelligence in businesses. At the heart of this collaboration: the use of synthetic data to accelerate innovation, particularly in SMEs.

Simplifying industrial AI, the challenge for SMEs

Training artificial intelligence models to automate decisions in factories remains complex, especially for small and medium-sized businesses. The INO-CRIM duo combines:

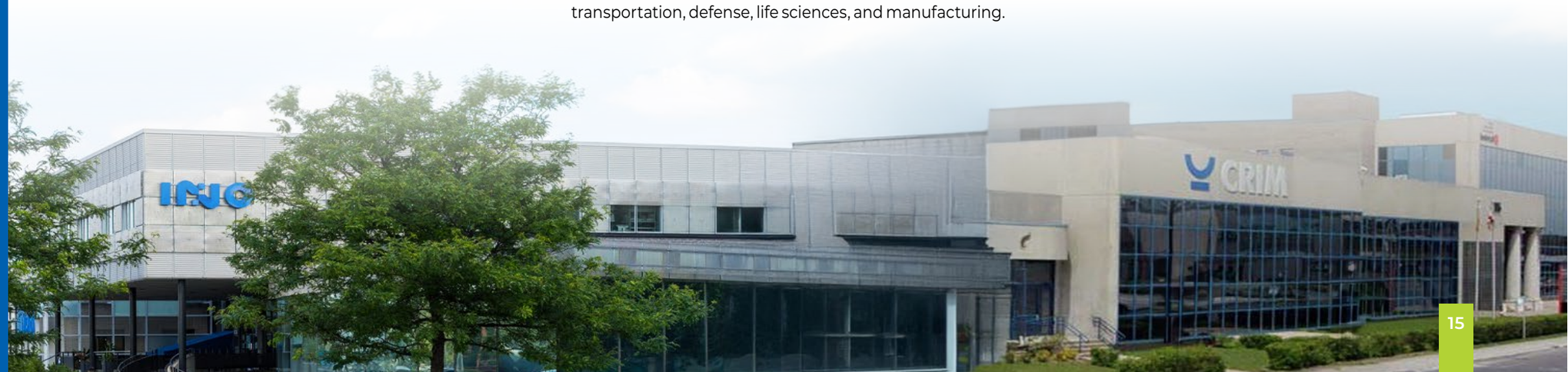
- high-precision optical sensors to collect reliable data;
- expertise in machine learning and predictive data generation.

The goal? To make artificial intelligence accessible to everyone, from agriculture to aerospace, including transportation, defense, life sciences, and manufacturing.

A first collaboration to revolutionize drug production

An initial collaboration was formed in the pharmaceutical field to optimize cell cultures in real time using optical monitoring technology developed by INO. Since creating a comprehensive database would be prohibitively expensive, synthetic data generated by CRIM's artificial intelligence allows for the simulation of all production scenarios and accelerates R&D.

This partnership aims to position Québec as a leader in smart biomanufacturing, a booming sector in Canada.



INNO
SHEDDING LIGHT

ACHIEVEMENTS

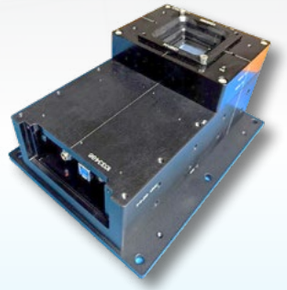
SUSTAINABLE INNOVATION: INNOVATE FOR THE RESILIENCE OF OUR INDUSTRIES

Companies are navigating an uncertain economic landscape linked, among other things, to changes in US trade policies. In this context, INO is asserting itself as a strategic partner to bring photonic solutions integrating artificial intelligence to life in order to transform challenges into sustainable economic opportunities. The organization's mission is once again embodied in advances that strengthen key sectors, from Earth observation to healthcare, including advanced manufacturing. With a return to revenue growth ($17.2 million in R&D contracts and short-run production), thanks to its influence (24 events and 20 content creations, including 3 technical videos) and backed by its 3 technology transfers, INO is once again strengthening its role this year as a converter of knowledge into assets for its industrial clients.

Challenge: Cloud Monitoring

Solution: Far Infrared Imager

In space photonics, INO is breaking new ground with its prototype far-infrared imager for cloud observation. The imager will offer unparalleled sensitivity for mapping clouds and thus contribute to the fight against climate change while positioning Canada as a key player in the emerging commercial space economy.

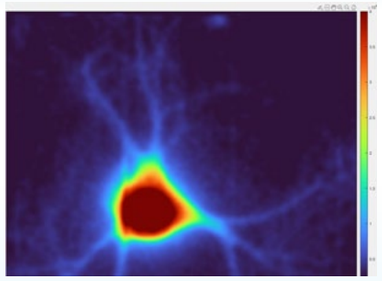


Imager Prototype FIR 1024x768

Challenge: Effective neurological treatments

Solution: Fluorescence microscopy solution for neuron imaging

In mental health, INO is accelerating medical research with an alternative solution to traditional neuronal electrophysiology methods, which are slow and sequential, and which limit the discovery of neurological treatments. Its *OptoPattern* neuronal activity imaging prototype parallelizes the capture of cell activity in real time with revolutionary speed and precision. By streamlining testing in pharmaceutical laboratories, the technology will reduce R&D costs and accelerate the development of innovative therapies, strengthening Canadian leadership in precision health.

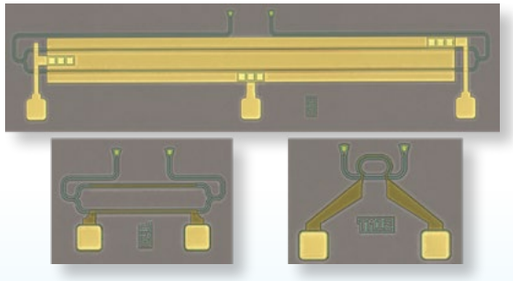


Example of a neural image taken with the OptoPattern *prototype*

Challenge: Generative AI and high-performance quantum communications

Solution: Thin-film lithium niobate photonic chips

To enable more efficient and energy-conscious artificial intelligence and quantum communications infrastructure, INO is offering the innovation community a new development platform for integrated photonic devices based on thin-film lithium niobate. These new devices will support the growth and democratization of generative artificial intelligence while reducing the carbon footprint of telecommunications — a competitive advantage for Canadian technology companies in a global market increasingly focused on energy efficiency. This same platform will also contribute to the development of quantum photonic technologies, including, among other things, quantum transducers that enable the distribution of entanglement between quantum processors and sensors, thereby delivering on the promise of exponential performance gains in quantum technologies.



Lithium Niobate Photonic Chip Prototypes

Challenge: More gain and beam quality for high-power lasers

Solution: LaserNGN Polarization Maintaining Gain Modules

With its two new gain modules, INO is pushing the boundaries of laser-assisted industrial manufacturing. Many industrial applications require the use of high-power lasers with high beam quality. With its LaserNGN module series, which maintains beam polarization and low photodarkening of the gain fiber, INO guarantees manufacturers sustainability and optimized production, particularly in the semiconductor industry.

