



EcoSynthetix Reports 2025 Third Quarter Results

Burlington, Ontario, November 6, 2025 – EcoSynthetix Inc. (TSX: ECO) (“EcoSynthetix” or the “Company”), a renewable chemicals company that produces a portfolio of commercially proven bio-based products, today announced its financial and operational results for the three months (Q3 2025) and nine months (YTD 2025) ended September 30, 2025. Financial references are in U.S. dollars unless otherwise indicated.

Highlights

(Comparison periods in each case are the three months ended September 30, 2024)

- Recorded net sales of \$5.8 million, up 11% or \$0.6 million, primarily due to higher volumes.
- Recorded Adjusted EBITDA¹ of \$0.2 million, compared to \$0.4 million in the prior year period.
- Won two new commercial accounts in Europe for SurfLock™ strength aids in the tissue end market through a recently added distributor relationship.
- Received a \$0.8 million purchase order in July for SurfLock™ from a leading global pulp manufacturer with additional purchases expected prior to the end of the year.
- Purchased and cancelled 118,035 common shares in Q3 2025, under the normal course issuer bid for total consideration of \$0.4 million.
- Maintained a strong balance sheet with cash and term deposits of \$30.4 million as at September 30, 2025.

“We are building positive momentum with new account wins, progress with key commercial accounts and a growing pipeline of new prospects. These building blocks position the business for sustainable topline growth and consistent profitability,” said Jeff MacDonald, CEO of EcoSynthetix. “The recent wins in the tissue end market are indicative of the value our strength aids offer across multiple applications. While volumes at a typical tissue line are smaller than pulp, paperboard or wood composites lines these new wins strengthen and diversify our revenue base. The large global pulp manufacturer is investing marketing and development resources in its new offerings that use SurfLock™. We believe the pulp end market is set to be a major component of our long-term growth. We’ve seen increased volumes across both the wood composites and personal care end markets in 2025. Our key strategic account in wood composites continues to drive greater adoption of bio-based glues across its supplier base and within its own mills. And our marketing and development partner in personal care, Dow, has made significant progress in expanding its pipeline of prospects with its all-natural product offering. We believe the business is positioned for long-term growth with the right players in each of our end markets to drive demand and more volumes.”

Financial Summary

Net Sales

Net sales were \$5.8 million and \$14.9 million for Q3 2025 and YTD 2025, respectively, compared to \$5.2 million and \$13.1 million for the corresponding periods in 2024. The \$0.6 million increase, or 11% improvement in the quarterly period was primarily due to higher volumes of \$0.5 million, or 10%, and a higher average selling price which increased sales \$0.1 million, or 1%. The \$1.8 million increase, or 14% improvement, in the YTD period was primarily due to higher volumes of \$1.6 million, or 12%, and a higher average selling price which increased sales \$0.2 million, or 2%. The increase in volume during both periods was primarily due to increased demand for the Company’s products sold into the wood composites, pulp and tissue end markets.

Gross Profit

Gross profit was \$1.7 million for Q3 2025, in line with the prior period, and \$4.0 million for YTD 2025, compared to \$3.7 million for the corresponding period in 2024. The 8% improvement in the YTD period, was due to higher volumes and a higher average selling price, partially offset by higher manufacturing costs primarily due to product mix.

Gross profit as a percentage of sales was 29.9% and 27.1% for Q3 2025 and YTD 2025, respectively, compared to 33.3% and 28.5% in the corresponding periods last year. Gross profit as a percentage of sales adjusted for manufacturing depreciation was 34.2% and 31.9% for Q3 2025 and YTD 2025, respectively, compared to 36.8% and 32.7% for the corresponding periods in 2024. The change in both periods was primarily due to higher manufacturing costs primarily due to product mix, partially offset by a higher average selling price.

Selling, General and Administrative

Selling, general and administrative expenses (SG&A) were \$1.8 million and \$4.5 million for Q3 2025 and YTD 2025, respectively, compared to \$1.5 million and \$4.6 million for the corresponding periods in 2024. The increase in the quarterly period was primarily due to an increase in salaries and benefits and higher repairs and maintenance costs.

Research and Development

Research and development (R&D) costs were \$0.4 million and \$1.2 million for Q3 2025 and YTD 2025, respectively, compared to \$0.6 million and \$1.7 million in the corresponding periods in 2024. The change in both periods is primarily due to higher product scale-up costs incurred in the prior year, as well as lower asset depreciation. R&D expense as a percentage of sales was 7% and 8% in Q2 2025 and YTD 2025, respectively, compared to 11% and 13% in the corresponding periods in 2024. The Company's R&D efforts continue to focus on further enhancing value for our existing products and expanding addressable opportunities.

