Condensed consolidated interim financial statements of

Biorem Inc.

Periods ended September 30, 2026 and 2025

(Unaudited)

Biorem Inc.

September 30, 2026 and 2025
(Unaudited)

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The accompanying condensed consolidated interim financial statements of Biorem Inc. have been prepared by and are the responsibility of the Company's Management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards adopted by the Canadian Institute of Chartered Accountants ("CICA") for a review of interim financial statements by an entity's auditor.

Biorem Inc.

Condensed consolidated interim statements of financial position
September 30, 2026 and December 31, 2025

(In Canadian dollars, unaudited)	Notes	September 30, 2026	December 31, 2025
		$	$
Assets			
Current assets			
Cash		7,938,346	11,504,755
Accounts receivable		13,554,606	11,959,919
Unbilled revenue		5,663,741	3,236,583
Inventories		2,489,986	1,368,871
Prepaid expenses and deposits		4,001,896	2,477,834
		33,648,575	30,547,962
Non-current assets			
Accounts receivable, net of ECL		82,321	682,131
Equipment and leasehold improvements		1,959,512	1,826,944
Deferred tax assets		531,916	519,400
Total assets		36,222,324	33,576,437
Liabilities			
Current liabilities			
Accounts payable	**10**	5,149,867	7,953,382
Accrued liabilities		2,777,822	1,837,017
Lease liabilities		94,967	81,678
Income taxes payable		1,469,477	861,628
Provisions	**8**	696,161	577,735
Unearned revenue		3,416,279	4,589,126
Interest bearing loans	**7**	612,572	594,170
		14,217,145	16,494,736
Non-current liabilities			
Interest bearing loans	**7**	785,794	1,263,737
Lease liabilities		812,580	892,180
		1,598,374	2,155,917
Shareholders' equity			
Common shares	**9**	5,534,853	5,200,461
Contributed surplus		2,399,151	2,529,996
Accumulated other comprehensive earnings		1,776,376	1,336,267
Retained earnings		10,696,425	5,859,060
Total shareholders' equity		20,406,805	14,925,784
Total liabilities and shareholders' equity		36,222,324	33,576,437

Biorem Inc.

Condensed consolidated interim statements of operations
Three and nine months ended September 30, 2026 and 2025

(In Canadian dollars, unaudited)	Notes	Three months ended 2026	Three months ended 2025	Nine months ended 2026	Nine months ended 2025
		$	$	$	$
Revenue		16,631,272	11,252,966	39,136,822	25,413,995
Cost of goods sold		10,987,477	8,087,083	27,189,245	18,588,315
Gross profit		5,643,795	3,165,883	11,947,577	6,825,680
Expenses (income)					
Sales and marketing		1,266,821	1,047,108	3,388,540	2,139,962
Research and development		115,984	49,139	199,378	78,831
General and administration		636,635	474,157	1,856,931	1,880,557
Other expense (income)	**5**	(54,026)	(17,808)	(213,540)	(34,914)
Total operating expenses		1,965,414	1,552,596	5,231,309	4,064,436
Earnings from operations		3,678,381	1,613,287	6,716,268	2,761,244
Finance costs		17,027	38,404	86,887	122,532
Net earnings before tax		3,661,354	1,574,883	6,629,381	2,638,712
Income tax expense		970,259	417,344	1,756,786	699,259
Net earnings		2,691,095	1,157,539	4,872,595	1,939,453
Earnings per share, basic	**11**	$ 0.158	$ 0.072	$ 0.293	$ 0.127
Earning per share, diluted	**11**	$ 0.148	$ 0.062	$ 0.264	$ 0.104

Biorem Inc.

Condensed consolidated interim statements of comprehensive income (loss)
Three and nine months ended September 30, 2026 and 2025

(In Canadian dollars, unaudited)	Three months ended 2026	Three months ended 2025	Nine months ended 2026	Nine months ended 2025
	$	$	$	$
Net earnings	2,691,095	1,157,539	4,872,595	1,939,453
Other comprehensive income				
Item which may be reclassified into profit and loss:				
Foreign currency translation loss on foreign operations	14,973	193,598	440,109	(345,395)
Total comprehensive income for the period	2,706,068	1,351,137	5,312,704	1,594,058

Biorem Inc.