LaserNGN Gain Modules

Challenge: Precision and robustness at an affordable price

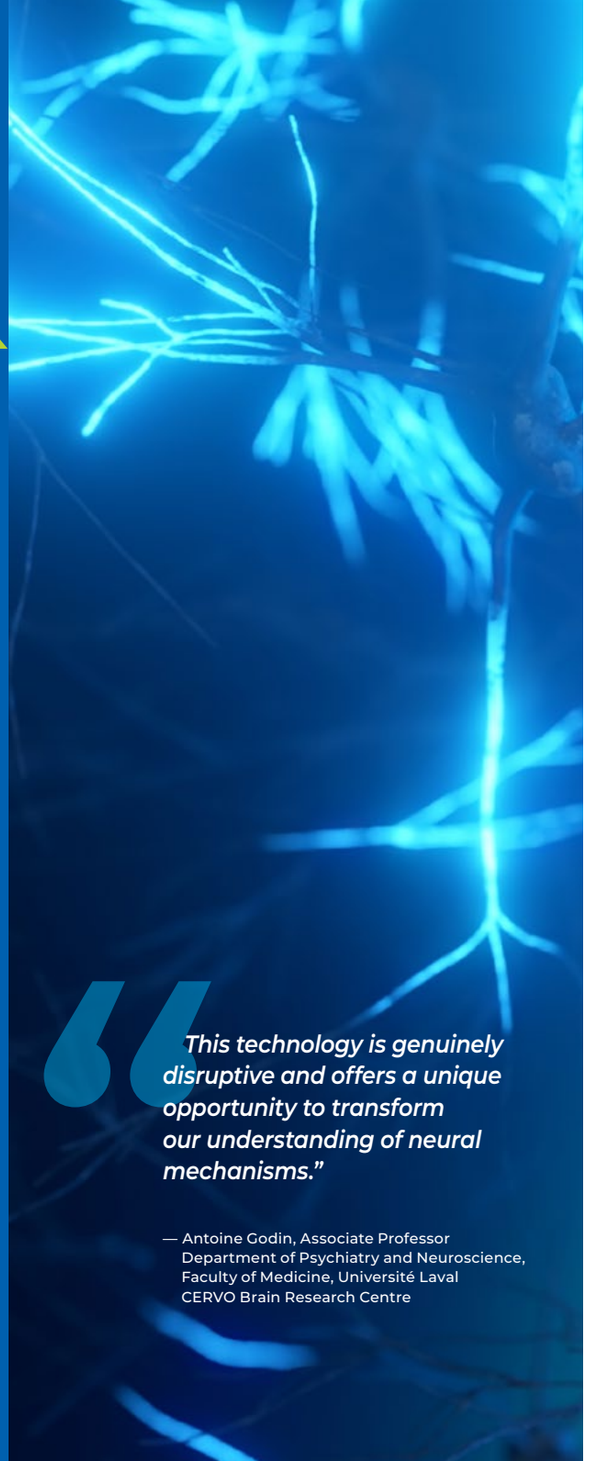
Solution: Robust self-centering and alignment devices for optical components

By combining a self-centering technology with mounts offering exceptional optomechanical stability at an affordable price, INO is democratizing the performance and reliability of optical instruments with its QuickCTR and QuickPOZ technologies. The accessibility of these robust optical component positioning solutions helps SMEs stand out and compete on an international scale.

QuickPOZ Mount Range

CERVO BRAIN RESEARCH CENTRE

DISCOVERING DRUGS FOR INVISIBLE ILLNESSES



"This technology is genuinely disruptive and offers a unique opportunity to transform our understanding of neural mechanisms."

— Antoine Godin, Associate Professor
Department of Psychiatry and Neuroscience,
Faculty of Medicine, Université Laval
CERVO Brain Research Centre

Living with an invisible illness — such as chronic fatigue or pain, schizophrenia, or fibromyalgia — is challenging, both for the person affected and their loved ones. To help combat the very real effects of these conditions, research is underway, and INO is now leveraging its expertise in light to revolutionize the development of new medications.

We know that the brain is an extremely complex organ. And current methods for measuring the effects of a molecule on neurons are cumbersome, expensive, and often inconclusive. That's why INO is developing a solution that leverages optogenetic tools — including a light-based stimulation and acquisition method, for which INO has a patent pending — to measure and control cellular excitability in order to characterize a drug's response.

Connected to a microscope, INO's device simultaneously illuminates and records the fluorescence correlated to cellular voltage in multiple regions of interest in the brain. It thus enables experimentation that is easier and more efficient than with standard tools. The prototype is currently in operation at the CERVO Brain Research Center, one of Canada's leading centers for neuroscience and mental health, as part of work aimed at demonstrating the feasibility of the approach and validating the system's performance on multiple cells simultaneously.

From Understanding to Treatment

Better tools to assess neuronal response — like the one currently being developed by INO — will help improve our understanding of the mechanisms behind certain diseases. By making it possible to see which molecules impact cell excitability, it will help accelerate drug development — a hopeful prospect for people affected by neurological or psychiatric disorders.

Moreover, a better understanding of the effects of drugs on the brain has far-reaching implications and applies to a wide range of pathologies. Since some medications can cause side effects such as anxiety, depression, confusion, hallucinations, or motor disorders, physicians will be better able to anticipate risks and monitor symptoms.

Targeting Industrialization

The work continues. If the findings are positive, the team plans to bring an industrial partner into the project. This partner's role will be to define the specifications of a final product that meets the needs of users and customers, with the goal of achieving industrialization.

UNIVERSITY OF OXFORD

REVEALING THE FAR SIDE OF THE MOON

The Moon holds a unique place in our collective imagination. Beyond its symbolic significance, it is generating growing scientific interest — particularly for its potential in so-called critical materials and as a strategic foothold for long-duration manned missions. In this context, which until recently seemed almost surreal, a deeper understanding of Earth's only natural satellite is becoming essential.

INO has thus partnered with the Planetary Experiments Group in the Department of Physics at the University of Oxford to develop the Lunar Thermal Mapper, an infrared radiometer placed in orbit approximately 100 km above the Moon. Equipped with thermal infrared detectors designed by INO, the satellite's mission is to map water sources — yes, there is indeed water on the Moon! — as well as measure surface temperatures and analyze lunar soil composition. It was launched by NASA in February 2025 as part of the Lunar Trailblazer mission.

From Understanding to Processing

INO's infrared detectors offer outstanding performance and unique capabilities, particularly due to the team's expertise in gold black deposition. They are perfectly suited to measure the extreme temperature variations observed on the Moon, ranging from -165 to 125 degrees Celsius.

The gold black coating of the 110,000 pixels, each measuring 35 microns — about half the diameter of a human hair — that make up a camera sensor was laser-trimmed to achieve the full resolution of 384 by 288 pixels. The expertise in the detector readout electronics was then transferred to the Planetary Experiments Group.

After the Moon, Mars?

Since space projects are often long-term endeavors, nearly three years passed between the completion of the work and the launch of the Lunar Trailblazer. In the meantime, INO has significantly improved the resolution of its cameras and now offers infrared sensors with seven times higher resolution (1024 by 768 pixels). Such image quality could enable new lunar missions — or even ventures deeper into the solar system. Without a doubt, the stars are aligning for a new chapter in space exploration!

"This project will allow us to map the composition of the Moon with an unprecedented level of detail."

— Rory Evans, Opto-Mechanical Design Lead
Department of Physics, University of Oxford

CENTRE DE RECHERCHE SUR LES BIOTECHNOLOGIES MARINES

WOLASTOQIYIK WAHSIPEKUK COMMUNITY

THE SEA URCHIN, A TRANSILLUMINATED SPECIES

"The sea urchin promises significant benefits for our community. And thanks to technology, we will be able to harness its full commercial potential."

— Guy-Pascal Weiner, Director of Commercial Fisheries
Wolastoqiyik Wahsipekuk Community

Like the shrimp, the sea urchin, a small marine animal found in Canadian waters, offers very promising fishing potential. To this end, the *Wolastoqiyik Wahsipekuk* First Nation, located in Cacouna, practices sustainable fishing by hand-harvesting them from the depths of the St. Lawrence Estuary. Valued in certain cuisines, particularly in Asia and the Mediterranean, the "sea hedgehog" can command a high commercial value if the harvested individuals are directed to the appropriate markets according to their characteristics. Therefore, to maximize the benefits for the community, an advanced sorting method is essential.

The price of sea urchins is determined by the color and volume of their gonads. Unfortunately, the only technique currently available relies on post-mortem evaluation. However, sea urchins destined for the restaurant market are sold live and are worth 5 to 20 times more than those sent for processing. It is therefore crucial for fishers to have a technology that allows them to sort live specimens at the dock, or even directly at sea, in order to maximize the returns from this resource.

At the request of the *Centre de recherche sur les biotechnologies marines*, INO has been developing since 2022 an illumination system that makes it possible to capture images of the organs beneath the sea urchins' shell. The chosen technology is similar to that used in candling stations to inspect the interior of eggs. Starting in 2023, in sync with the fishing seasons that coincide with the sea urchins' breeding periods, the R&D team tested its system on live specimens. These trials enabled the collection of images that are now integrated into a continuously evolving database.

Additional fishing cycles will be necessary to further improve the system, validate the technology's potential, and ultimately train an artificial intelligence model capable of automatically sorting sea urchins. One thing is certain: the illumination system developed by INO is promising while being relatively simple to produce, which will facilitate its industrialization when the time comes.

40-MICRON FIBER
FOR MORE POWERFUL LASERS

In response to the growing needs of industry, laser systems must constantly evolve. The active optical fibers that amplify light within these systems need to deliver performance that meets the demands of particularly challenging applications, such as micromachining or materials inspection, especially in the semiconductor sector. In particular, output beam quality and resistance to photodarkening are critical factors sought after for these industrial applications.

