

2025.26

Annual Report

INO

INO and CRIM Become Luqia

Note to the 2025–2026 Annual Report

Although INO adopted the corporate name Luqia Technologies at the very end of the 2025–2026 fiscal year, this annual report is published under the INO name. It therefore covers only the activities carried out by Luqia's Québec City office. The full integration of the CRIM and INO's activities into Luqia began on April 1, 2026.



During the year, the *Institut national d'optique (INO)* and the *Centre de recherche informatique de Montréal (CRIM)* announced their merger to create Luqia, an industrial innovation laboratory specializing in artificial intelligence and advanced photonics. Luqia brings together more than 250 multidisciplinary experts and is supported by state-of-the-art facilities in Québec City, Montréal and Hamilton. Operating at the intersection of research and industry, its team accelerates the journey from ideas to industrialization by helping businesses design, develop and commercialize critical technologies.



"We must prepare our industrial sectors for the reality of tomorrow, shaped by the rapid convergence of artificial intelligence, photonics and quantum technologies. Economies that develop and master critical technologies locally will gain a decisive advantage in a global environment characterized by the reconfiguration of value chains and increasing competition."

— Alain Chandonnet, President and CEO (as at March 31, 2026)

"We have made the collective choice to strengthen our sovereign capabilities in critical technologies. We are equipping ourselves to develop world-class expertise, infrastructure and strategic partnerships here at home, enabling us to accelerate innovation and reinforce our technological autonomy in sectors that will shape our collective future."

— François Labonté, Interim President and CEO (since June 12, 2026)



Our Mission

Transform R&D into value for our clients, innovation into impact, and ambitions into success.

Our Vision

To be the organization that elevates the innovation ecosystem by transforming R&D into value, in order to propel ambitious companies toward sustainable competitiveness.

Our Values

Listen to Better Understand

Because every breakthrough begins with clarity, we listen to identify the real challenge, untangle complexity, and chart pathways that reduce risk and enable the achievement of targeted performance outcomes.

Lead by Example

Leadership is demonstrated before it is declared. We guide with integrity and high standards, even when no one is watching, fostering a climate of trust that supports collective excellence.

Commit with Pragmatism

Ambition creates value only when it is realized. We set high expectations while remaining grounded and realistic, transforming every challenge into a tangible and sustainable success.

INO's activities are made possible through the sustained collaboration of its partners.



Développement
économique Canada
pour les régions du Québec

Québec

capitale
affaires

Service du développement
économique de la Ville de Québec



Table of Contents

Tribute to Jacques Topping..... 05

Messages from the Executive 06

Message from the Chairman of the Board 07

Message from the President and Chief Executive Officer..... 09

INO at a Glance..... 11

Achievements..... 17

Review of Technological Activities 18

Selected Achievements 21

Quantino..... 24

The Organization 27

Grow Professionally at INO 28

At the Heart of the Community..... 29

Board of Directors..... 32

Management Team..... 33

Members..... 34

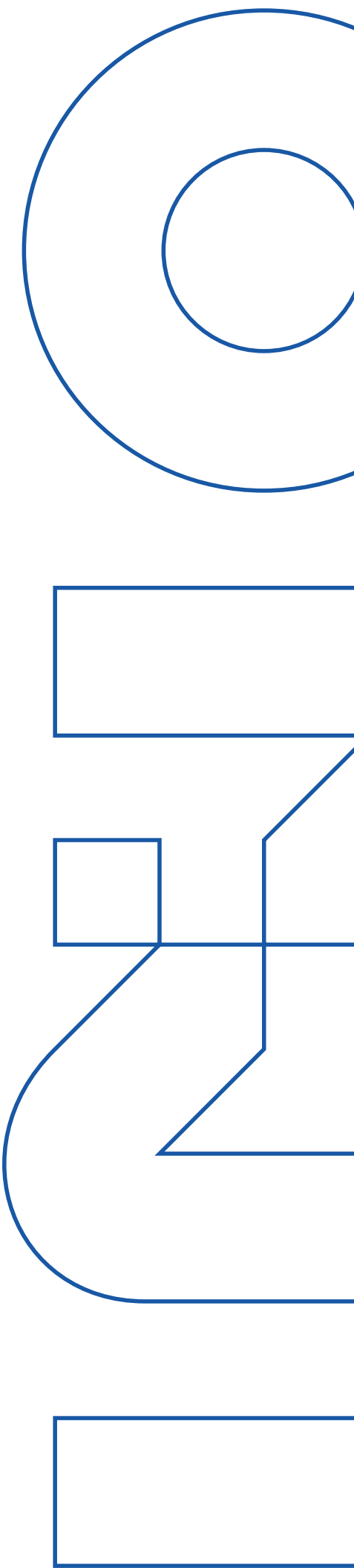
Sectorial Advisory Committees 35

Associate Researchers..... 36

Spin-off Companies 37

Technology Transfers..... 38

Financial Statements..... 40



Tribute to Mr. Jacques Topping

A Leader Driven by Vision and Commitment

After nearly three decades of dedicated service to the organization, Jacques Topping concluded his tenure on INO's Board of Directors this year. A co-founder of Groupe Informission, which later became Nurun, he served on the Board for 28 years, including seven as Chairman. Throughout his tenure, he played a key role in advancing technological innovation in Québec and Canada and in positioning the organization as a leading player in the industry.

Beyond his commitment to the organization, Jacques Topping distinguished himself through his unwavering support for the next generation of technology entrepreneurs, serving as a mentor, philanthropist and investor. He believed in ideas before they became companies, and in entrepreneurs before they became industry leaders. That confidence helped foster the emergence of a new generation of innovators.

Jacques Topping has left a lasting mark on Québec's technology ecosystem through his vision, generosity and leadership. His legacy is reflected not only in his remarkable career, but also in his commitment to organizations within the innovation ecosystem and in the entrepreneurial journeys of the many individuals he inspired.

INO sincerely thanks Jacques Topping for his longstanding commitment and the enduring legacy he leaves within the organization and across Québec's innovation ecosystem.



Messages from the Executive

Message from the Chairman of the Board

A New Chapter for Industrial Innovation

The Quebec and Canadian innovation ecosystems, long recognized for their scientific excellence, are now shifting into industrial gear. In this context, INO and the Computer Research Institute of Montréal (CRIM) have come together to form Luqia, the largest industrial innovation laboratory in artificial intelligence and advanced photonics in Canada. As a result, technology development centres are gaining greater prominence; their economic contribution is now widely recognized, and innovative companies across the country will be among the first to benefit from it.

For nearly 40 years, INO and CRIM—along with other organizations with similar mandates—have played a role that is sometimes overlooked, yet essential: transforming scientific discoveries into tangible innovations and industry-adopted products. In doing so, they have become powerful drivers of economic development, serving companies of all sizes as well as public decision-makers.

Widely established in the world's most innovative economies, these organizations—often referred to as Research and Technology Organizations (RTOs) in Europe—have repeatedly demonstrated their value. Numerous international studies estimate that every public dollar invested in applied research and industrial innovation generates between seven and ten dollars in economic benefits for businesses and the broader economy.

The creation and support of such organizations therefore represent a strong commitment by the Government of Quebec to fully recognize their unique role at the intersection of academia and industry, within a rich ecosystem of innovation and business support.



Reducing technological risk for businesses and accelerating the commercialization of innovations that generate socioeconomic benefits is also the most cost-effective way to conduct R&D for the economy—an imperative in today's global environment. And this is precisely where Luqia excels.

Innovation Driven by Global Challenges

Recent developments involving semiconductors, defense, artificial intelligence, and critical minerals demonstrate that industrial innovation has become a geopolitical issue. This is yet another reason why Luqia is more relevant than ever—and this is only the beginning.

We should dare to envision a future in which many other similar laboratories—like those found in Germany, South Korea, and Japan—join this movement, contributing to Canada's technological sovereignty. The productivity gains resulting from their work could become one of the primary drivers of improved living standards for the population.

From a purely technological perspective, the creation of Luqia is equally promising. The expertise that INO and CRIM had already developed holds tremendous potential for application across a wide range of industrial sectors, paving the way for significant impact. Combined, these complementary capabilities will transform key industries such as healthcare, manufacturing, defense, aerospace, and agri-food, while laying the groundwork for future innovations in quantum technologies and integrated photonics.

New Appointments and Departures on the Board of Directors

For more than two years, a committee composed of board members and executives from both INO and CRIM worked to establish the foundations of what would become Canada's largest industrial innovation laboratory in artificial intelligence and advanced photonics.

As part of this transition, at the Annual General Meeting held on September 24, 2025, the Board welcomed two directors from CRIM: Mr. Daniel Granger, President of ACJ Communication, and Ms. Josée Lanoue, President and Chief Executive Officer of Tecksoft.

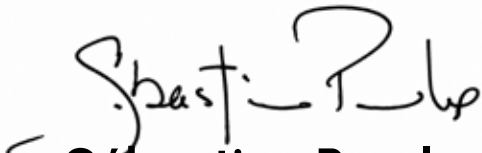
They succeeded Mr. Jacques Topping, who had served as a director since 1999 and as Chairman of the Board for seven years, as well as Ms. Hélène Chartier, who stepped down during the fiscal year to join the Board of Directors of *Santé Québec*.

Thank You to the Team

Today's world needs Luqia. And Luqia will meet the expectations placed upon it thanks to a team driven to shape a new era defined by ambition and achievement.

My sincere thanks go to all those who, over the past four decades, have contributed to the growth and evolution of INO and CRIM. The individual accomplishments of both organizations—remarkable from both a technological and socioeconomic standpoint—together with the strength of the unified team now in place, provide a solid foundation for approaching Luqia's future with great optimism.

The journey begins now. And the chapter ahead promises to be one of the most inspiring yet.



Sébastien Proulx, Lawyer, Partner | GBV Lawyers
Chairman of the Board



Message from the President and Chief Executive Officer

Investing in Critical Technologies to Secure the Future of our Industries

At the beginning of 2025, the *Conseil de l'innovation du Québec*, in its report *Towards an Innovative Quebec*, recommended, among other measures, the development of innovation laboratories in strategic sectors. At the same time, INO and a long-standing partner, the *Centre de recherche informatique de Montréal (CRIM)*, were already taking action! As a result, fiscal year 2025–2026 was marked by one of the most significant transformations in the nearly 40-year history of the *Institut national d'optique*. By the end of the fiscal year, the organization had become Luqia, the largest industrial innovation laboratory in artificial intelligence and advanced photonics in Canada. Created through the merger of two leading Quebec organizations, INO and CRIM, effective April 1, 2026, Luqia has a clear ambition: to develop and industrialize critical technologies in artificial intelligence, advanced photonics, and quantum technologies here in Canada in order to accelerate the growth and competitiveness of Quebec and Canadian businesses.

