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California Nanotechnologies Announces Q3 2026 Results

- ◆ Quarterly revenue of US\$392K due to orders being pushed to subsequent quarter
- ◆ Adjusted EBITDA¹ loss of US\$747K, expected to improve in Q4/FY2026 on higher revenues
- ◆ Visibility on potential commercial orders in calendar 2026, supporting higher potential production levels

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LOS ANGELES, CALIFORNIA, January 29, 2026 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") announced revenues of US\$392,481 for the quarter ended November 30, 2025. This represents a decrease of 78% compared to the prior year. Adjusted EBITDA¹ was a loss of US\$747,021 for the fiscal quarter ended November 30, 2025, compared with positive Adjusted EBITDA of US\$826,454 in the prior year.

Net loss for the fiscal quarter was US\$1,094,650, compared to net income of US\$113,140 in the prior fiscal year. The net loss was mainly attributed to manufacturing services revenue being pushed to the subsequent quarter and absence of orders from the Company's green steel client. Consequently, gross margin was impacted by the reduced revenues over the Company's fixed manufacturing cost base.

Diluted loss per share for the fiscal quarter was \$0.04 compared to diluted earnings per share of \$0.00 for the same period last year. The financial statements are available on SEDAR+ at www.sedarplus.ca and on the [Company's website](#).

"This quarter we saw lower revenues than expected due to customer delays as we execute our growth strategy to secure larger commercial contracts," said CEO Eric Eyerman. "We expect the subsequent quarter (Q4/FY2026) to show significantly higher revenues, and more importantly, provide us with added visibility on commercial manufacturing contracts in calendar year 2026. For example, our U.S. military brakes customer recently received necessary government funding approvals, and we are making important progress in the fast-growing nuclear energy industry."

Financial Highlights

¹ Non-IFRS Measure

<i>Amounts in USD</i>	Three months ended November 30, 2025	Three months ended November 30, 2024	Period-over-period change	Nine months ended November 30, 2025	Nine months ended November 30, 2024	Period-over-period change
Revenues	392,481	1,806,205	(78%)	1,888,950	5,077,216	(62%)
Cost of Goods Sold	329,096	413,983	(21%)	934,784	1,281,252	(27%)
Gross Profit	63,385	1,392,222	(95%)	954,166	3,795,964	(75%)
Gross Margin ¹	16%	77%	(6100bps)	51%	75%	(2400bps)
Net Income/(Loss)	(1,094,650)	113,140	(1067%)	(1,834,960)	154,151	(1,290%)
Income/(loss) Per Share – Diluted	(\$0.02)	\$0.00	-	(\$0.04)	\$0.00	-
EBITDA ¹	(883,971)	327,570	(370%)	(1,215,171)	730,657	(266%)
Adjusted EBITDA ¹	(747,021)	826,454	(190%)	(980,637)	2,389,889	(141%)

The decrease in revenues for Q3/FY2026 was primarily driven by manufacturing service revenues being pushed to the subsequent quarter, and the complete reduction in revenues from the Company's green steel customer and equipment deliveries. Revenues from both the green steel customer and equipment deliveries were nil in Q3/FY2026 and US\$1,228,060 or 68% of revenues in Q3/FY2025. Revenues are expected to exceed US\$800,000 in Q4/FY2026 as the Company executes on the delayed Q3 revenues and other customer programs.

Cal Nano continues to be focused on building a diversified client base through a combination of R&D and commercial production revenues. The Company aims to achieve this by becoming a trusted domestic supplier for high-value, consumable parts requiring its advanced materials technologies and expertise.

In the fiscal quarter, Cal Nano signed a Letter of Intent to provide commercial Spark Plasma Sintering (SPS) production services for high-performance military brake discs. The customer's funding was recently approved under the Department of Defense Appropriations Act, and the Company expects to receive an initial US\$1.0 million purchase order this calendar year.

Also in the quarter, Cal Nano announced its first purchase order for nuclear control rods from a leading, U.S.-based small modular nuclear reactor (SMR) developer. The Company believes the nuclear SMR and fusion industries are key growth areas because of increasing energy demand and need for a domestic supply chain to serve potential commercial reactor deployments. Cal Nano is in discussions with other nuclear companies to provide similar control rods and radiation shielding.

Lastly, the Company strengthened its position in the U.S. SPS market by deepening its relationship with Germany-based Dr. Fritsch. While equipment sales are not a focus, they allow Cal Nano to be involved across the supply chain while generating potential R&D manufacturing and aftermarket parts & service revenues.