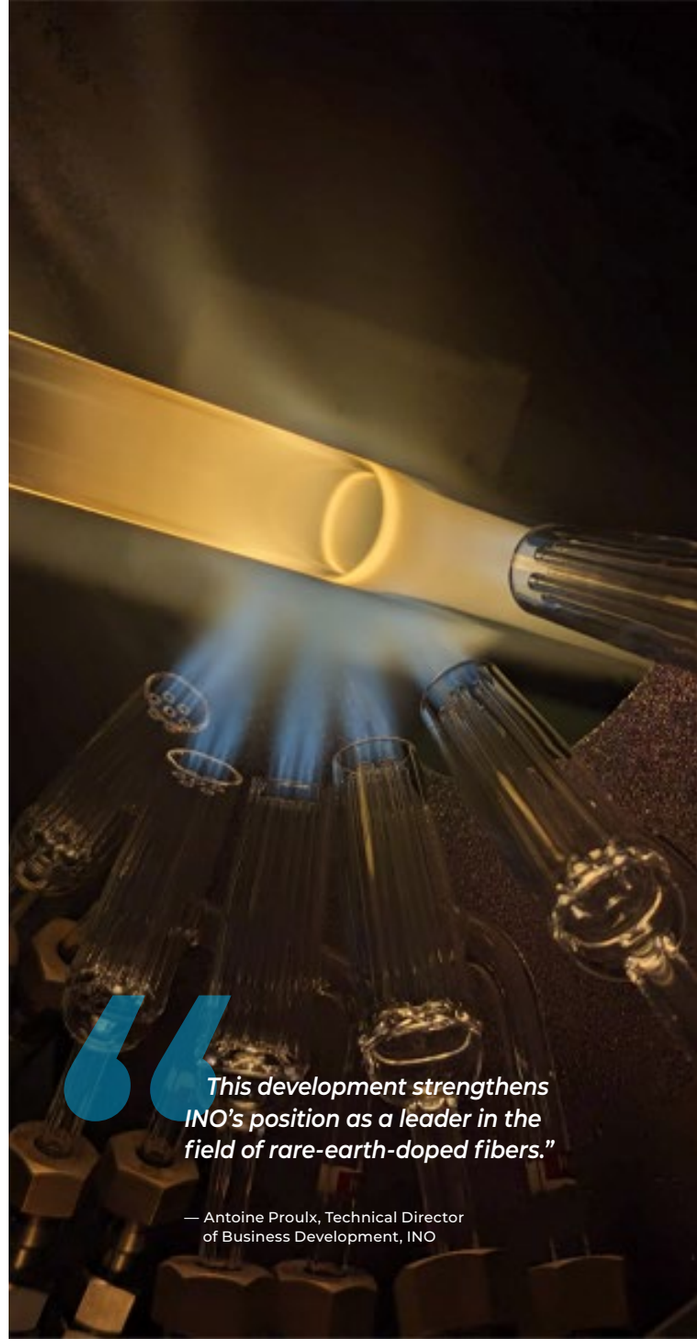
That is why, in 2020, INO developed a conical fiber — that is, a fiber whose diameter, both of the core and the cladding, gradually increases along its length — in order to deliver unmatched amplification characteristics. It is specifically designed for pulsed lasers, which are increasingly used in ultra-precise processes. Unlike a continuous-wave laser, a pulsed laser emits short bursts of highly intense light, enabling extremely high peak powers. This principle, essential for certain applications, allows for precise action while minimizing the amount of energy deposited on a material to avoid melting it. However, although the fiber introduced in 2020 delivers spectacular performance, it is expensive and sometimes exceeds the actual needs of customers.

A Performance-to-Price Ratio That Exceeds Expectations

INO has therefore designed a new fiber with a 40-micron core, more compact and easier to integrate into existing laser systems than the conical fiber. A large 40-micron core preserves beam quality while limiting certain undesirable effects when the fiber carries very high powers. It thus delivers high efficiency while remaining more affordable than the conical model. In this way, it complements the extensive range of INO FastFBR doped fibers, which cover multiple power levels to meet users' needs.

From Innovation to Market

INO reached a key milestone at Photonics West 2025, where its results generated strong interest within the community. The official launch of the fiber took place at Laser World of Photonics in Germany, in June 2025. It represents yet another major breakthrough from INO, paving the way for the development of even more precise and high-performance systems for new industrial, medical, and scientific research applications.



"This development strengthens INO's position as a leader in the field of rare-earth-doped fibers."

— Antoine Proulx, Technical Director of Business Development, INO

QUICKCTR-THREAD

REVOLUTIONIZING OPTICAL ALIGNMENT IN 25 SECONDS

In recent years, optics has undergone a major revolution. The rise of cameras, displays, and sensors has stimulated R&D, creating a crucial need in the industry to improve the precision and efficiency of lens alignment while reducing costs and manufacturing process complexity.

That is why INO has developed advanced expertise in optical and optomechanical design, thanks to numerous projects carried out in a variety of industrial contexts. The team has also acquired in-depth knowledge of dimensional stability — the ability of a system to maintain its alignment over time, even in challenging environments. By systematically addressing the challenges of centering in the optical industry, INO has developed innovative alignment methods under the QuickCTR product line, that combine unmatched precision with fast execution.

Superior Performance

The fast alignment methods currently available on the market lack precision. It is in this context that INO developed a patented solution: QuickCTR, which comes in three options, including QuickCTR-thread. Designed for assemblies requiring a very high level of precision, this technology reduces assembly time to less than 25 seconds per lens.

Beyond time savings, QuickCTR-thread also contributes to a significant reduction in production costs. The solution eliminates the need for expensive alignment equipment while ensuring stable mechanical fastening that is resistant to vibrations and shocks. Its effectiveness is based on using the threads as a mechanical reference to precisely center the optical subassemblies within a main barrel. This self-centering approach enables accurate positioning, independent of minor dimensional variations in the components.

The QuickCTR-thread technology is particularly well suited for applications where precision and repeatability are essential — notably in lithography, high-precision industrial vision systems, metrology, long-range military vision systems, and space observation applications.

To support this solution, INO has also created COMET, a realistic optical tolerance analysis software that takes assembly methods into account. This tool enables optical and optomechanical designers and engineers to quickly simulate various assembly scenarios and identify the optimal centering method based on the specific sensitivities of each design.

A Response to Industrial Needs

With the development of QuickCTR-thread, INO offers a concrete response to today's optical alignment challenges. This innovative solution combines efficiency, precision, and cost-effectiveness, while perfectly aligning with modern production requirements. For optical component manufacturers, adopting it can improve productivity, optimize costs, and ensure superior product quality — all critical factors in a market constantly seeking higher performance and reliability.

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Heading Toward Ambitious and Sustainable Growth

After nearly five years in operation, Quantino has reached cruising speed, and inspiring success stories are being written. Thus, in 2024–2025, seven companies completed their incubation journey — typically lasting three years — and eight new ones were admitted.

Driven by Quantino and in collaboration with LE CAMP, Entrepreneuriat ULaval, and 2 Degrés, the first edition of FresQC – Tech Demo Day of the Capital was launched. Nearly 300 people attended to discover 52 innovative companies, 17 of which showcased their solutions through short on-stage presentations. This event was a resounding success, a demonstration of the strength of Québec's entrepreneurial ecosystem.

Quantino Takes It to the Next Level

In 2024–2025, Quantino continued its evolution, gained maturity, and the growing interest it generates within the innovation ecosystem has brought it to near full capacity. A testament to this enthusiasm: several private partners who supported Quantino from the beginning have renewed their commitment and are more involved than ever with the incubated startups, serving as experts-in-residence. Thanks to their support and the unwavering backing of public partners (*Ville de Québec*, *Ministère de l'Économie, de l'Innovation et de l'Énergie*, and Canada Economic Development for Québec Regions), incubatees have access to an enhanced range of services — from taxation and human resources to intellectual property and business law.

Quantino's growth is also reflected in the expansion of its team. Two new recruits have joined:

- a funding programs administrator, responsible for identifying and recommending grants tailored to the needs of the incubatees; and
- a specialized technologist, responsible for operating a state-of-the-art quantum device for semiconductor manufacturing.