This represents a major transformation for the organization and, more broadly, for the entire innovation ecosystem. By creating a powerhouse in advanced photonics and artificial intelligence—two closely interconnected fields—stakeholders across all Canadian industrial sectors, from startups to large enterprises, will be able to move more quickly from ideation to industrialization, increasing Quebec's prosperity and generating significant socioeconomic benefits through technological development.

In an international context marked by trade disputes, economic slowdown, and, in Canada, a structural productivity gap, it is essential to equip businesses with the tools to produce better, measure better, leverage data more effectively, automate more efficiently, and make better decisions. That is precisely what Luqia delivers: expertise and services that help bridge the gap between ideas and impact, between discovery and markets.

Support from the Federal and Provincial Governments

The launch of Luqia was accompanied by substantial public-sector investments aimed at enabling the organization to help more businesses transform promising inventions into practical, reliable, and market-ready solutions in strategic sectors such as manufacturing, healthcare, aerospace, and defense.

In total, government funding announced at the end of the fiscal year exceeded \$193M, confirming strong and coordinated support for

establishing Luqia as a key player in industrial innovation in Canada. Of this amount, \$90M will be dedicated to expanding and enhancing the Québec City facilities, including the addition of 1,000 square metres of specialized laboratory space and upgrades to electromechanical and architectural systems.

Investments in the Defense Sector

While trade disputes have dominated international headlines, geopolitical tensions have unfortunately led to armed conflicts in several regions, including the Middle East, South America, and Eastern Europe. These developments have increased economic uncertainty, disrupted supply chains, and reinforced the importance of protecting Canada's technological sovereignty and national security.

In a rapidly changing world, those who succeed are those who develop and master critical technologies locally. Luqia is part of this ambition: building a strong Quebec and Canada that can efficiently transform research into industrial impact.

The increase in federal defense investments—an area in which INO has long been active—also creates promising opportunities, both in defense and in dual-use technologies. Discussions are currently underway regarding dedicated funding to address public priorities such as Arctic protection, the modernization of the Canadian Armed Forces, and contributions to international security.

An Outstanding Year for Business Development

The Business Development team achieved outstanding results, securing nearly \$23M in external contracts, making it the second-best performance of the past decade.

From a financial perspective, INO recorded a modest operating deficit of \$3.2M (following a budget surplus of \$3.5M in the previous year). However, thanks to the order backlog reported as of March 31, 2026, the outlook for fiscal year 2026–2027 is highly encouraging and is expected to support Luqia's long-term financial strength and stability.

The First Operating Year of Luqia Begins

The year ahead, marked by the formal integration of INO and CRIM on April 1, 2026, will inevitably be a year of transition. The team is now entering a defining phase: bringing Luqia to life every day.

This presents an extraordinary opportunity for our employees, together with our many partners and clients, to build an industrial catalyst that will play a pivotal role in the success of Canadian businesses, economic growth, and technological sovereignty.

A new chapter begins!



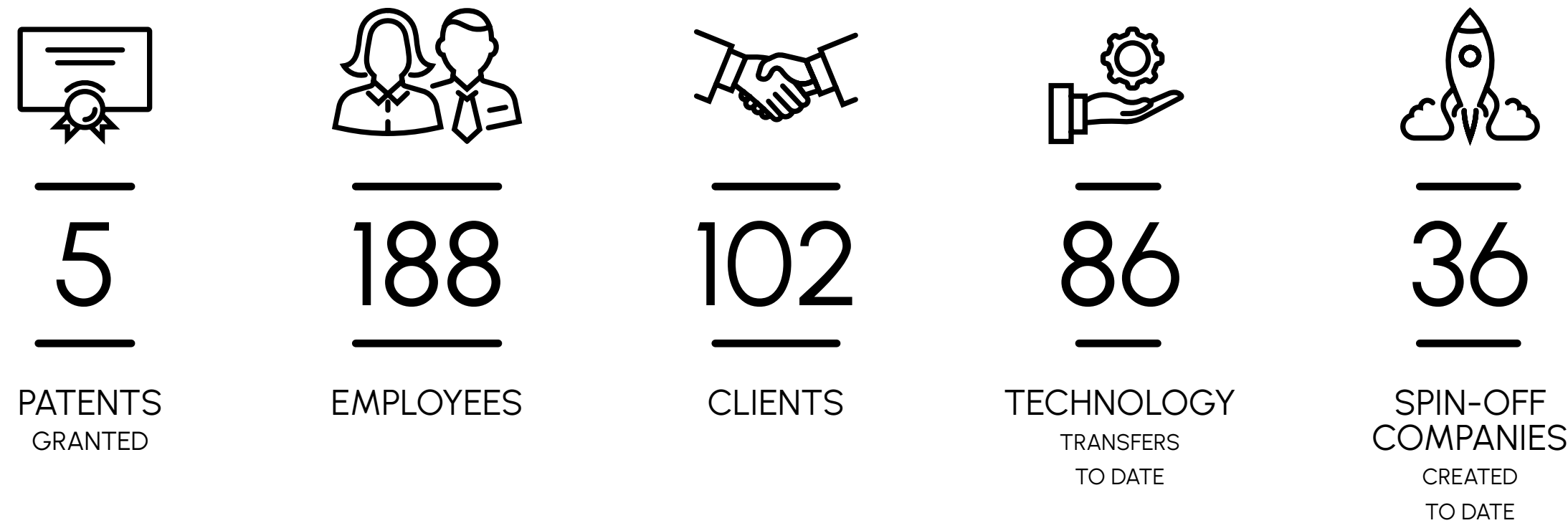
Alain Chandonnet, Ph.D.

President and Chief Executive Officer (as at March 31, 2026)

At a Glance

2025.26 at a Glance*

As Canada’s leading industrial optics and photonics expertise centre, INO had been developing customized solutions since 1988 to address the needs of Québec and Canadian companies across a wide range of industries. Now merged with CRIM under Luqia, the organization offers a unique combination of research and development expertise and advanced pre-commercial prototyping capabilities. This enables the transformation of breakthroughs in artificial intelligence and photonics into market-ready products, generating significant socioeconomic benefits for businesses in Quebec and across Canada, while also contributing to national security.

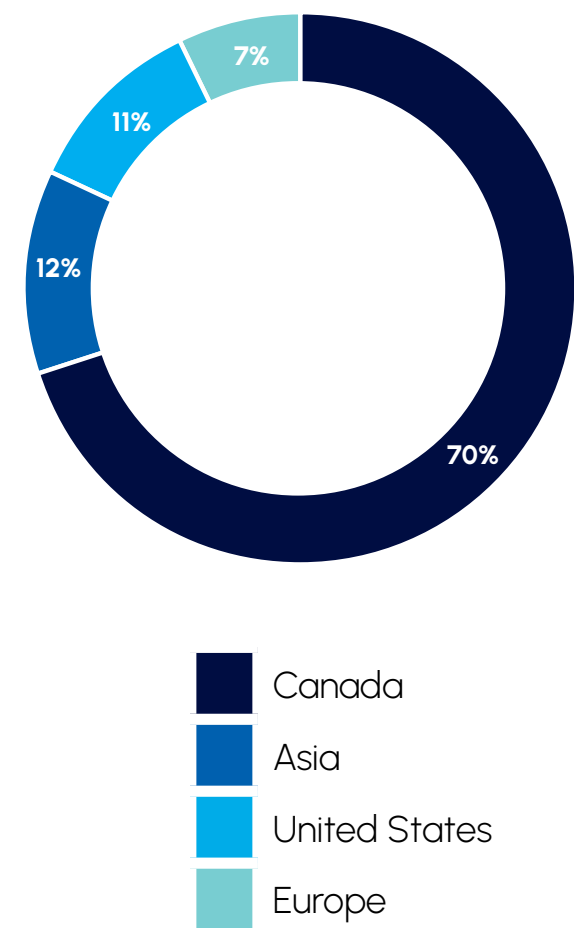


* As of March 31, 2026, prior to the merger with the Centre de recherche informatique de Montréal (CRIM).

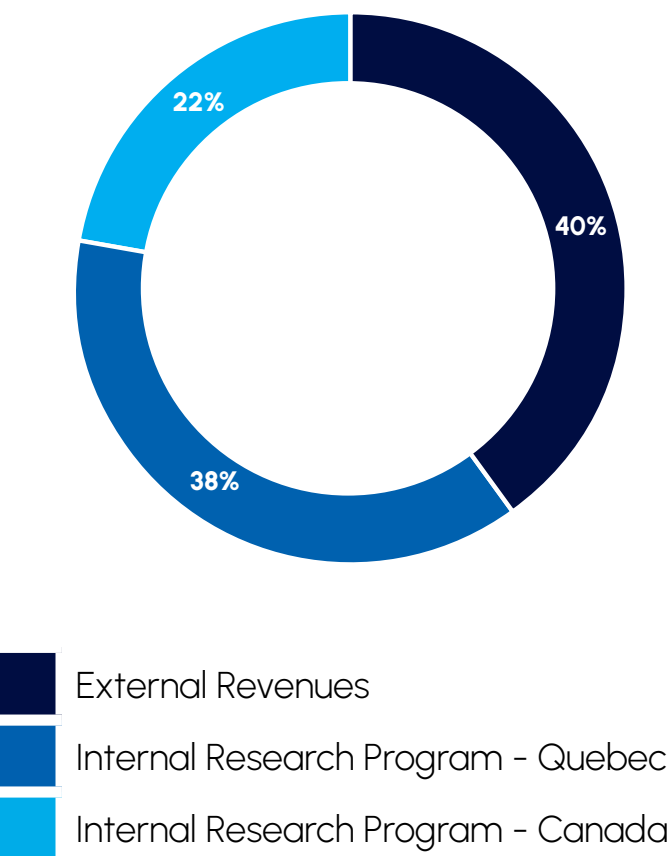
5 business units

-  Biomedtech
-  Defense
-  Space
-  Manufacturing, Industrial and Datacom
-  Industrialized Solutions