Cal Nano believes it is well positioned to potentially recover from the green steel customer revenue decline, reduce customer concentration, and build a more resilient revenue base. With no interest-bearing debt (except for lease liabilities) and over US\$2.0 million in equipment to support manufacturing scale-up, the Company has the assets and personnel to support its targeted growth initiatives.

About California Nanotechnologies Corp.

At Cal Nano, we envision a world in which our advanced technologies are used to help make the most innovative products on this planet and beyond. With our unique expertise in processing metallurgic powders into parts, global

leaders trust us to help push the boundaries of applied material science. Headquartered in Greater Los Angeles, California, Cal Nano hosts advanced processing and testing machinery and capabilities across two manufacturing facilities for materials research and production needs. Our customers range from Fortune 500 companies to startups with programs spanning aerospace, renewable energy, defense, and semiconductors.

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Non-IFRS Measures and Reconciliation of Non-IFRS Measures

This press release makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of results of operations of Cal Nano from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the financial information of Cal Nano reported under IFRS. The Company uses non-IFRS measures such as EBITDA to provide investors with a supplemental measure of operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Company's ability to meet its capital expenditure and working capital requirements.

"EBITDA" means the earnings before interest, income taxes, depreciation, and amortization, where interest is defined as net finance costs as per the consolidated statement of comprehensive income.

"EBITDA margin" means the earnings before interest, income taxes, depreciation, and amortization, where interest is defined as net finance costs as per the consolidated statement of comprehensive income as a percentage of total revenues.

"Adjusted EBITDA" refers to earnings before interest, income taxes, depreciation, amortization, share-based compensation, and the unrealized gain on share purchase warrants, with interest defined as net finance costs as per the consolidated statement of comprehensive income.

"Adjusted EBITDA margin" refers to earnings before interest, income taxes, depreciation, amortization, share-based compensation, and the unrealized gain or loss on share purchase warrants, with interest defined as net finance costs as per the consolidated statement of comprehensive income as a percentage of total revenues.

Reconciliations and Calculations

The tables set forth below provides a quantitative reconciliation of Gross Margin and EBITDA, which are Non-IFRS financial measures, to the most comparable IFRS measure disclosed in the Company's financial statements. The reconciliation of Non-IFRS measures to the most directly comparable measure calculated in accordance with IFRS is provided below where appropriate.

Gross Margin Reconciliation

Amounts in USD	Three months ended November 30, 2025	Three months ended November 30, 2024	Nine months ended November 30, 2024	Nine months ended November 30, 2024
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Revenues	392,481	1,806,205	1,888,950	5,077,216
Cost of Goods Sold	329,096	413,983	934,784	1,281,252
Gross Profit	63,385	1,392,222	954,166	3,795,964
Gross Margin	16%	77%	51%	75%

EBITDA and Adjusted EBITDA Reconciliation

<i>Amounts in USD</i>	Three months ended November 30, 2025	Three months ended November 30, 2024	Nine months ended November 30, 2025	Nine months ended November 30, 2024
Net Income/(Loss)	(1,094,650)	(113,140)	(1,834,960)	154,151
Depreciation & Amortization	175,255	153,381	524,076	388,396
Interest Expense	31,336	61,049	91,625	187,305
Income Tax Expense	4,088	-	4,088	805
EBITDA	(883,971)	327,570	(1,215,171)	730,657
EBITDA Margin	(225%)	(18%)	(64%)	14%
Share-based Compensation	182,749	59,753	373,881	156,574
Realized Loss/(Gain) on Share Purchase Warrants	(573,771)	655,782	(403,333)	974,260
Unrealized Loss/(Gain) on Share Purchase Warrants	527,972	(216,651)	263,986	528,398
Adjusted EBITDA	(747,021)	826,454	(980,637)	2,389,889
Adjusted EBITDA Margin	(190%)	46%	(52%)	47%

Reader Advisory

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to: future financial results, including anticipated profitability and/or lack thereof; statements about future plans, including statements about the planned expansion of the Company's manufacturing capacity, and new sites for the Company's production and headquarters; demand for the Company's services by current and future customers, including existing and future orders for the Company's SPS equipment and the anticipated revenue therefrom; and the expected future performance of the Company. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada, the United States and globally; a significant change in demand for the Company's services and products; industry conditions, governmental regulation, including environmental regulation; the effects of product development and need for continued technological change; the effect of government regulation and compliance on the Corporation and the industry; research and development risks; reliance on key personnel; operations in foreign jurisdictions; protection of intellectual property rights; contractual risk; third-party risk, risk of technological or scientific obsolescence; dependence of technical infrastructure; unanticipated operating events or performance; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, capital, skilled personnel and supplies; changes in tax laws; and the other risk factors disclosed under our profile on SEDAR+ at www.sedarplus.ca. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.