But the expansion doesn't stop there. Quantino has begun redevelopment work to provide facilities even better suited to the needs of its incubatees.

Expanding Into the Medical Sector

Quantino has also strengthened its position in the medical sector through a strategic partnership with the CHU de Québec–Université Laval. This alliance has made it possible to expand the regional incubation offering for companies developing technologies for the prevention, diagnosis, and treatment of diseases such as cancer and immune disorders, as well as in the fields of regenerative medicine and women's health.

Finally, at the beginning of 2025, Quantino embarked on an important strategic planning exercise. The goal: to maximize the incubator's impact and give the supported companies the best possible chance to bring their big ideas to light.

Position Within the Ecosystem

Quantino has increased its presence and visibility, both locally and beyond, through the participation of its incubatees in trade shows and by having its coaches invited as experts at major events.

During the Optica *Advanced Photonics Congress*, held in Québec City in July 2024, a cocktail evening brought together EXFO, Optonique, the Center for Optics, Photonics and Lasers (COPL) of Université Laval, as well as major players in optics and photonics from the Québec region. During the event, Femtum, Point Laz, Jay Photonics, Medscint, Détexion, and WhalePix had the opportunity to showcase their innovations.

Later, in November, Quantino and some of its incubatees took part in the celebrations marking the 35th anniversary of COPL. The region can be proud to have this institution, which has inspired many optics and photonics experts — some with an entrepreneurial spirit — to choose Québec as their home base. In fact, six startups currently incubated at Quantino come directly from COPL: DéteXion, Femtum, Jay Photonics, Point Laz, SiFi Labs, and WhalePix.

Also in November, Quantino attended Neurolinks, an event organized by the student association of the CERVO Research Center, aimed at fostering networking with companies in the fields of neuroscience and biophotonics. Some of them may one day join Quantino, which has an agreement with CERVO to support companies working on projects in neuroscience and mental health.

At the Québec City Health Industry Forum, held in December, Quantino hosted a workshop on clinical validation. Co-led by Christian-Alexandre Castellano of the Québec Heart and Lung Institute – UL, Jean-François Denault of Impacts.ca, and Sandrine Briatte, innovation coach at Quantino, the workshop explored the key steps to successful clinical validation.

Finally, in January 2025, the incubator renewed its presence at *SPIE Photonics West*, the largest gathering focused on photonics technologies. For the occasion, Quantino was accompanied by a delegation of companies from Québec's innovation ecosystem, including the incubated companies Jay Photonics, Femtum, and Syphos.

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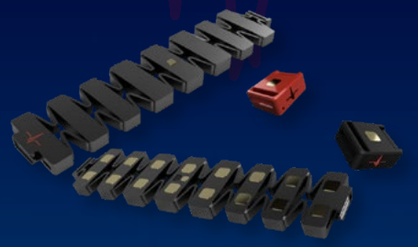
New Incubatees 2024-2025

Tracel

Tracel Technologies is developing an open-source deep learning framework, optimized for both training and inference, serving as the foundation for any intelligent system.



SiFi Labs

SiFi Labs develops a new generation of biosensor modules that provide real-time and continuous medical data in a non-invasive way to improve the efficiency and quality of healthcare delivery.

OraVentis Technologies

OraVentis Technologies develops solutions to proactively detect and map dust emission events.

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New Incubatees 2024-2025 (continued)

Levando

Levando develops advanced energy storage solutions by integrating innovative technologies to make them safer, more robust and reliable.

Tessellate Robotics

Tessellate Robotics develops robust, intuitive and market-adaptable off-road autonomous navigation solutions.

Rayops

Rayops develops next-generation laser machining solutions, integrated into both ground and aerial robotic platforms, to meet defense and security needs — particularly against explosive threats — while also offering strong potential for civilian applications.

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New incubatees 2024-2025 (continued)

Peregrine Photon

Peregrine Photon develops an innovative solution that improves the resolution of standard confocal microscopes by transforming them into super-resolution instruments.

Orfoncé

Orfoncé Inc. develops high-performance, bio-based inks designed to replace petroleum-based inks in printing, packaging, and construction sectors.

ORGANIZATION

TALENT DEVELOPMENT AT THE HEART OF INO'S GROWTH

At INO, talent development and internal mobility are central to the organization's commitment to its teams. In fact, in 2024–2025, 10 staff members were promoted and now hold new positions, at all levels of the organization — including technical, professional, and management roles.

Encouraging talent development not only strengthens expertise, but also fosters a dynamic environment where everyone can grow and thrive.

Top row, from left to right: Sylvie Gagné, Mathieu Houde, Mariona Ferrer, Jean-François Lavigne, Sabina Kopica.
Second row, from left to right: Chiara Meneghini, Simon Plourde, Sandrine Briatte, Jean-Pierre Bouchard, Marie Lagacé.

INO'S DEDICATION TO CUSTOMER EXCELLENCE

At INO, customer excellence is a strong commitment: to make every interaction a positive experience that delivers value and generates satisfaction.

A Structured Approach

To ensure an experience that meets expectations, a committee of experts dedicated to customer experience has been established. This committee focuses on thoroughly analyzing the challenges encountered, identifying the most relevant responses, and proposing tailored solutions.

Every step of the customer journey is designed to inspire confidence and deliver a high level of satisfaction.

INO AT THE LEADING OPTICS-PHOTONICS EVENTS

Every year, INO and its experts meet with clients, collaborators, and key decision-makers around the world at industrial events focused on high technologies — particularly optics and photonics — as well as research and development.

These platforms provide unique opportunities to showcase the organization's products and latest innovations, establish strategic connections, and stay attuned to market trends.

GreenTech 2024

In June 2024, INO took part in *GreenTech*, a leading international event focused on environmental challenges and innovation in the maritime sector. On this occasion, the forum was held in Canada — specifically in Halifax — and INO attended alongside its most recent spin-off company, OraVentis Technologies. INO showcased its lidar technology, which enables remote detection and mapping of fugitive dust emissions in industrial environments such as ports.

This participation highlighted INO's commitment to developing concrete, high-impact solutions for sustainable industrial operations.

International Astronautical Congress

The Defense, Security, and Aerospace team took part in the 75th International Astronautical Congress, held in Milan. The event brought together more than 11,000 professionals from around the world and showcased advances in lunar exploration and climate-focused space technologies. INO engaged with industry experts on the potential of infrared technology for Earth observation and presented its High-Definition Infrared Space Camera Core (HDISCC) as well as its readout circuits.

Jean de Lafontaine, CEO of NGC Aerospace — a longtime INO collaborator — also presented his globally recognized autonomous guidance, navigation, and control software. INO's participation highlighted Canada's growing influence in space innovation and reinforced the organization's role in developing next-generation aerospace technologies.

SPIE BiOS

The year 2025 got off to a strong start with the participation of the Biomedtech team at *SPIE BiOS*, the world's largest conference dedicated to biomedical optics and photonics, held in January 2025 in San Francisco, California.

At the event, INO engaged with industry experts to explore how its teams can support clients in the design and manufacturing of medical devices, while highlighting the essential role of optical technologies in the life sciences — particularly in scientific instruments for imaging, analysis, and diagnostics.

SPIE Photonics West

The Industrialized Solutions team participated in *SPIE Photonics West* 2025 — a flagship event for INO — to showcase a range of cutting-edge solutions, including its FastFBR ytterbium-doped optical fibers, LaserNGN amplifier modules, and complete terahertz solutions. As a premier global gathering for the optics and photonics community, Photonics West also featured a presentation by Vincent Roy, senior researcher in lasers and specialty optical fibers, who presented his paper *Ultrashort pulse amplifier using a novel 40/250 polarization-maintaining Yb-doped multi-clad fiber* during the LASE conference series.

INO's presence further strengthened its position as a leader in high-performance photonics technologies and underscored its ongoing contribution to light-based innovation.

A TEAM ENGAGED IN ITS COMMUNITY

Since it began operations in 1988, INO has been actively supporting the community in various ways to help foster its social vitality and economic dynamism.

Among the causes prioritized by the organization are the next generation in science, technology, engineering, and mathematics, academic success, and entrepreneurship.

Girls in Science: A Powerful Combination

This year, INO once again took part in *Les filles et les sciences* event, which aims to introduce young girls in Grades 8, 9, and 10 to scientific and technological careers. The 25th edition of the event, held at Université Laval in November 2024, was a resounding success, with more than 200 participants, a record for Québec!