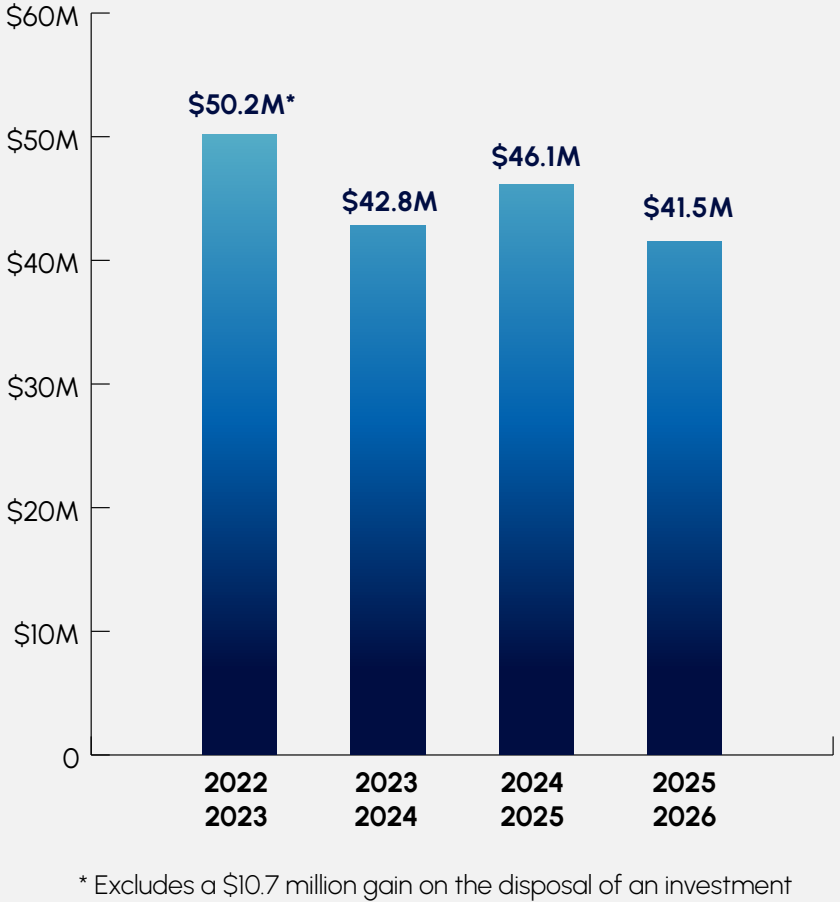
Client Breakdown by Country-Continent



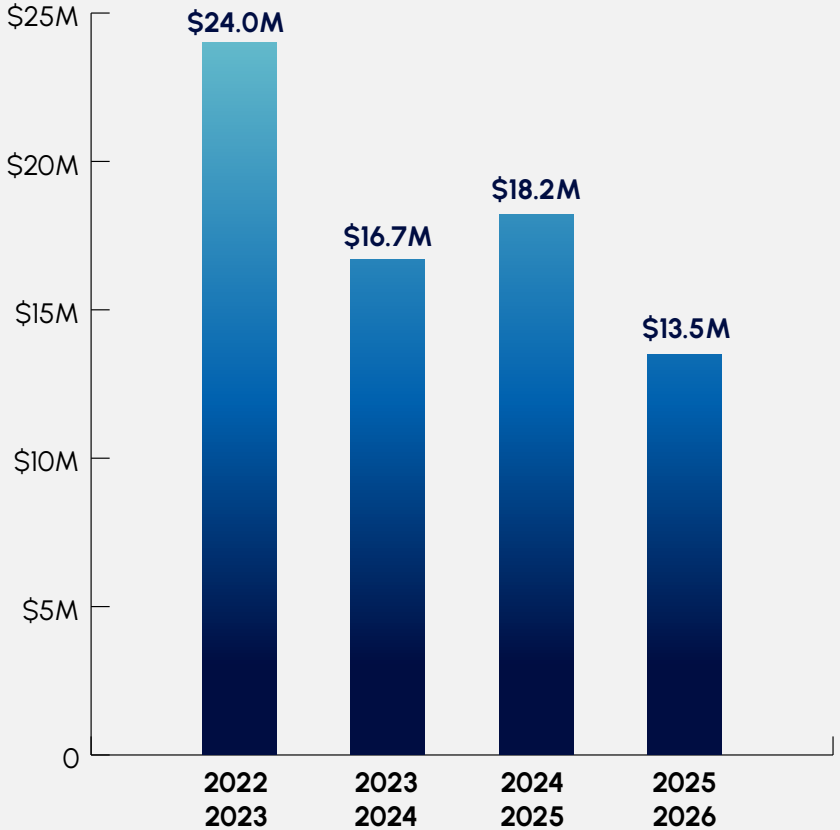
Distribution of Operating Revenues



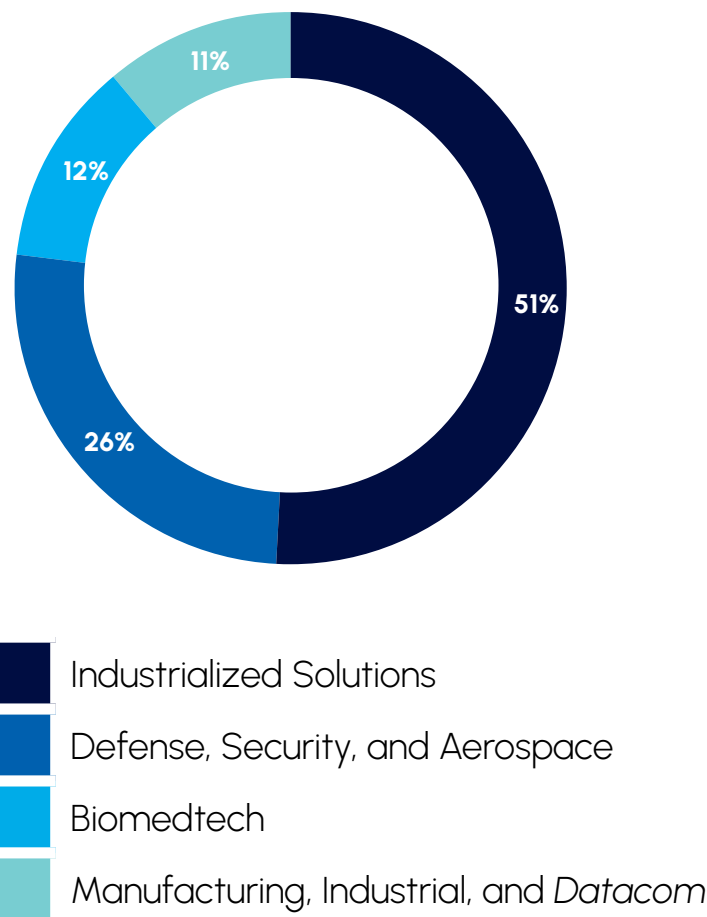
Changes in Total Earnings



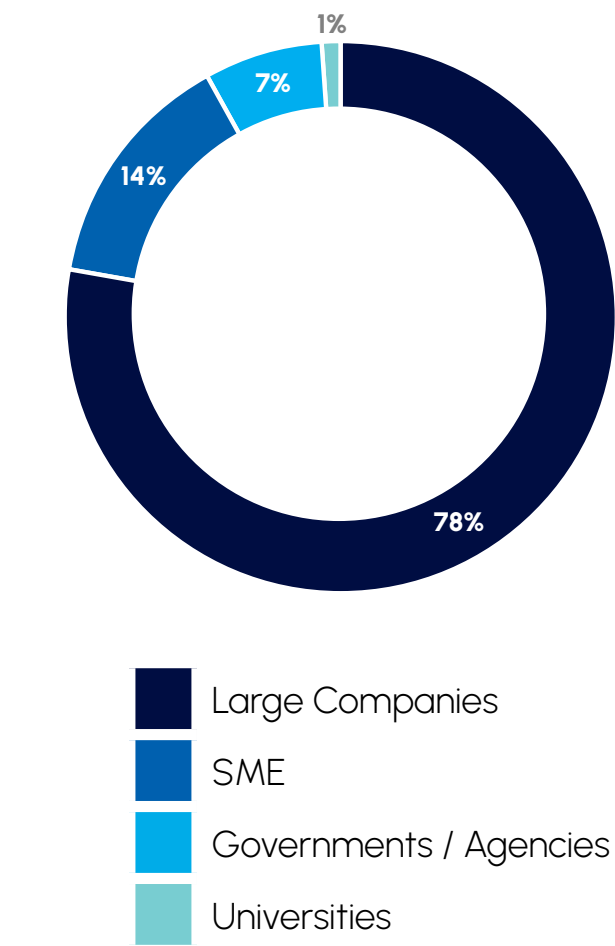
Changes in External Revenues



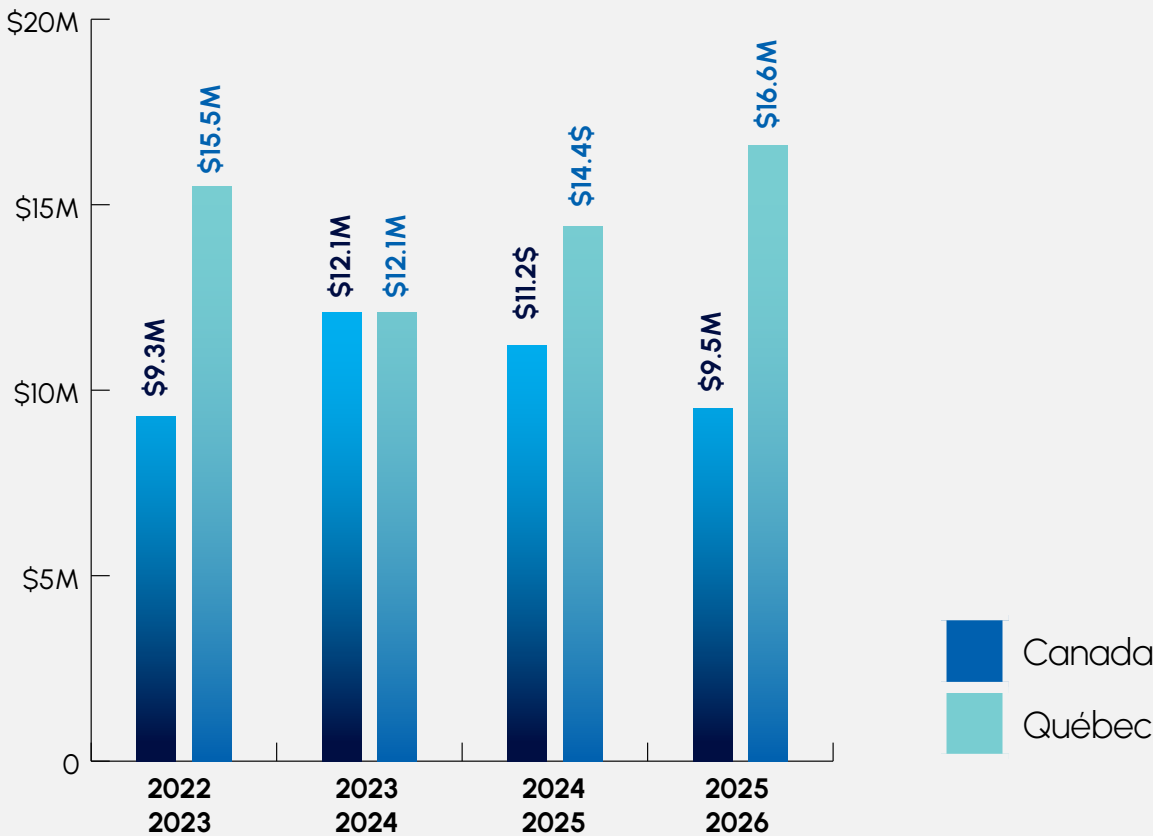
Distribution of Revenues by Business Unit



Distribution of Revenues by Client Category



Changes in Government Funding





A Quebec Perspective on Earth Observation

On June 21, 2025, next-generation infrared detectors entirely designed and manufactured by INO were launched into space aboard a SpaceX mission. These state-of-the-art instruments were integrated into the EarthDaily multispectral satellite constellation, an innovative Canadian initiative dedicated to Earth observation.

Thanks to their high-performance capabilities, the detectors provide high-value data essential for a wide range of applications, including environmental monitoring, natural disaster management, precision agriculture, and natural resource surveillance.

This successful launch marked a major milestone for Canadian space technology and once again demonstrated INO's excellence in optical innovation and advanced photonics.



Kirq A New Quantum Test Bench

In early 2026, INO welcomed the Kirq quantum communication testbed—a facility inaugurated by Numana, a nonprofit organization that acts as a technology macro-accelerator.

Equipped with a site connected to Laval University's Center for Optics, Photonics, and Lasers, as well as to the Sherbrooke and Montreal branches, this facility now provides businesses and organizations in the Quebec City region with access to a unique environment for testing systems and applications based on quantum communication technologies.

The testbed aims to accelerate the development, validation, and integration of solutions offering an unprecedented level of security and reliability, with tangible benefits in sectors such as healthcare, defense, banking, and telecommunications.

In particular, the organization is leveraging its expertise in quantum photonics to support the development of new approaches related to the interconnection of quantum networks and next-generation communication technologies.

Open to companies, research centers, and academic institutions, the Kirq testbed helps strengthen Quebec's quantum innovation ecosystem and position Quebec among the leaders in the field.



INO

Integrated Photonics Program

In October 2025, INO launched its integrated photonics program, a strategic initiative aimed at establishing local capabilities for the prototyping and manufacturing of integrated photonic circuits based on thin-film lithium niobate (TFLN), a cutting-edge technology at the heart of the next optical revolution.

The program comprises of more than four projects, some of which focus on manufacturing, process development, testing, and packaging. Several external partners are also participating in the initiative, including Aeponyx, C2MI, and EXFO. INO aims to help position Canada among the world leaders in integrated photonics, a key sector for telecommunications and quantum computing. This ambitious project draws on INO's