Condensed Consolidated interim statements of shareholders' equity

Nine months ended September 30, 2026 and 2025

(In Canadian dollars, unaudited)		Share capital	Contributed surplus	Accumulated other comprehensive income	Retained Earnings	Total
Balance, as at January 1, 2025		5,196,123	2,470,191	1,831,628	1,127,141	10,625,083
Earnings for the period		-	-	-	1,939,453	1,939,453
Foreign currency translation differences on foreign operations		-	-	(345,395)	-	(345,395)
Total comprehensive earnings for the period		-	-	(345,395)	1,939,453	1,594,058
Stock options exercised		-	-	-	-	-
Stock-based compensation		-	76,620	-	-	76,620
Purchased for cancellation under normal course issuer bid	**9**	(15,462)	-	-	(84,678)	(100,140)
		(15,462)	76,620	-	(84,678)	(23,520)
Balance, as at September 30, 2025		5,180,661	2,546,811	1,486,233	2,981,916	12,195,621
Balance, as at January 1, 2026		5,200,461	2,529,996	1,336,267	5,859,060	14,925,784
Earnings for the period		-	-	-	4,872,595	4,872,595
Foreign currency translation differences on foreign operations		-	-	440,109	-	440,109
Total comprehensive earnings for the period		-	-	440,109	4,872,595	5,312,704
Stock options exercised		338,550	(169,500)	-	-	169,050
Stock-based compensation		-	38,655	-	-	38,655
Purchased for cancellation under normal course issuer bid	**9**	(4,158)	-	-	(35,230)	(39,388)
		334,392	(130,845)	-	(35,230)	168,317
Balance, as at September 30, 2026		5,534,853	2,399,151	1,776,376	10,696,425	20,406,805

Biorem Inc.

Condensed consolidated interim statements of cash flows

Nine months ended September 30, 2026 and 2025

(In Canadian dollars, unaudited)	Notes	2026	2025
		$	$
Operating activities			
Net earnings		4,872,595	1,939,453
Items not involving cash:			
Deferred tax expense (recovery)		-	699,259
Depreciation		317,755	376,145
Accretion lease interest		50,072	37,986
Stock option compensation		38,655	76,620
		5,279,077	3,129,463
Change in non-cash operating working capital			
Accounts receivable		(797,712)	2,737,317
Unbilled revenue		(2,328,538)	(67,792)
Inventories		(1,041,556)	737,075
Prepaid expenses and deposits		(1,424,826)	(809,039)
Accounts payable		(2,922,548)	166,380
Accrued liabilities		865,300	(1,563,589)
Income taxes payable		603,622	(925,748)
Provisions		103,169	10,722
Unearned revenue		(1,232,134)	845,554
Cash provided by (used in) operations		(2,896,146)	4,260,343
Investing activities			
Purchase of equipment,leasehold improvements		(403,985)	(339,608)
		(403,985)	(339,608)
Financing activities			
Term loan repayments	**7**	(459,541)	(425,149)
Payment of lease liabilities		(116,172)	(112,098)
Common shares purchased for cancellation	**9**	(39,388)	(100,140)
Proceeds from issuance of common shares on exercise of stock options		169,050	-
		(446,051)	(637,387)
Foreign exchange gain(loss) on foreign denominated cash and cash equivalents		179,773	(146,112)
Increase in cash and cash equivalents		(3,566,409)	3,137,236
Cash and cash equivalents, beginning of year		11,504,755	5,212,852
Cash and cash equivalents, end of period		7,938,346	8,350,088

1. General information

BIOREM Inc. (”BIOREM”) is a company with its head office domiciled in Canada.

The address of BIOREM’s registered office is 7496 Wellington Road 34, Puslinch, Ontario. The Company’s common shares are listed on the Toronto Stock Exchange and trade under the symbol BRM.V. The condensed consolidated interim financial statements of BIOREM comprise BIOREM and its subsidiaries (together referred to as “the Company”). The Company is primarily involved in the manufacturing of a comprehensive line of high efficiency air pollution control systems that are used to eliminate odorous and harmful contaminants.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “*Interim Financial Reporting*”. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements have been prepared following the same accounting principles and methods of computation as the Company’s 2025 annual consolidated financial statements and should be read in conjunction with those audited consolidated financial statements which are available on the System for Electronic Document Analysis and Retrieval (“SEDAR”).

These condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issuance on November 4, 2026.

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis of accounting, with the exception of financial instruments classified as fair value through profit and loss, which are recorded at fair value.

c) Functional and presentation currency

The functional currency of BIOREM and its subsidiaries is the currency of their primary economic environment. These condensed consolidated interim financial statements are presented in Canadian dollars, which is BIOREM’s functional currency. The functional currency of BIOREM’s subsidiary located in the United States is the U.S. dollar and the functional currency of BIOREM’s subsidiary located in China is the Chinese renminbi.

d) Basis of consolidation

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the condensed consolidated financial statements from the date that control commences until the date that control ceases. Accordingly, the consolidated interim financial statements include the accounts of Biorem Technologies Inc., Biorem Environmental (US) Ltd., Biorem Hong Kong, Biorem (Beijing) Technologies Company Limited and Biorem Wuhu Environmental Technology Ltd., Ltd in addition to those of BIOREM. All significant inter-company transactions and balances have been eliminated.