In addition to discussing scientific careers, INO's experts led a workshop in which the girls built spectroscopes to demystify light.

Science on Sainte-Hélène Island

The Eurêka! Festival is Québec's largest science celebration, offering three days of free interactive activities for the whole family each year at Parc Jean-Drapeau in Montréal.

INO took part with several captivating demonstrations aimed at revealing the mysteries of the invisible, using optical tools that push the limits of the human eye to uncover an otherwise imperceptible world.

Making a Difference for Vulnerable People

True to tradition, the INO team once again came together to help people facing critical challenges such as financial insecurity, homelessness, and food insecurity.

As part of the 2024 Centraide Québec and Chaudière-Appalaches fundraising campaign, INO demonstrated exceptional commitment, helping to raise an impressive $60,000.

This contribution is part of a broader movement of solidarity that enables Centraide to support 225 organizations and community projects, thereby concretely improving the living conditions of thousands of people in the greater Québec City and Chaudière-Appalaches region.

Sharing Science with a View of Québec

In 2023, a new science festival was launched in Lévis, set in a charming location along the shores of the St. Lawrence River. From its very first edition, INO was among the first participating organizations.

The team returned in 2024 with the mission of sparking curiosity, critical thinking, and interest in scientific careers. In addition to booths, the event featured educational activities, shows, and lectures — all in a festive and welcoming atmosphere.

Holiday Season Support for Local Organizations

In a context marked by inflation, the housing crisis, and the rising cost of living, the solidarity of the INO team truly shone through.

Staff members first contributed generously to Moisson Québec's Holiday Drive, an organization that responds to more than 334,000 requests for food assistance every month. This collective effort provided relief to several families facing hardship.

In addition, the Quantino team and its incubatees took part in the "Parce qu'on a SANS 16 besoin de vous!" campaign organized by the CERVO Foundation, which aimed to collect essential items to support people struggling with mental health issues, addiction, or homelessness.

Through these concrete actions, INO once again demonstrated its commitment to the community and to the most vulnerable.

Pedaling for the Heart

Quantino, in partnership with the Québec Heart and Lung Institute (IUCPQ), takes part every year in the IUCPQ Foundation's Cyclo-Défi. This cycling event, which brings together nearly 600 participants, raises funds for:

- the purchase of specialized medical equipment;
- the development of new technologies and infrastructure;
- scientific research and clinical innovation; and
- the training of healthcare professionals.

This year, the Quantino team — made up of about twenty employees and incubatees — braved the cold to raise a total of $2,890.

OUR SINCERE THANKS

TO ALL STAFF MEMBERS

Thank you for your commitment, professionalism, and spirit of innovation. Thanks to your sustained efforts, INO has been able to meet significant challenges, seize new opportunities, and showcase its technological expertise both here and abroad.

Your contribution is essential to our collective success and to the organization's continued growth. Thank you for making INO a place of excellence, collaboration, and socio-economic value creation. You play a major role in making businesses across the country increasingly productive and competitive.

The Future Is Bright!

BOARD

OF DIRECTORS AS OF MARCH 31, 2025

JACQUES TOPPING [2]
Chairman,
Corporate Director

CAROLINE BOUDOUX [3*]
Professor,
Department of Engineering Physics
at Polytechnique Montréal

ALAIN CHANDONNET
President and CEO,
INO

HÉLÈNE CHARTIER [2]
Corporate Director

DANIEL COTNOIR [3]
Expert Consultant in Applied AI/ML,
Google

MARJOLAINE GIASSON [1*]
Senior Vice-President, CFO,
La Maison Simons

VANESSA GRONDIN [1, 3]
Founder, Henri Nutrition

MICHEL LEBLANC [3]
R&D Director, EXFO

YAN PLANTE [1]
CEO, *RDÉE Canada*

SÉBASTIEN PROULX [2*]
Lawyer and Strategic Advisor in Public Law
and Relations with the State
GBV Avocats

1* Chair of the Audit Committee
1 Member of the Audit Committee
2* Chair of the Governance and Human Resources Committee
2 Member of the Governance and Human Resources Committee
3* Chair of the Markets and Technologies Committee
3 Member of the Markets and Technologies Committee

MANAGEMENT

TEAM AS OF MARCH 31, 2025

ALAIN CHANDONNET
President and CEO

PHILIPPE BOIVIN
VP, Corporate Affairs

MARIE-CLAUDE CÔTÉ
VP, Development and Engineering

ANDRÉ FOUGÈRES
VP, Chief Technology Officer

SHIRLEY MOORE
VP, Finances

LOUIS MARTEL
VP, Business Development and Partnership

MEMBERS AS OF MARCH 31, 2025

STRATEGIC MEMBERS

ABB
CIENA CANADA
CORACTIVE HIGH-TECH
CREAFORM
MDA SPACE
RIO TINTO ALCAN

INDUSTRIAL MEMBERS

ABCDUST
EARTHDAILY ANALYTICS
EXFO
GENTEC ELECTRO-OPTICS
LASERAX
DORIC LENSES
LR TECH
NGC AEROSPACE
PHOTON ETC.
PREVIAN TECHNOLOGIES
XIPHOS SYSTEMS
TERAXION
UNIVERCO
VOLTA SPACE TECHNOLOGIES
WYVERN

INSTITUTIONAL MEMBERS

C-CORE
COREM
MEDTECH CANADA

SECTORIAL ADVISORY COMMITTEES AS OF MARCH 31, 2025

BIOMEDTECH

JEAN-PIERRE BOUCHARD
MAXIME GUILLEMETTE
LIONEL STEPHAN
INO

OLIVIER BOURBEAU
MEDTECH CANADA

MARC-ANDRÉ D'AOUST
ARAMIS

DELPHINE DAVAN
TRANSBIOTECH

SEAD DORIC
DORIC LENSES

DEFENCE, SECURITY AND AEROSPACE

ANDREW ALLEN
DAVID ROY-GIRARD
MDA

EDWIN FAIER
XIPHOS SYSTEMS

FRÉDÉRIC GRANDMONT
ABB

MICHEL GRÉGOIRE
CREAFORM

JEAN-FRANÇOIS HAMEL
NGC AEROSPACE

MICHAEL HENSCHEL
C-CORE

BRIAN KEATS
VINCENT SAUER
WYVERN

JEAN-FRANÇOIS LAVIGNE
PATRICE TOPART
INO

GEORGE TYC
EARTHDAILY ANALYTICS

SUSTAINABLE RESOURCES, AGRICULTURE AND INFRASTRUCTURE

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PHOTON ETC.

FRANÇOIS BLANCHARD
ÉTS

CLAUDE CARIGNAN
CIENA CANADA

MATHIEU FAUCHER
TERAXION

CLAUDE GAGNON
COREM

ALAIN GRÉGOIRE
UNIVERCO

MICHEL GRÉGOIRE
CREAFORM

MARC GRENIER
PREVIAN TECHNOLOGIES (EDDIFY)