recognized expertise and a network of industrial and academic stakeholders committed to accelerating photonic innovation. The integrated photonics program is part of Luqia's commitment to transforming research into tangible innovations, supporting Canadian technological sovereignty, and opening up new opportunities for companies and researchers working in photonics.



INO

Strong Interest in a New Laser

In early 2026, INO participated in SPIE Photonics West, one of the largest international events dedicated to photonics, lasers, and optical technologies. At the event, the company launched the LaserNGN-40mini, the latest addition to the *LaserNGN* product family.

Unveiled for the first time at the event, this new compact module sparked keen interest among visitors and led to numerous discussions with industry and research stakeholders. INO also made a name for itself at the LASE international conference, where its team presented research focused on improving the performance of advanced optical fibers.

These participations are part of Luqia's commitment to positioning itself among the key players in photonics innovation and strengthening its presence within the international technology ecosystem.



Quantino

Transforming Spaces

On January 15, Quantino, the incubator powered by Luqia, inaugurated its new facilities in Québec City, marking an important milestone in expanding its capacity. These new spaces will increase the number of workstations dedicated to tech startups from 48 to 84.

The new spaces have also enhanced the incubator's technological offerings through the addition of specialized infrastructure, including a photonic chip testing station and a pre-certification laboratory. The inauguration also served as an opportunity to recognize Mr. Jacques Topping's remarkable contribution to the technology entrepreneurship ecosystem. In tribute to his commitment to innovation and the next generation of entrepreneurs, the Quantino lobby is now named the Jacques-Topping Atrium.



Achievements

Review of Technological Activities

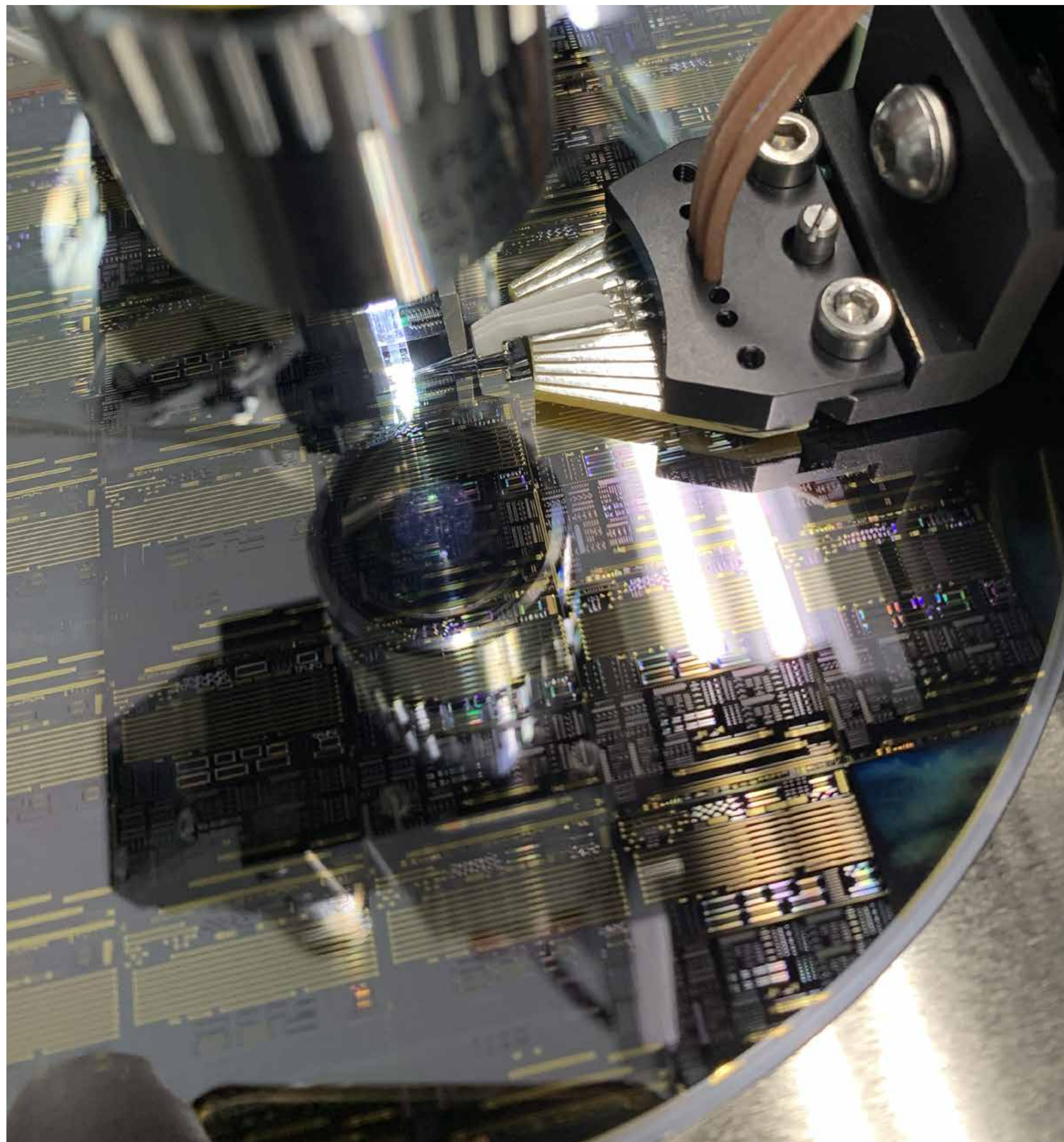
The 2025–2026 fiscal year marks a major strategic transition for INO: it concludes the 2021–2026 five-year plan and paves the way for the integration of Luqia, which resulted from the merger with the Montreal Computer Science Research Center. The report highlights an organization that is transforming its photonic assets into platforms that are more industrially scalable, better equipped, and ready to leverage artificial intelligence. Despite a decline in external contract revenue to \$13.5M in 2025-2026, commercial performance remains strong: orders reached \$22.7M, representing 115.2% of the annual target and more than double the previous year's figure, with an order backlog of approximately \$12M at the start of 2026-2027 and a pipeline of \$96M.



From a technological standpoint, the year was marked by the consolidation of high-potential assets in the fields of space-based infrared imaging, bolometers, industrial terahertz technology, thin-film lithium niobate (TFLN) integrated photonics, and the first foundational use cases in applied AI. The underlying logic is clear: reduce manufacturing risks, improve yield, accelerate testing, prepare for technology transfer, and create solutions that are more easily adopted by industrial partners.