3. Significant accounting policies

The significant accounting policies used in preparing these condensed consolidated interim financial statements are unchanged from those disclosed in the Company’s 2025 annual consolidated financial statements except as set out below, and have been applied consistently to all periods presented in these condensed consolidated interim financial statements. The accounting policies have been applied consistently by the Company‘s subsidiaries.

4. Segmented information

Management has determined that the Company operates in one reportable segment, which involves the manufacture and sale of pollution control systems.

The Company's revenue and capital assets breaks down geographically as follows:

Revenue	Three months ending		Nine months ending	
	Sept 2026	Sept 2025	Sept 2026	Sept 2025
	$	$	$	$
Canada	3,253,264	1,685,174	6,810,474	2,976,157
United States	7,176,268	6,777,309	19,992,626	15,416,898
Middle East	3,548,579	1,611,861	8,757,438	5,338,835
Other	2,653,161	1,178,622	3,576,284	3,472,361
Total	16,631,272	11,252,966	39,136,822	27,204,251

Capital assets (1)	Period ending	
	Sept 2026	Sept 2025
	$	$
Canada	209,628	286,409
United States	1,749,884	1,630,229
Total	1,959,512	1,916,638

(1) Includes plant, equipment, leasehold improvements and right of use assets

5. Other income

The composition of other income is as follows:

	Three months ended		Nine months ended	
	Sept 2026	Sept 2025	Sept 2026	Sept 2025
			$	$
Foreign exchange gain(loss)	54,026	17,807	213,540	34,914
Total	54,026	17,807	213,540	34,914

6. Contingency

From time to time, the Company is subject to legal proceedings and claims arising in the ordinary course of business. Management is of the opinion, based upon information presently available, that it is unlikely that any such liability, to the extent not provided for by insurance or otherwise, would have a material adverse effect in relation to the Company's consolidated financial position, liquidity or results of operations.

7. Interest-bearing loans

Current	Interest rate	Maturity	September 30 2026	December 31 2025
	%		$	$
Working capital loan	Prime +.075	On demand	-	-
Current portion term loan	4.07	2027	612,572	594,170
			612,572	594,170
Non-current				
Term loan	4.07	12/01/28	1,398,366	1,857,907
Current portion	4.07	2027	(612,572)	(594,170)
			785,794	1,263,737

On December 1, 2021 the Company secured a $4,000,000 term loan and a $3,000,000 operating line of credit from a Canadian chartered bank. Both the working capital loan and the term loan are secured by a general security agreement and first charge over all the assets of The Company The term loan is repayable over 84 months in blended payments of $54,893 due on the 15th of each month.

8. Provisions

Warranty	2026	2025
	$	$
At December 31	577,735	529,064
Provisions used during the period	-	(988)
Provisions made during the period	118,426	9,281
At September 30	$ 696,161	$ 537,357

9. Share Capital

Normal Course issuer Bid (NCIB)

The Company's NCIB began June 16, 2025 and ended June 16, 2026. The number of shares that could be purchased for cancellation under the NCIB were 806,872 representing 5% of its 16,137,437 issued and outstanding common shares as of June 10, 2025. While the NCIB was outstanding the Company purchased 47,700 common shares at an average price per share of $2.01 Retained earnings include a charge of $84,678 relating to the excess of the purchase price over the carrying value of the shares.

Employee Stock Options

During the quarter employees exercised 1,590,000 stock options at an average exercise price of $0.345 per share,

10. Financial Instruments

Fair value of financial instruments

	September 30, 2026		December 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
	$	$	$	$
Financial assets				
Cash	7,938,346	7,938,346	11,504,755	11,504,755
Accounts receivable	13,636,927	13,636,927	12,642,050	12,642,050
	21,575,273	21,575,273	24,146,805	24,146,805
Financial Assets				
Accounts payable and accrued liabilities	7,927,689	7,927,689	9,790,399	9,790,399
Interest bearing loans	1,398,366	1,398,366	1,857,907	1,857,907
	9,326,055	9,326,055	11,648,306	11,648,306

The Company has determined that the fair value of its short term financial assets and liabilities approximates their respective carrying because of the short term maturity of those instruments.

11. Earnings per share

	Three months ended		Nine months ended	
	Sept 2026	Sept 2025	Sept 2026	Sept 2025
	$	$	$	$
Net earnings	2,691,095	1,157,539	4,872,595	1,939,453
Common shares outstanding	17,023,291	16,005,877	16,448,632	16,021,777
Dilutive Options	1,218,211	2,624,516	2,151,859	2,637,970
Total	18,241,502	18,630,393	18,600,491	18,659,747

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