BENOIT LAMONTAGNE
FERNANDO LOPEZ
DONALD PRÉVOST
INO

ÉRIC LAPLANTE
RIO TINTO

SAMUEL TOLEDO
ABCDUST

INDUSTRIAL SOLUTIONS

GUILLAUME BLANCHETTE
VOLTA

GUILLAUME BROCHU
TERAXION

PASCAL DUFOUR
LASERAX

ERIC GAGNON
CORACTIVE HIGH-TECH

MICHEL GIROUX
GENTEC ELECTRO-OPTICS

MICHEL LECLERC
EXFO

DAVID MELANSON
ANTOINE PROULX
YVES TAILLON
INO

MADISON RILLING
OPTONIQUE

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ÉRIC CHARTON
HAMED GHODRATI
MARC LALONDE
CRIM

FRANÇOIS BLANCHARD
ÉTS

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C2MI

COSTEL FLUERARU
OLIVER PITTS
CHRISTOPHE PY
ALEX WALKER
PHILIP WALDRON
NATIONAL RESEARCH COUNCIL CANADA

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UNIVERSITÉ LAVAL

OFER LEVI
UNIVERSITY OF TORONTO

MARTIN LOIGNON
JULIEN ROBITAILLE
CELL CULTURE SCALE-UP

MARIT E. MEYER
BENJAMIN SUMLIN
NASA

ROBERTO MORANDOTTI
STEFANIA SCIARA
INRS

MICHEL OLIVIER
CÉGEP GARNEAU

WITHAWAT WITHAYACHUMNAKUL
UNIVERSITY OF ADELAIDE

SPIN-OFF COMPANIES

ORAVENTIS TECHNOLOGIES, 2024
LIDAR FOR FUGITIVE PARTICULATE AIR CONTAMINANT EMISSIONS

UMANX, 2019
OPTICAL SENSOR FOR SECURITY ROBOTS

LYNX INSPECTION, 2018
DIGITAL IMAGING SYSTEM FOR INDUSTRIAL INSPECTION

DX BIOTECH, 2017
COMPACT CYTOMETER

SWIFTSURE SPATIAL SYSTEMS, 2017
OPTRONICS PROCESSOR FOR SYNTHETIC APERTURE RADAR

FLYSCAN, 2016
LIDAR FOR BENZENE DETECTION

RAYSECUR, 2015
TERAHERTZ TECHNOLOGY FOR LETTER BOMB DETECTION

INOOXX, 2013
LIDAR MEASUREMENT AND LASER TRIANGULATION TECHNOLOGY TO MEASURE TRUCK LOAD VOLUME

HANDYEM, 2011
COMPACT CYTOMETER

OPTI RYTHMIX, 2011
VIRTUO LIBRARY

COMPANY IN THE ENVIRONMENTAL FIELD (CONFIDENTIAL), 2010

PAVEMETRICS, 2009
MACHINE VISION SYSTEMS FOR THE INSPECTION OF TRANSPORTATION INFRASTRUCTURES

REALTRAFFIC TECHNOLOGIES, 2008
IMAGE ANALYSIS

HEDZOPT, 2007
THERMAL WEAPON SIGHT

LEDDARTECH, 2007
LEDS FOR DISTANCE DETECTION AND MEASUREMENT

QUANTUM BIOMEDICAL (QBM), 2006
ENDOSCOPIC PROBE FOR INTRAVASCULAR DIAGNOSIS

IRPHOTONICS, 2004
FLUORIDE FIBERS AND GLASSES

NEOPTIX, 2004
TEMPERATURE SENSORS

OPSENS, 2004
FIBER-OPTICS SENSORS

OPTOSECURITY, 2004
OPTICAL CORRELATOR

PYROPHOTONICS LASERS, 2004
PEFL LASER TECHNOLOGY

CYBIOCARE, 2003
HYPOGLYCEMIA MONITOR AND GLUCOSE

OBZERV TECHNOLOGIES, 2002
VISION SYSTEMS

NEKS TECHNOLOGIES, 2001
COLOUR-BASED GINGIVAL TARTAR DETECTION

TERAXION, 2000
OPTICAL NETWORK COMPONENTS

CORACTIVE HIGH-TECH, 1998
SPECIALTY OPTICAL FIBERS

PIERRE LANGLOIS CONSULTANT, 1997
DIFFRACTIVE OPTICS CONSULTING

P&P OPTICA, 1995
OPTICS ENGINEERING SHOP

FISO TECHNOLOGIES, 1994
FIBER-OPTICS SENSORS

DORIC LENSES, 1994
MICROLENSES

OPTIWAVE CORPORATION, 1994
INTEGRATED OPTICS SOFTWARE

AEREX AVIONIQUE, 1993
OPTOELECTRONICS CONSULTING

I/FO TECHNOLOGIES, 1993
FIBER OPTIC TECHNOLOGY CONSULTING

OPTEL VISION, 1992
OPTICAL INSTRUMENTATION

REGENT INSTRUMENTS, 1990
OPTICAL INSTRUMENTATION

NORTECH FIBRONIC, 1989
OPTICAL INSTRUMENTATION

TECHNOLOGY TRANSFERS AS OF MARCH 31, 2025

ABB
PYRAMIDAL WAVEFRONT SENSOR

AMERICAN COMPANY
DIAMOND MARKING

AMERICAN COMPANY
ION DETECTION MEMBRANE

AMERICAN COMPANY
AUTO-CENTERING TECHNOLOGY

AMERICAN COMPANY
AUTO-CENTERING OF OPTICAL ELEMENT

AMERICAN UNIVERSITY
BOLOMETER ELECTRONIC CIRCUIT

ARCANE TECHNOLOGIES
COMPUTING LIBRARY – AMAZON

ASIAN COMPANY
BOLOMETERS (2X)

ASIAN COMPANY
CO2 LASER CLEAVING

ASIAN COMPANY
FIBER COMPONENTS

ASIAN COMPANY
READING CIRCUIT

ASIAN COMPANY
TERAHERTZ IMAGING

ASIAN COMPANY
BOLOMETERS

ASIAN COMPANY
BOLOMETERS

ASIAN INTEGRATOR
MOPAW LASER

ASIAN RESEARCH INSTITUTE
BOLOMETERS

AUTOLOG
3D IMAGING CALIBRATION SOFTWARE, SOURCE CODE, PLANOVISION

AVENSYS/BRAGG PHOTONICS
ALL-FIBER PHOTO-INDUCED FILTERS

BRIO CONSEILS
MANAGERIAL INNOVATION IN THE DEVELOPMENT PROCESS

BRISTOL AEROSPACE
INFRARED DETECTOR

CANADIAN COMPANY
INFRARED IMAGING

CANADIAN COMPANY
ION-SELECTIVE FIBER

CANADIAN COMPANY
4×4 MICROMIRROR

CANADIAN COMPANY
TRAFFIC SIGN RECOGNITION

CANADIAN COMPANY
3D VISION SYSTEM

COMMUNICATIONS RESEARCH CENTRE CANADA
INTEGRATED PROCESSES SYSTEM (IPS)