In the defense, security, and aerospace sectors, the results confirm the relevance of the space imaging offering. The HDISCC 2.0 camera core has reached a major milestone with a minimum viable product that has been designed, manufactured, and tested. INO's MLWIR imagers are now being used in operational missions: the first two units were launched into orbit by EarthDaily Analytics in 2025, and additional units are planned for 2026. Development efforts have enhanced the reliability of the space-based detector, notably through changes to materials, routing, and assembly that reduce mechanical stress and radiometric error. At the same time, INO has made a significant contribution to the QKDSat mission (quantum key distribution via satellite) with a polarized quantum beam combiner whose beam superposition performance exceeds the target.

The bolometric technology line has progressed toward more robust industrialization. Process improvements have increased the manufacturing yield of 1024×768 Jaumann wafers to 86%. The development of vacuum housings, bonding processes, and low-temperature soldering has been validated on more than 50 assemblies that meet pressure requirements after aging. The Aryon camera family has been finalized and transferred to production, complete with software, API, GigE Vision compatibility, documentation, CE certification, and variants for HAPS aerospace applications. Test setups have also been improved, particularly for NETD, radiometric, MTF, and crosstalk measurements.



The shift toward advanced non-destructive testing is yielding tangible results. An in-line THz inspection solution has been developed around an Aryon512-THz camera, lenses, a 320 GHz illuminator, and a PASS/FAIL decision module. Image processing studies confirm the value of industrial software platforms for accelerating integration with partners and reducing development risk. AI-based THz classification of polymers has achieved an accuracy of $95 \pm 1.9\%$, supporting the technology's potential for material identification and defect detection. Furthermore, the partnership with Technologies Oraventis has been strengthened through Sentinelle-LiDAR, with the production of prototypes and a database of more than 330,000 LiDAR maps collected in real-world port environments.

Integrated photonics on TFLN is one of the most fundamental pillars of the portfolio. The installation of the SCIA Mill 200 / CAIBE and the development of etching processes enable etching angles greater than 75 degrees, good uniformity, and a capacity that is unique in Canada. The ÉTOFFE program continues the implementation of a TFLN PDK and an initial multi-project manufacturing effort involving Ciena, EXFO, and INO. The OPAL-EC station paves the way for automated optical and electro-optical testing on 200-mm wafers, with a very significant expected gain compared to semi-automated testing. The Tiffany project completes the ecosystem with a modular packaging concept that supports optical connections and up to 80 electrical connections.

Finally, the integration of AI is becoming a cross-cutting driver. Phaéton is developing AI-assisted optical fiber design; McGenia/Biofabrication is demonstrating promising performance with deep learning models; and Beaulot is organizing historical microfabrication data to better understand yield factors. This work shows that Luqia's value will lie in the seamless integration of photonic sensors, reliable data, explainable models, automated test loops, and industrial transfer.

In summary, 2025–2026 is not just a year of technical achievements: it is a year of industrially streamlining the portfolio. The most advanced assets are moving from the demonstration phase to production, critical platforms are maturing, and the foundations for AI and photonics are being laid to accelerate Luqia's next phase of technological and commercial growth.



The development of new approaches to diabetes monitoring requires bringing together highly specialized scientific, photonic, and technological expertise. Our ongoing work with Luqia enables us to continue advancing our technology and exploring its potential."

— **Rachael McPhilips**

Technical Director
Carbometrics

CARBOMETRICS

A New Light on Diabetes Monitoring

Worldwide, diabetes is a growing challenge for individuals and their families, while also placing significant pressure and costs on healthcare systems. According to the International Diabetes Federation, one in nine adults is living with the condition, and more than four in ten people affected are unaware they have it. In this context, early diagnosis and appropriate care are essential to preventing or delaying complications.

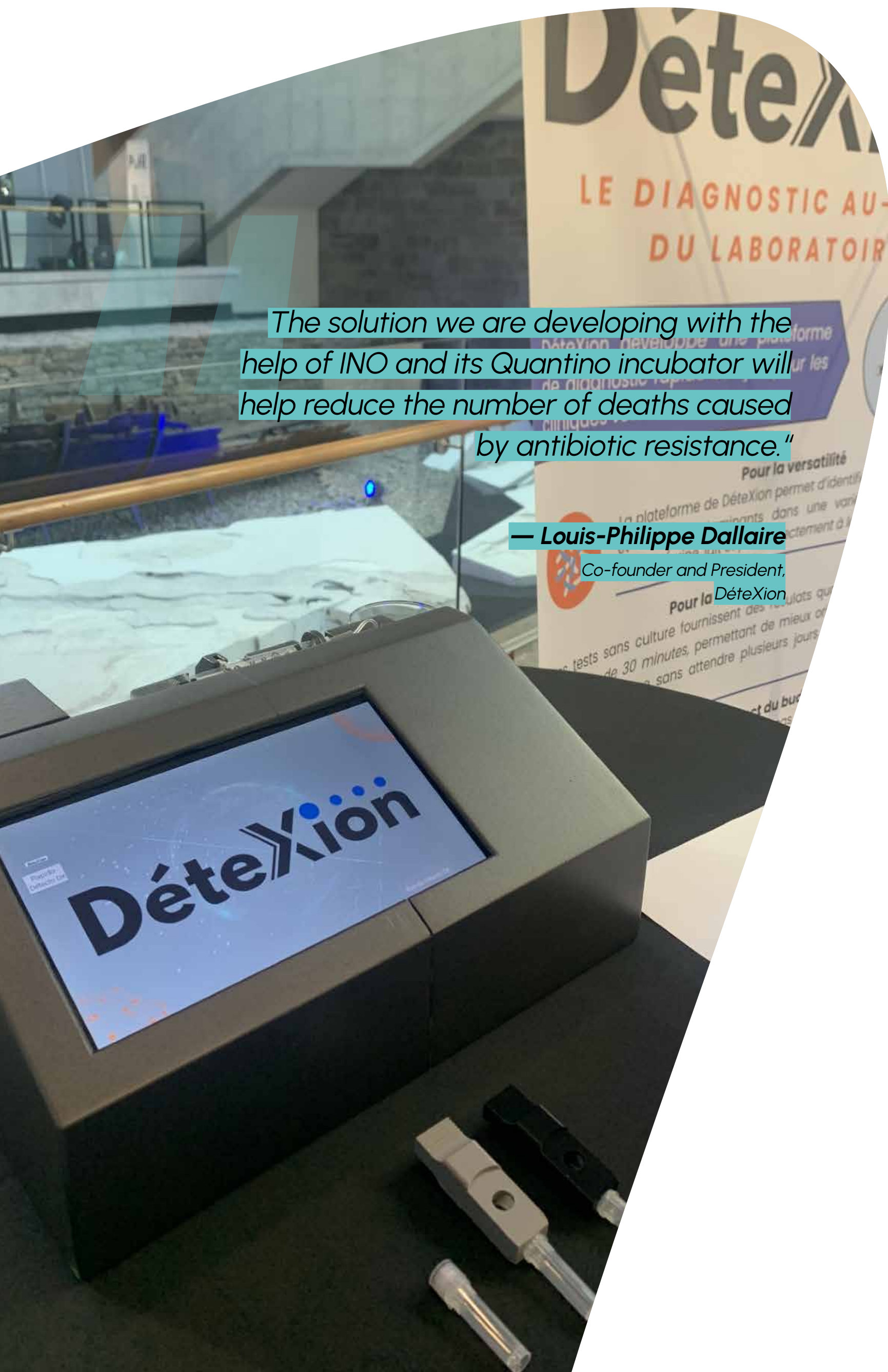
In 2023, Carbometrics, a company specializing in the design of highly selective synthetic glucose-binding molecules, turned to Luqia to develop a medical device based on fluorescent sensors for glucose monitoring. Unlike traditional electrochemical approaches that rely on enzymes, this optical technology offers an extended lifespan, more stable measurements, and greater comfort for patients.

Measuring glucose levels through fluorescence nevertheless presents significant technological challenges. While the sensor chemistry helps address biological interferences, the project primarily focused on designing a sensor suitable for integration at the millimetre scale. Experts therefore developed proof-of-concepts for two measurement devices: a subcutaneous device and a wearable device for continuous glucose monitoring.

The approach developed for the wearable device, which uses an optical fibre inserted into the skin to deliver and collect light, involved particularly complex technological challenges. The team therefore developed initial miniature fluorescence reader modules as part of a technology derisking process. Conducted at an early stage of development, this work primarily aimed to validate key operating principles ahead of the engineering, prototyping, and industrialization phases.

INO's expertise, particularly in microassembly and integrated photonic circuits, as well as its ISO 13485 certification for medical device production, were also crucial factors in Carbometrics' decision to collaborate with the organization.

With the proof of concept now demonstrated, work is ongoing, but the initial findings for Carbometrics' wearable device reveal strong potential for high-volume industrialization. Beyond diabetes monitoring, the same technology could also find applications in biomanufacturing, where continuous and precise chemical measurements are essential.



The solution we are developing with the help of INO and its Quantino incubator will help reduce the number of deaths caused by antibiotic resistance."

— Louis-Philippe Dallaire

Co-founder and President,

DéteXion

DÉTEXION

Speeding Up the Detection of Infections Using Fluorescence

The rapid and reliable detection of infections remains a key challenge in both animal and human health. The time required for laboratory testing can delay clinical decision-making and lead to treatments being administered preventively rather than in a targeted manner. The development of solutions that provide rapid results directly in the field is therefore essential, particularly to limit antibiotic resistance and improve the quality of care.

DéteXion, a company specializing in spectrometry technologies for pathogen detection, turned to INO to further develop its 3D-printed prototype and design a module suitable for mass production and adapted to real-world conditions. This work is a continuation of the company's incubation process at Quantino.

Specifically, the device currently under development uses fluorescence techniques to rapidly detect the presence of bacteria, viruses, or molecules in biological fluids, particularly in cases of urinary tract infections in humans and pets, or mastitis in dairy cattle. The goal is to significantly reduce analysis time, delivering results in about fifteen minutes, directly at the point of care.

The work completed will soon enable the delivery of a first functional version, which will, in particular, meet strict requirements for resistance to extreme transportation conditions and changing weather conditions. The use of INO's QuickPOZ technology in the design—which eliminates the need for costly alignment equipment while ensuring a stable, vibration-resistant mechanical fastening—will simplify assembly and, ultimately,

mass production. At the same time, a complete electronic system has also been developed to control the device.

Initially, this approach paves the way for rapid detection of pathogens directly in veterinary clinics, thereby speeding up decision-making and the selection of appropriate treatments. In the longer term, the technology has potential applications in human health, particularly for rapid testing in clinics or pharmacies for certain common infections.

The next phase of the project is already underway. It involves the development of a new prototype incorporating three key subcomponents, including a spectrometer, which will be assembled by DéteXion. The units are expected to be made available to veterinarians as early as January 2027.



Thanks to the expertise and rapid execution of INO, we were able to overcome a technological challenge that had been hindering the development of our project."

— Benoît Lambert
Strategic Account Manager
Teledyne DALSA

TELEDYNE DALSA

A quiet breakthrough with major implications

INO has mastered a microfabrication technology that enables the etching of extremely fine structures in very dense materials. This expertise, developed over the years, is essential for manufacturing components used in modern communications, particularly for transmitting data at very high speeds. Through continuous improvement, it paves the way for the development of faster and more efficient technologies.

Recent work carried out by INO addressed a specific need of Teledyne DALSA, a company specializing in advanced technologies, as part of a project for a major player in the telecommunications industry. The goal was to improve the manufacturing of photonic circuits in order to enhance their performance.

Using equipment the only one of its kind in Canada capable of performing ion beam etching, the team was able to achieve the results the client had long been seeking in just a few weeks. This breakthrough helped remove a major obstacle in the development of the client's product, while showcasing Quebec's expertise in advanced manufacturing.

Precision for Better Performance

At the heart of this innovation is a high-precision etching process mastered by INO, which produces surfaces that are much smoother than those obtained using traditional methods. This process significantly reduces light loss, a critical factor for the performance of components used in telecommunications networks. It works with various materials, such as lithium niobate and silicon, and can be integrated into numerous applications, including artificial intelligence, quantum and medical technologies, and aerospace.

Between technical complexity and strategic potential

Developing expertise in etching highly sensitive materials required very precise adjustments to manufacturing parameters and an excellent understanding and mastery of the processes. This project helped secure a major international program and positioned INO as a strategic partner in the field.

Through close collaboration with Teledyne DALSA, INO helped overcome a key hurdle in a complex manufacturing process, thereby advancing the development of a solution to meet the end customer's requirements. This breakthrough lays the groundwork for future collaborations and the development of new industrial capabilities in Quebec.

Q quantino

Quantino continues to grow and strengthen its role in the deep tech ecosystem

The 2025–2026 year was marked by significant growth for Quantino, the high-tech incubator powered by Luqia, which continued to expand and strengthen its position at the heart of Québec City's tech entrepreneurial ecosystem.

Among the highlights was the second edition of FresQC, the Capitale's tech Demo Day, organized in collaboration with LE CAMP, Entrepreneuriat ULaval, and 2 Degrés, which brought together more than 320 innovation leaders and investors. The event, which showcased 50 tech startups, confirmed the growing interest in these companies and the vitality of the Capitale-Nationale's entrepreneurial ecosystem.

A year of growth and expansion

Fall was also marked by the appointment of Mariona Ferrer as director of Quantino. A member of the organization since 2021, she has helped guide the incubator through a period of sustained growth, during which the number of incubatees grew from 5 to 40. Thanks to her dedication over the years, the range of services and programming has been expanded through new partnerships, specialized training, and workshops for entrepreneurs.

A few weeks later, more than 120 partners, employees, and executives gathered at the *Capitole de Québec* to celebrate Quantino's fifth anniversary, marking the progress the incubator has made since its founding.

The beginning of 2026 marked a major milestone with the opening of Quantino's new facilities. Thanks to this expansion, the incubator's capacity increased by 75 percent, bringing the number of workstations from 48 to 84.

The new infrastructure includes, among other things, a photonic chip testing facility, a pre-certification laboratory, and specialized spaces for companies in cutting-edge technologies.

This growth has been supported by several strategic partners. Desjardins has announced a major contribution of \$400,000, becoming the project's leading private partner, while the City of Québec has confirmed \$2 million in financial support to strengthen infrastructure and support for tech startups.

The quantum and deep tech ecosystem is gaining momentum

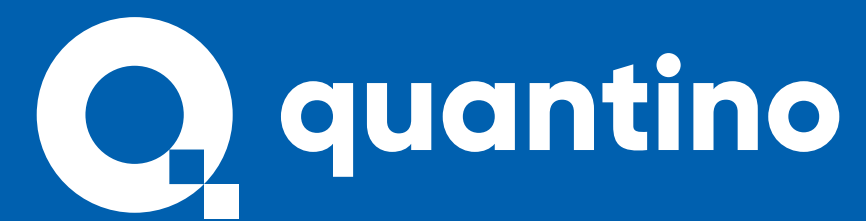
Quantino has also strengthened its position in quantum technologies with the arrival of Numana's Kirq quantum communications platform and the announcement of a joint industrial research unit in quantum photonics between INRS and INO. This concrete initiative and the enhanced infrastructure will help accelerate the transfer of innovations to emerging markets in quantum communications.

Finally, several incubatees have reached key milestones in their growth. Femtum closed a \$16 million Series A funding round, while Point Laz announced a \$3 million fundraising round to accelerate its international expansion. These successes demonstrate the potential of the deep-tech startups supported by Quantino and the incubator's growing impact on the innovation economy.

With improved infrastructure, increased capacity, and an increasingly strong position in the quantum and deep tech sectors, Quantino is entering a new phase of development. The incubator aims to continue attracting high-potential technology companies, foster strategic collaborations, and help make Québec City a key hub for innovation in photonics, quantum technology, and cutting-edge technologies.



Photo credit: Les Festifs



New Incubatees

2025
2026

Bliq Photonics

Bliq Photonics develops advanced optical technologies that measure the properties and dynamics of fluids in industrial processes in real time to improve operational control, product quality, and manufacturing performance.

Groupe Carvi

Carvi develops remote-operation and semi-automation technologies for heavy machinery in remote areas to improve operator safety, address labor challenges, and optimize productivity while supporting more efficient, resilient, and sustainable operations.

Halpie Technologies

Halpie Technologies' mission is to facilitate safe transitions from the hospital to home through predictive remote monitoring for high-risk cardiac and respiratory patients.

Vizionome

Vizionome is developing an AI-powered camera solution, operated by field teams, to collect valuable real-time data about their work environment.

The Organization

Grow Professionally at INO

INO, now known as Luqia, offers a rewarding work environment where the team plays a key role in the country's technological future. Its experts contribute to projects that make a real difference in the development of critical technologies, benefiting technology companies across many industrial sectors. Fairness and recognition of staff members' contributions are reflected, among other things, in stimulating career advancement opportunities. In 2025–2026, 20 staff members in Québec City were promoted and now hold new positions at all levels of the organization: technical, professional, and management roles.

Congratulations!

Laure Pinlon
Director of Legal Affairs

François Babin
Senior Scientific Advisor

Wagner Rafaël Correr
Senior Scientific Advisor

Xavier Dallaire
Senior Designer

Ismaël Duchesne
Senior Designer

Philippe Lafleur
Specialist Technologist

Antoine Létourneau
Senior Designer

Sébastien Roy
Senior Designer

Marco St-Pierre
Specialist Technologist

Isabelle Thionville
Talent and Culture Advisor

Alfredo Tomas Alquézar
Senior Application Developer

Stéphane Tremblay
Infrastructure Technician
(projects)

Angelica Garza
Director of Talent and Culture

Mariona Ferrer
Director of Quantino

Sandrine Briatte
Program and Support
Coordinator

Christophe Rivière
Director of Development
and Engineering

Dominic Gaudreault
IT Director

Mathieu Harvey
Digital Transformation
Architect

Étienne Bérubé
Infrastructure Technician

Jean-Pierre Bouchard
Director - Biomedtech
Business Unit



At the Heart of the Community

Luqia's staff members are involved in various aspects of the Québec community, whether through social causes or by inspiring a passion for science in the next generation while promoting academic success and technological entrepreneurship.



When Curiosity Meets Light

Last November, 178 young participants immersed themselves in INO's world of photonics during the Girls and Science event.

Some highlights included :

- measuring the diameter of a strand of hair using a laser;
- exploring optical fibers and their surprising properties.
- building a spectroscope to reveal the hidden colours of light; and
- discovering a UV black box to unlock the secrets of the invisible.

At Luqia, we know that by offering these unique experiences, we're opening up horizons that the next generation will explore in their own way.

Photonics Takes Center Stage in Montréal

The INO team was once again at the Eurêka! Festival, Quebec's largest outdoor science festival. Held annually at *Parc Jean-Drapeau* in Montreal, this free, family-friendly event offers hundreds of interactive activities designed to introduce visitors to science and technology in a fun way.

This is yet another example of the importance the team places on promoting science to the next generation.

Photo credit: Festival Eurêka!





Science in the Open Air, Also in the Québec City Area

Following “Eureka!”, INO promoted the power of optical technologies in Lévis as part of the Lévisium festival. This marked the organization's third participation in this event, which began in 2023 and in which it has been involved since the very beginning.



Solidarity and Collective Action

Once again, all staff members rolled up their sleeves to help people facing critical challenges such as economic insecurity, homelessness, and food insecurity. As part of *Centraide Québec and Chaudière-Appalaches'* 2025 fundraising campaign, the team demonstrated exceptional commitment, enabling the organization to donate \$55,000.



Riding Together to Make a Difference

Quantino, one of whose partners is the Quebec University Institute of Cardiology and Pulmonology (IUCPQ), participates every year in the IUCPQ Foundation's *Cyclo-Défi*. This year, the team—made up of employees and members of incubated companies—raised \$2,810.