CORACTIVE
TRIPLE-CLAD SPECIALTY OPTICAL FIBERS

CTEX
BOLOMETERS

CYBIOCARE
HYPOGLYCEMIA SENSOR AND GLUCOSE METER

DELLUX TECHNOLOGIES
LED LIGHTS

DORIC LENSES
GRADED REFRACTIVE INDEX MICROLENSES

DXBIOTECH
COMPACT CYTOMETER

EUROPEAN COMPANY
LENS AUTO-CENTERING TECHNOLOGY

EUROPEAN COMPANY
BOLOMETERS

EUROPEAN COMPANY
INTER-SATELLITE OPTICAL COMMUNICATIONS

FISO TECHNOLOGIES
FIBER OPTIC SENSORS FOR TEMPERATURE, STRESS, AND PRESSURE

END-OF-SERVICE INDICATOR FOR BREATHING APPARATUS

FLYSCAN
LIDAR FOR BENZENE DETECTION

GENTEC ÉLECTRO-OPTIQUE
HOLOGRAPHIC BEAM SAMPLER

HANDYEM
FLOW CYTOMETRY

HEDZOPT
THERMAL WEAPON SIGHT

INDUSTRIES MAIBEC
FEATURE DETECTION OF CEDARWOOD SINGLES

INOOXX
LIDAR-BASED RAMMING LEVEL MEASUREMENT AND LASER TRIANGULATION FOR TRUCK LOAD MEASUREMENT

INSTRUMENTS RÉGENT
OPTICAL INSTRUMENTATION

IOMNISCIENT
CLASSIFICATION MODULE

IRPHOTONICS
FLUORIDE FIBERS

TECHNOLOGY TRANSFERS AS OF MARCH 31, 2025

KRISPY KERNELS
HYPERSPECTRAL VISION SYSTEM FOR QUALITY CONTROL

LASIRIS
DIFFRACTIVE OPTICAL ELEMENTS

LEDDARTECH
LEDS FOR DISTANCE DETECTION AND MEASUREMENT

LYNX INSPECTION
3D IMAGING SYSTEM

MICROSPHERE
OPTICAL CORRELATOR FOR INSPECTION OF PLASTIC COMPONENTS

MPB
INFRARED SPECTROMETER

NATIONAL RESEARCH COUNCIL CANADA
3D COLOR IMAGING

NEKS TECHNOLOGIES
COLOUR-BASED GINGIVAL TARTAR DETECTION

NEPTEC DESIGN GROUP
IRXCAM CAMERA TECHNOLOGY

NETCORP
OPTICAL SWITCH

NORMAND PROJEX
INSPECTION SYSTEM FOR 3D VERIFICATION OF HARDWOOD FLOOR MORTISE AND TENON DIMENSIONS

NORTECH FIBRONIC
FIBER OPTICS TEMPERATURE SENSORS
TUNABLE FIBER LASER

OBZERV TECHNOLOGIES
DALISTM LASER ILLUMINATOR

OIL SECTOR COMPANY
FIBER OPTIC SENSOR TECHNOLOGY

OPTI RYTHMIX
VIRTUO LIBRARY

OPTIWAVE CORPORATION
INTEGRATED OPTICS SOFTWARE

OPTOSECURITY
INOSEGMENTER - IMAGE SEGMENTATION SOFTWARE

NUMERICAL OPTICAL CORRELATOR TECHNOLOGY

OPTICAL CORRELATOR

ORAVENTIS TECHNOLOGIES
FUGITIVE AIR CONTAMINANT EMISSIONS MONITORING SYSTEMS

OXFORD UNIVERSITY
BOLOMETER ELECTRONIC CIRCUIT

PAVEMETRICS
MACHINE VISION SYSTEMS FOR THE INSPECTION OF TRANSPORTATION INFRASTRUCTURES

MACHINE VISION SYSTEMS FOR A NEW SCOPE OF APPLICATION

PYROPHOTONICS LASERS
PYFI LASER FIBER UNFOLDED CAVITY CONFIGURATION

PEFI LASER TECHNOLOGY

QUANTUM BIOMEDICAL
ENDOSCOPE FOR INTRAVASCULAR DIAGNOSIS

QUEL IMAGING
OPTICAL PHANTOMS

RAYSECUR
TERAHERTZ TECHNOLOGY

REALTRAFFIC TECHNOLOGIES
IMAGE ANALYSIS

SEARIDGE TECHNOLOGIES
VIDEO MONITORING TECHNOLOGY

VIDEO SURVEILLANCE AND DETECTION TECHNOLOGY AND SOURCE CODES

SEASTAR OPTICS
ERBIUM FIBER LASER

SOLVISION
STRUCTURED LIGHT PROJECTOR

STAS
HYDROGEN FLUORIDE DETECTOR

SWIFTSURE SPATIAL SYSTEMS
OPTRONIC PROCESSOR FOR SYNTHETIC APERTURE RADAR

SYGIF INTERNATIONAL
INTEGRATED PROCESSES SYSTEM (IPS)

SYMBIOTECH MEDICAL
INTRA-ARTERIAL ANALYSIS AND DETECTION

TELEDYNE DALSA
BOLOMETERS

TELOPS
INTEGRATED PROCESSES SYSTEM (IPS)

WESTERN CANADIAN OIL COMPANY
FIBER OPTIC SENSOR TECHNOLOGY

INNO
SHEDDING LIGHT

FINANCES

SUMMARY FINANCIAL STATEMENTS

Independent Auditor's Report

To the members of National Optics Institute

Opinion

The summary financial statements of the National Optics Institute (the "Entity"), which comprise:

- the summary statement of financial position as at March 31, 2025
- the summary statement of operations for the year then ended
- the summary statement of changes in net assets for the year then ended
- the summary statement of cash flows for the year then ended
- and related notes

(hereinafter, the "summary financial statements"),
are derived from the audited financial statements of the Entity as at and for the year ended March 31, 2025 (the "audited financial statements").

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the criteria disclosed in Note 1 in the summary financial statements.

Summary financial statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Entity's audited financial statements and the auditor's report thereon.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred after the date of our report on the audited financial statements.

The audited financial statements and our report thereon

In our report dated June 13, 2025, we have issued an unmodified opinion on the audited financial statements for the year ended March 31, 2025.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the criteria disclosed in Note 1 in the summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, *Engagements to Report on Summary Financial Statements*.

Québec, Canada
June 13, 2025

SUMMARY STATEMENT OF FINANCIAL POSITION

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	**$ 22 910 460**	$ 7 611 425
Accounts receivable	**3 490 588**	4 688 100
Financial support receivable related to tangible capital assets and intangible assets (note 2 (b))	**334 823**	78 773
Financial support receivable related to the entrepreneurship assistance program (notes 2 c) and d))	**371 422**	693 511
Inventories	**3 245 497**	2 854 352
Research contracts in progress	**176 695**	1 262 500
Prepaid expenses	**1 323 861**	1 527 132
Current portion of investments	**19 962 202**	29 075 165
	51 815 548	47 790 958
Investments	**4 945 847**	21 293 078
Investments in private companies	**2**	1
Tangible capital assets	**26 214 603**	26 200 980
Intangible assets	**205 951**	338 502
	$ 83 181 951	$ 95 623 519

	2025	2024
Liabilities and net assets		
Current Liabilities		
Bank loans	**$ 1 145 436**	$ -
Accounts payable and accrued liabilities	**5 555 797**	7 077 017
Financial support received in advance (notes 2(b) and (c))	**642 913**	1 035 754
Deferred revenues and deposits on contracts	**271 359**	2 525 773
Debt repayable on demand	**647 040**	1 055 509
Deferred financial support related to internal research program (note 2(a)(ii))	**13 959 245**	12 000 000
	22 221 790	**23 694 053**
Employee future benefits obligations (note 3)	**4 429 900**	**5 081 585**
Deferred financial support related to tangible capital assets and intangible assets (note 2(b))	**36 246 026**	**36 985 349**
Deferred financial support related to internal research program (note 2(a)(ii))	**-**	**13 959 245**
	62 897 716	79 720 232
Net assets	**20 284 235**	15 903 287
Commitments (note 4)		
	$ 83 181 951	$ 95 623 519

See accompanying notes to summary financial statements.
On behalf of the Board.

, director

, director

SUMMARY STATEMENT OF OPERATIONS

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
REVENUES		
Financial support related to internal research program (note 2(a))	**$ 22 000 000**	$ 20 700 000
Financial support related to tangible capital assets and intangible assets (note 2(b))	**2 524 159**	2 619 280
Financial support related to the entrepreneurship assistance program	**1 063 080**	829 787
Sales and contracts	**17 213 786**	16 304 585
Investment income	**1 539 761**	1 440 595
Technology transfer agreements	**331 997**	-
Rent and other revenues	**755 465**	462 028
Royalties	**633 558**	400 538
Members' contributions	**54 000**	91 000
	$ 46 115 806	$ 42 847 813

	2025	2024
EXPENSES		
Salaries and fringe benefits	**$ 24 390 422**	$ 28 084 565
Cost of goods and services pertaining to project completion	**4 676 103**	5 881 946
Other operating expenses	**9 983 180**	10 471 889
Foreign exchange (gain) loss	**(52 867)**	127 283
Interest on debt repayable on demand	**51 079**	84 380
Interest and bank charges	**26 850**	63 516
Depreciation of tangible capital assets	**3 446 340**	3 266 670
Amortization of intangible assets	**132 551**	155 052
	42 653 658	48 135 301
OTHER EXPENSE		
Long-term decline in value on investments in private companies	**-**	(492 212)
Excess (deficit) of revenues over expenses	**$ 3 462 148**	$ (5 779 700)

See accompanying notes to summary financial statements.

SUMMARY STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Net assets, beginning of year	**$ 15 903 287**	$ 16 582 987
Excess (deficit) of revenues over expenses	**3 462 148**	(5 779 700)
	19 365 435	10 803 287
Remeasurements and other items (note 3)	**918 800**	5 100 000
Net assets, end of year	**$ 20 284 235**	$ 15 903 287

See accompanying notes to summary financial statements.

SUMMARY STATEMENT OF CASH FLOWS

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating:		
Excess (deficit) of revenues over expenses	**$ 3 462 148**	$ (5 779 700)
Items not involving cash:		
Depreciation of tangible capital assets	**3 446 340**	3 266 670
Amortization of intangible assets	**132 551**	155 052
Amortization of premiums and discounts on coupons and bonds	**(108 534)**	(77 587)
Adjustment related to employee future benefits	**267 115**	498 500
Financial support related to tangible capital assets and intangible assets (note 2(b))	**(2 524 159)**	(2 619 280)
Deferred financial support recognized in revenues (note 2(a))	**(12 000 000)**	(9 540 755)
Long-term decline in value on investments in private companies	**-**	492 212
Changes in non-cash working capital items	**(2 006 993)**	(155 781)
	$ (9 331 532)	$ (13 760 669)

	2025	2024
Financing		
Net change in bank loans	**$ 1 145 436**	$ (250 975)
Repayment of debt repayable on demand	**(408 469)**	(521 133)
Financial support used (note 2(b))	**1 784 836**	2 744 370
	$ 2 521 803	$ 1 972 262
Investing		
Acquisitions of tangible capital assets	**(3 459 963)**	(2 823 792)
Acquisition of investment in a private corporation	**(1)**	-
Acquisition of investments	**(3 560 444)**	(14 373 905)
Disposal of investments	**29 129 172**	29 794 455
	22 108 764	12 596 758
Net increase in cash and cash equivalents	**15 299 035**	808 351
Cash and cash equivalents, beginning of year	**7 611 425**	6 803 074
Cash and cash equivalents, end of year	**$ 22 910 460**	$ 7 611 425

See accompanying notes to summary financial statements.