Board of Directors as of March 31, 2026



Sébastien Proulx
Chairman
Attorney and Strategic
Advisor in Public Law and
Government Relations
GBV Avocats



Alain Chandonnet
President and CEO
INO



Marjolaine Giasson^{1*}
Senior Vice President, CFO
La Maison Simons



Caroline Boudoux^{3*}
Full Professor, Department
of Engineering Physics
Polytechnique Montréal



Daniel Cotnoir³
Expert Consultant
in Applied AI/ML
Google



Daniel Granger^{1,2}
President
ACJ Communication



Vanessa Grondin^{1,3}
Founder
Henri Nutrition



Josée Lanoue²
Chief Executive Officer
Tecksoft

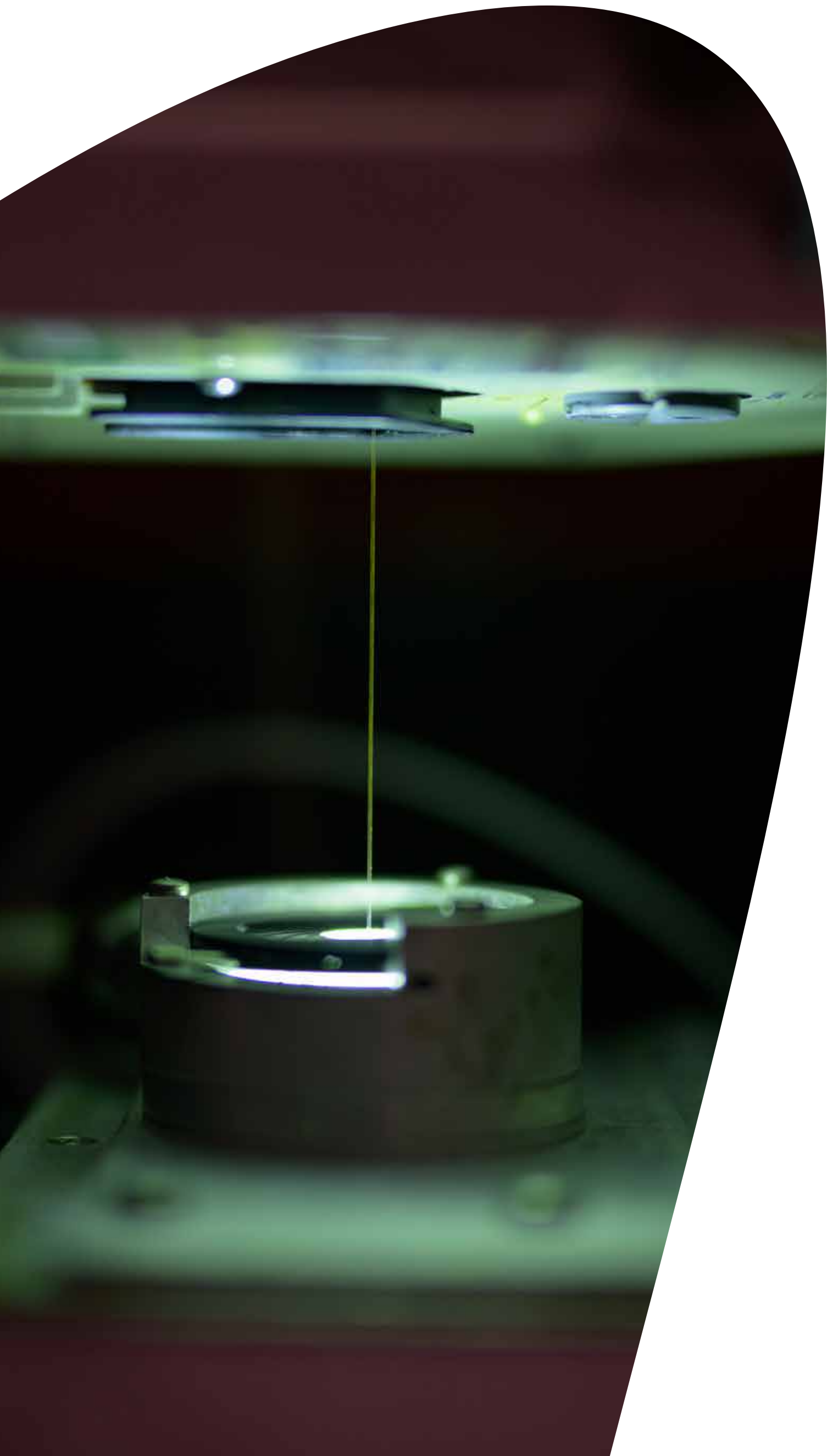


Michel Leblanc³
Director of R&D
EXFO



Yan Plante^{2*}
Chief Executive Officer
RDÉE Canada

^{1*} Chair of the Audit Committee
¹ Member of the Audit Committee
^{2*} Chair of the Governance and Human Capital Committee
² Member of the Governance and Human Capital Committee
^{3*} Chair of the Markets and Technologies Committee
³ Member of the Markets and Technologies Committee



Management Team as of March 31, 2026



Alain Chandonnet
President and CEO



Philippe Boivin
*Vice President,
Corporate Affairs*



Martin Caron
*Vice President,
Development and Engineering*



André Fougères
*Vice President,
Chief Technology Officer*



Shirley Moore
*Vice President,
Finances*



Louis Martel
*Vice President, Business
Development and
Partnership*



Riaz Soundarjée
*Vice President, Transformation
and Operational Excellence*

Strategic Members

ABB
Ciena Canada
Rio Tinto Alcan
Thales Digital Solutions

Industrial Members

ABCDust
Aramis Biotechnologies
Coractive High-Tech
Creaform
Doric Lenses
EarthDaily Analytics
EXFO
Gentec-EO
Laserax
NGC Aerospace
Nüvü Camēras
Photon etc.
Previan Technologies
Stratotegic
Teraxion (Indie)
Univerco
Volta Space Technologies
Wyvern
Xiphos Systems

Institutional Members

BIOQuébec
C-Core
Corem
IRDA

Government Members

Canada Economic Development
for Québec Regions
Ministère de l'Économie, de
l'Innovation et de l'Énergie
City of Québec

Members as of March 31, 2026

Biomedtech

Jean-Pierre Bouchard, INO
Olivier Bourbeau, Medtech Canada
Marc-André D'Aoust, Aramis Biotechnologies
Delphine Davan, Transbiotech
Sead Doric, Doric Lenses
Benoît Larose, BIOQuébec
Marieeve Picard, INO

Defense, Security, and Aerospace

Olivier Daigle, Nüvü Camēras
Graeme Daly, Stratotegic
Edwin Faier, Xiphos Systems
Jean-François Gagnon, Thales Digital Solutions
Frédéric Grandmont, ABB
Jean-François Hamel, NGC Aerospace
Michael Henschel, C-CORE
Brian Keats, Wyvern
Jean-François Lavigne, INO
Vincent Sauer, Wyvern
Patrice Topart, INO
George Tyc, EarthDaily Analytics

Sustainable Resources, Agriculture, and Manufacturing

Sébastien Blais-Ouellette, Photon etc.
François Blanchard, École de technologie supérieure
Claude Carignan, Ciena Canada
Caroline Côté, IRDA
Mathieu Faucher, Teraxion (Indie)
Claude Gagnon, Corem
Marc Grenier, Previaan Technologies (Eddify)
Alain Grégoire, Univerco
Michel Grégoire, Creaform
Benoît Lamontagne, INO
Éric Laplante, Rio Tinto Alcan
Fernando Lopez, INO
Donald Prévost, INO
Samuel Toledo, ABCDust

Industrialized Solutions

Guillaume Blanchette, Volta Space Technologies
Guillaume Brochu, Teraxion (Indie)
Pascal Dufour, Laserax
Eric Gagnon, Coractive
Michel Giroux, Gentec-EO
Michel Leclerc, EXFO
David Melanson, INO
Antoine Proulx, INO
Madison Rilling, Optonique
Yves Taillon, INO

Sectorial Advisory Committees as of March 31, 2026

Damien Michel
Aeponyx/Pasqal

Marc Guilmain
C2MI

Michel Olivier
Cégep Garneau

Martin Loignon
Julien Robitaille
Cell Culture Scale-Up

François Blanchard
ÉTS Montréal

Raphaël Dubé-Demers
EXFO

François Trépanier
Indie Photonics Canada

Roberto Morandotti
Institut national de la recherche
scientifique - EMT

Chang-qing Xu
McMaster University

Withawat Withayachumnankul
University of Adélaïde

Mathieu Juan
Serge Charlebois
University of Sherbrooke

Ofer Levi
University of Toronto

Associate Researchers 2025–2026

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

DxBioTech, 2017
Compact cytometer

Swiftsure, 2017
Optronics processor for synthetic
aperture radar

FlyScan, 2016
Lidar for benzene detection

Raysecur, 2016
Terahertz technology for
letter bomb detection

INOXX, 2013
Lidar measurement and laser
triangulation technology to measure
truck load volume

Handyem, 2011
Compact cytometer

OptiRythmix, 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-optic sensors

Optosecurity, 2004
Optical correlator

PyroPhotonics Lasers, 2004
PEFL laser technology

Cybiocare, 2003
Hypoglycemia and glucose monitor

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-optic sensors

Doric Lenses, 1994
Microlenses

Optiwave Corporation, 1994
Integrated optics software

AEREX Avionique, 1993
Optoelectronics consultant

I/FO Technologies, 1993
Fiber optic technology consulting

Optel Vision, 1992
Optical instrumentation

Régent Instruments, 1990
Optical instrumentation

Nortech Fibronic, 1989
Optical instrumentation

Spin-off Companies

ABB
Pyramidal wavefront sensor

American Company
Diamond marking

American Company
Ion detection membrane

American Company
Auto-centering technology

American Company
Auto-centering of optical elements

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 Company
Auto-centering of lenses

Asian Integrator
MOPAW laser

Asian Research Institute
Bolometers

Autolog
3D imager 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
4x4 micro-mirror

Canadian Company
Traffic sign recognition

Canadian Company
3D vision system

Communications Research Center 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 Electro-Optics
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

iOmniscient
Classification module

Technology Transfer

IRphotonics
Fluoride fibers

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 of 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
Laser illuminator

Oil industry company
Fiber-optic sensor technology

OptiRythmix
Virtuo library

Optiwave Corporation
Integrated optics software

Optosécurité
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
PYFL laser fiber unfolded cavity configuration

PEFL laser technology

Quantum Biomedical
Endoscope for intravascular diagnosis

Quel Imaging
Optical phantoms

RaySecur
Terahertz technology

RealTraffic Technologies
Image analysis

Régent Instruments
Optical instrumentation

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
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 Canada Oil Company
Fiber-optic sensor technology

Technology Transfer (continued)

Finances

Summary Financial Statements

Independent Auditors' Report

To the members of the 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, 2026
- 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, 2026 (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 29, 2026, we have issued an unmodified opinion on the audited financial statements for the year ended March 31, 2026.

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*.

*KPMG A.R.L. / S.E.N. C.R.L.**

Quebec, Canada

June 29, 2026

* CPA auditor, public accountancy permit No. A125181

Statement of Financial Position

March 31, 2026, with comparative information for 2025

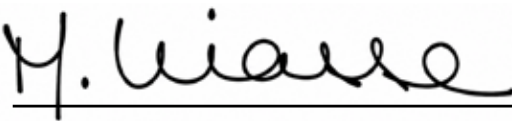
	2026	2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 163,639,034	\$ 22,910,460
Accounts receivable	2,890,294	3,490,588
Financial support receivable related to internal research program (note 2(a))	1,000,000	-
Financial support receivable related to tangible capital assets and intangible assets (note 2(b))		334,823
Financial support receivable related to the entrepreneurship assistance program (notes 2(c) and (d))	458,241	371,422
Inventories	3,016,232	3,245,497
Research contracts in progress	672,690	176,695
Prepaid expenses	1,098,082	1,323,861
Current portion of investments (note 5)	4,959,622	19,962,202
	177,734,195	51,815,548
Investments	-	4,945,847
Investments in private companies	110,702	2
Tangible capital assets	26,791,428	26,214,603
Intangible assets	105,824	205,951
	\$ 204,742,149	\$ 83,181,951

	2026	2025
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Bank loans	\$ 1,145,436	\$ 1,145,436
Accounts payable and accrued liabilities	6,055,435	5,555,797
Financial support received in advance (notes 2(b) and (c))	152,701	642,913
Deferred revenues and deposits on contracts	1,391,828	271,359
Debts repayable on demand	351,504	647,040
Deferred financial support related to internal research program (note 2(a)(ii))	16,000,000	13,959,245
	25,096,904	22,221,790
Employee future benefits obligations (note 3)	6,742,000	4,429,900
Deferred financial support related to tangible capital assets and intangible assets (note 2(b))	125,883,732	36,246,026
Deferred financial support related to internal research program (note 2(a)(iii))	32,000,000	-
	189,722,636	62,897,716
Net assets	15,019,513	20,284,235
Commitments (note 4)		
Subsequent event (note 5)		
	\$ 204,742,149	\$ 83,181,951

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



, Director



, Director

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
REVENUES		
Financial support related to internal research program (note 2(a))	\$ 21,900,000	\$ 22,000,000
Financial support related to tangible capital assets and intangible assets (note 2(b))	2,552,010	2,524,159
Financial support related to the entrepreneurship assistance program	1,584,170	1,063,080
Sales and contracts	12,317,071	17,213,786
Investment income	953,095	1,539,761
Technology transfer agreements	452,414	331,997
Rent and other revenues	936,525	755,465
Royalties	719,214	633,558
Members' contributions	38,000	54,000
	41,452,499	46,115,806

	2026	2025
EXPENSES		
Salaries and fringe benefits	25,935,465	24,390,422
Cost of goods and services pertaining to project completion	4,920,870	4,676,103
Other operating expenses	10,206,049	9,983,180
Foreign exchange loss (gain)	25,013	(52,867)
Interest on debt repayable on demand	28,100	51,079
Interest and bank charges	40,706	26,850
Depreciation of tangible capital assets	3,480,291	3,446,340
Amortization of intangible assets	100,127	132,551
	44,736,621	42,653,658
OTHER REVENUE		
Recovery in value on investments of private company previously written down	110,700	-
(Deficit) excess of revenues over expenses	\$ (3,173,422)	\$ 3,462,148

See accompanying notes to financial statements..

Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
NET ASSETS, BEGINNING OF YEAR	\$ 20,284,235	\$ 15,903,287
(Deficit) excess of revenues over expenses	(3,173,422)	3,462,148
	17,110,813	19,365,435
Remeasurements and other items (note 3)	(2,091,300)	918,800
NET ASSETS, END OF YEAR	\$ 15,019,513	\$ 20,284,235

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
CASH PROVIDED BY (USED IN)		
OPERATING		
(Deficit) excess of revenues over expenses	\$ (3,173,422)	\$ 3,462,148
Items not involving cash:		
Depreciation of tangible capital assets	3,480,291	3,446,340
Amortization of intangible assets	100,127	132,551
Amortization of premiums and discounts on coupons and bonds	(49,584)	(108,534)
Adjustment related to employee future benefits	220,800	267,115
Financial support related to tangible capital assets and intangible assets (note 2(b))	(2,552,010)	(2,524,159)
Deferred financial support recognized in revenues (note 2(a))	(13,959,245)	(12,000,000)
Recovery in value on investments of private company previously written down	(110,700)	-
Changes in non-cash working capital items	937,242	(2,006,993)
	(15,106,501)	(9,331,532)

	2026	2025
FINANCING		
Net change in bank loans	-	1,145,436
Repayment of debt repayable on demand	(295,536)	(408,469)
Financial support used (note 2(b))	1,847,416	1,784,836
Financial support related to internal research program received in advance (note 2(a))	48,000,000	-
Financial support related to the building received in advance (note 2(b)(i))	90,342,300	-
	139,894,180	2,521,803
INVESTING		
Acquisitions of tangible capital assets	(4,057,116)	(3,459,963)
Acquisition of investment in a private corporation	-	(1)
Acquisition of investments	-	(3,560,444)
Disposal of investments	19,998,011	29,129,172
	15,940,895	22,108,764
Net increase in cash and cash equivalents	140,728,574	15,299,035
Cash and cash equivalents, beginning of year	22,910,460	7,611,425
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 163,639,034	\$ 22,910,460

See accompanying notes to financial statements..

Notes to Financial Statements

Year ended March 31, 2026

The National Optics Institute ("INO") was incorporated on December 13, 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:

	2026		
	Total support	Remaining support balance available as at March 31, 2026	Revenues
Government of Canada			
Canada Economic Development	\$ 50,000,000	\$ -	\$ 7,940,755
Government of Québec	103,000,000	48,000,000	13,959,245
		-	-
Financial support			
Internal research program	\$ 153,000,000	\$ 48,000,000	\$ 21,900,000

	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

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 a five-year period ending on March 31, 2026 for INO's internal research program. As of March 31, 2026 an amount of \$1,000,000 is receivable (2025 - 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 \$13,959,245 was used during the year ended March 31, 2026 (2025 - \$12,000,000).

In March 2026, the Government of Québec granted INO financial support in an amount of \$48,000,000 for the period from April 1, 2026 to March 31, 2029 for INO's internal research program. This financial support had been received in full as at March 31, 2026 and had not been used.

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

	2026	2025
Balance, beginning of year	\$ 13,959,245	\$ 25,959,245
Amount recognized in revenues during the year	(13,959,245)	(12,000,000)
	-	13,959,245
Financial support - internal research program	48,000,000	
Less: current portion	16,000,000	13,959,245
Balance, end of year	\$ 32,000,000	\$ -

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 78.7% 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 \$1,223,936 was used during the year ended March 31, 2026 (2025 - \$931,201).

In March 2026, the Government of Québec granted INO financial support of up to \$90,342,300 for the period from April 1, 2021 to March 31, 2031 to reimburse INO directly for 76.6% of the cost of major work on the building. This financial support had been received in full as at March 31, 2026 and had not been used.

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, 2026, no amount is receivable (2025 - \$137,806).

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, 2026, no amount is receivable (2025 - \$197,017).

The deferred financial support to tangible capital assets and intangible assets is as follows:

	2026	2025
Balance, beginning of year	\$ 36,246,026	\$ 36,985,349
Financial support received related to the building covering the period of April 1, 2021 to March 31, 2031	90,342,300	
Financial support used related to the purchase of tangible capital assets and intangible assets for the year	1,847,416	1,784,836
Transfer to revenues to offset the corresponding depreciation and amortization	(2,552,010)	(2,524,159)
Balance, end of year	\$ 125,883,732	\$ 36,246,026

c) Financial support related to the entrepreneurship assistance program

- i) 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, 2026, an amount of \$42,590 had been received in advance (2025 - \$300,537).
 - ii) In March 2023, the Government of Québec granted INO financial support of \$703,500 for a three-year period ending March 31, 2026 to support assistance activities for start-up entities. As at March 31, 2026, an amount of \$110,111 had been received in advance (2025 - \$342,376).
 - iii) In September 2023, the Government of Canada granted INO financial support of \$1,235,000 for the period from November 1, 2023 to June 30, 2026 to support assistance activities for start-up entities. As at March 31, 2026, an amount of \$190,685 is receivable (2025 - \$239,762).
 - iv) In September 2023, the City of Québec granted INO financial support up to \$2,000,000 for the period from April 1, 2023 to December 31, 2025 in order to continue an incubator deployment. As at March 31, 2026, the receivable amount is \$123,760 (2025 - \$91,660).
- In January 2026, the City of Québec granted INO financial support up to \$2,000,000 for the period from January 1, 2026 to December 31, 2027 in order to continue an incubator deployment. As at March 31, 2026, the receivable amount is \$143,796 (2025 - nil).

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, 2026, no amount was receivable (\$40,000 as at March 31, 2025).

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, 2026. The funded status of the defined benefit plans is as follows:

	2026	2025
Defined benefits obligations	\$ (59,908,000)	\$ (59,122,600)
Fair value of plan assets	53,268,600	54,802,000
Defined benefit liability	\$ (6,639,400)	\$ (4,320,600)

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, 2026, the employee future benefits obligations were as follows:

	2026	2025
Defined benefit pension plan	\$ 6,639,400	\$ 4,320,600
Other employee future benefits	102,600	109,300
	\$ 6,742,000	\$ 4,429,900

Remeasurements and other items of \$2,091,300 (2025 - \$918,800) 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:

2027	\$ 496,360
2028	415,772
2029	7,317

5. SUBSEQUENT EVENT

Subsequent to March 31, 2026, the entity implemented the consolidation of its activities with the Centre de recherche informatique de Montréal (CRIM), with the objective of creating Luqia, an industrial innovation laboratory dedicated notably to the convergence of artificial intelligence, advanced photonics and quantum technologies. This consolidation will take effect as of April 1, 2026.