NOTES TO SUMMARY FINANCIAL STATEMENTS

Year ended March 31, 2025

The National Optics Institute ("INO") was incorporated on December 31, 1985 under Part II of the Canada Business Corporations Act and continued on September 11, 2013 under the Canada Not-for-profit Corporations Act. Its mandate is to bring to life innovations that enable the Canadian industry to be more productive and competitive.

As a non-profit organization, INO is exempt from income tax.

1. Basis for presentation

INO elected to prepare the summary financial statements based on the following criteria:

a) Presentation of a set of financial statements which includes a summary financial position, a summary statement of operations, a summary statement of changes in net assets, and a summary statement of cash flows;

b) Use of the same presentation for the summary financial statements as for the audited financial statements, except for cross-references to notes disclosures;

c) Exclusion of notes to financial statements, unless their omission would prevent the financial statements users from having a clear understanding of economic resources and obligations at a period-end or their evolution during the period then ended.

INO's complete set of financial statements are available upon request from management.

2. Financial support

a) Financial support - internal research program

The financial support that INO receives as part of the internal research program is as follows :

	2025		
	Total support	Remaining support balance available as at March 31, 2025	Revenues
Government of Canada Canada Economic Development	$ 50 000 000	$ 7 940 755	$ 10 000 000
Government of Québec	55 000 000	13 959 245	12 000 000
Financial support - internal Research program	$ 105 000 000	$ 21 900 000	$ 22 000 000

	2024		
	Total support	Remaining support balance available as at March 31, 2024	Revenues
Government of Canada Canada Economic Development	$ 50 000 000	$ 17 940 755	$ 11 159 245
Government of Québec	55 000 000	25 959 245	9 540 755
Financial support - internal Research program	$ 105 000 000	$ 43 900 000	$ 20 700 000

i) Government of Canada

In July 2021, the Government of Canada, through the Business and Regional Growth Program of Canada Economic Development, granted INO financial support of up to $50,000,000 over five-year period ending on March 31, 2026 for INO's internal research program. As of March 31, 2024 and 2025, the receivable amount is nil.

ii) Government of Québec

In March 2021, the Government of Québec granted INO financial support in an amount of $55,000,000 for the period from April 1, 2021 to March 31, 2026 for INO's internal research program This financial support had been received in full as at March 31, 2021 and an amount of $12,000,000 was used during the year ended March 31, 2025 (2024 - $9,540,755).

NOTES TO SUMMARY FINANCIAL STATEMENTS (CONTINUED)

Year ended March 31, 2025

2. Financial support (continued)

a) Financial support - Internal Research Program (continued)

Deferred financial support under the internal research program is as follows:

		2025		2024
Balance, beginning of year	**$**	**25 959 245**	$	35 500 000
Amount recognized in revenues during the year		**(12 000 000)**		(9 540 755)
		13 959 245		25 959 245
Less: current portion		**13 959 245**		12 000 000
Balance, end of year	**$**	**-**	$	13 959 245

b) Support program related to tangible capital assets and intangible assets

i) In March 2021, the Government of Québec granted INO financial support of up to $20,000,000 for the period from April 1, 2021 to March 31, 2026 to reimburse INO directly for 80% of the cost of major work on the building. Financial support had been received in full as at March 31, 2021, and an amount of $931,201 was used during the year ended March 31, 2025 (2024 - $105,286).

ii) In April 2022, the Government of Canada granted INO financial support of up to $5,000,000 to reimburse INO directly for 40% of the acquisition cost of research equipment and 80% of the acquisition cost of information technology equipment. Financial support is paid as costs are incurred and invoiced. As at March 31, 2025, an amount of $137,806 is receivable (2024 - $78,773).

iii) In February 2023, the Government of Québec granted INO financial support of up to $985,061 to reimburse INO directly for 40% of the acquisition cost of research equipment. Financial support is paid as disbursements are made by INO. As at March 31, 2025, an amount of $197,017 is receivable (2024 - $275,192 received in advance).

		2025		2024
Balance, beginning of year	**$**	**36 985 349**	$	36 860 259
Financial support related to the purchase of tangible capital assets and intangible assets for the year		**1 784 836**		2 744 370
Transfer to revenues to offset the corresponding depreciation and amortization		**(2 524 159)**		(2 619 280)
Balance, end of year	**$**	**36 246 026**	$	36 985 349

c) Financial support related to the entrepreneurship assistance program

i) In January 2020, the Government of Québec granted INO financial support of $375,000 for a three-year period ending March 31, 2023 to support assistance activities for start-up entities. As at March 31, 2025, the payable amount is nil (2024 - $122,144).

ii) In March 2023, the Government of Québec granted INO financial support of $500,000 for a three-year period ending March 31, 2026 to support assistance activities for start-up entities. As at March 31, 2025, an amount of $300,548 had been received in advance (2024 - $248,544).

iii) In March 2023, the Government of Québec granted INO financial support of $1,500,000 for a three-year period ending March 31, 2026 to support assistance activities for start-up entities. As at March 31, 2025, an amount of $342,376 had been received in advance (2024 - $468,059).

NOTES TO SUMMARY FINANCIAL STATEMENTS (CONTINUED)

Year ended March 31, 2025

2. Financial support (continued)

c) Financial support related to the entrepreneurship assistance program (continued)

iv) In September 2023, the Government of Canada granted INO financial support of $1,235,000 for the period from November 1, 2023 to March 31, 2026 to support assistance activities for start up entities. As at March 31, 2025, an amount of $239,762 is receivable (2024 - $43,971 received in advance).

v) In September 2023, the City of Québec granted INO financial support up to $3,000,000 for the period from April 1, 2023 to December 31, 2026 in order to continue an incubator deployment. As at March 31, 2025, the receivable amount is $91,661 (2024 - $493,511).

d) Financial assistance relating to the support program for research-innovation projects

i) In March 2023, the Government of Québec granted INO financial support of $400,000 for the period from April 1, 2022 to March 31, 2024 to support the completion of an industrial research program in quantum photonics. As at March 31, 2025, the receivable amount is $40,000 (2024 - $200,000).

3. Employee future benefits

INO offers employee future benefit plans, including a defined benefit plan guaranteeing the payment of pension benefits to some of its employees. The benefits are based on years of service and final average salary.

a) Defined benefit pension plan

The most recent complete actuarial valuation of the pension plan was performed on December 31, 2022 and was extrapolated as at March 31, 2025. The funded status of the defined benefit plans is as follows:

		2025		2024
Defined benefits obligations	**$**	**(59 122 600)**	$	(57 921 000)
Fair value of plan assets		**54 802 000**		52 946 400
Defined benefit liability	**$**	**(4 320 600)**	$	(4 974 600)

b) Other employee future benefits:

The decrease in the provision relating to these obligations had no effect in salaries and fringe benefit expenses for the current and previous financial years

As at March 31, 2025, the employee future benefits obligations were as follows:

		2025		2024
Defined benefit pension plan	**$**	**4 320 600**	$	4 974 600
Other employee future benefits		**109 300**		106 985
	$	**4 429 900**	$	5 081 585

Remeasurements and other items of $918,800 (2024 - $5,100,000) have been allocated directly to net assets.

4. Commitments

INO is committed under a lease agreement expiring in June 2027 to rent office spaces. INO has also committed, under a service contract expiring in January 2028, to receive cybersecurity services. In addition, INO has agreed to use the services of two service companies to proceed with the integration of new enterprise resource planning and product life cycle management software. The minimum payments required over the next three years are as follows:

2026	**$**	**408 055**
2027		**388 853**
2028		**315 684**