Adjusted EBITDA¹

Adjusted EBITDA was \$0.2 million for Q3 2025, compared to \$0.4 million in the same period last year. The change was primarily due to higher operating costs, partially offset by higher gross profit. Adjusted EBITDA loss was negligible in the YTD 2025 period, an improvement of \$0.9 million, compared to Adjusted EBITDA loss of \$1.0 million in the same period last year. The improvement was primarily due to higher gross profit and lower operating costs adjusted for non-cash items.

Net (Loss) Income

Net loss was \$0.1 million, or \$0.00 per common share, for Q3 2025 compared to net income of \$0.1 million, or \$0.00 per common share, for the same period last year. Net loss was \$0.6 million, or \$0.01 per common share, for YTD 2025 compared to \$1.2 million, or \$0.02 per common share, for the same period in 2024. The change in the quarterly period was primarily due to a higher loss from operations as well as a reduction in net interest income due to declining interest rates. The improvement in the YTD period was primarily due to a reduction in loss from operations partially offset by lower net interest income.

Liquidity

Cash on hand and term deposits were \$30.4 million as at September 30, 2025, compared to \$32.2 million as at December 31, 2024. The Company purchased and cancelled 118,035 and 345,635 common shares under the NCIB during Q3 2025 and YTD 2025, respectively, for consideration of \$0.4 million and \$1.0 million.

Notice of Conference Call

EcoSynthetix will host a conference call Friday, November 7, at 8:00 am ET to discuss its financial results. Jeff MacDonald, CEO, and Robert Haire, CFO, will co-chair the call. All interested parties can instantly join the call by phone, by following the URL <https://emportal.link/3JgbKxV> to easily register and be connected into the conference call automatically or the conventional method by dialing (416) 945-7677 or (888) 699-1199 with the conference identification of 20561#. Please dial in 15 minutes prior to the call to secure a line. A live audio webcast of the conference call will also be available at www.ecosynthetix.com or <https://app.webinar.net/Mm2PNxpNEW9>. The presentation will be accompanied by slides, which will be available via the webcast link and the Company's website. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast.

¹Non-IFRS Financial 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 EcoSynthetix from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the financial information of EcoSynthetix reported under IFRS. The Company uses non-IFRS measures such as Adjusted 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.

Adjusted EBITDA is not a measure recognized under IFRS and does not have a standardized meaning prescribed by IFRS. See "IFRS and Non-IFRS Measures." The Company presents Adjusted EBITDA because the Company believes it facilitates investors' use of operating performance comparisons from period to period and company to company by backing out potential differences caused by variations in capital structures (affecting relative interest expense), the book amortization of intangibles (affecting relative amortization expense) and the age and book value of property and equipment (affecting relative depreciation expense). The Company also presents Adjusted EBITDA because it believes it is frequently used by securities analysts, investors and other interested parties as a measure of financial performance. Adjusted EBITDA as presented herein are not recognized measures under IFRS and should not be considered as an alternative to operating income or net income as measures of operating results or an alternative to cash flows as measures of liquidity. Adjusted EBITDA is defined as consolidated net income (loss) before net interest expense, income taxes, depreciation, amortization, gain or loss on disposals of property, plant and equipment and other non-cash expenses and charges deducted in determining consolidated net income (loss).

The following table reconciles net income (loss) to Adjusted EBITDA (loss) for the three and nine months ended September 30, 2025, and September 30, 2024:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Net (loss) income	(91,028)	143,191	(586,550)	(1,160,042)
Depreciation	265,525	269,945	811,711	812,577
Share-based compensation	365,891	394,724	781,333	796,143
Gain on disposal of property, plant and equipment	-	-	-	(90,000)
Interest income	(338,608)	(443,146)	(1,067,514)	(1,309,064)
Adjusted EBITDA (loss)	201,780	364,714	(61,020)	(950,386)

About EcoSynthetix Inc. (www.ecosynthetix.com)

EcoSynthetix offers a range of sustainable engineered biopolymers that allow customers to reduce their use of harmful materials, such as formaldehyde and styrene-based chemicals. The Company's flagship products, DuraBind™, Surflock™, Bioform™, and EcoSphere®, are used to manufacture wood composites, personal care, paper, tissue and packaging products, and enable performance improvements, economic benefits and carbon footprint reduction. The Company is publicly traded on the Toronto Stock Exchange (T:ECO).

Forward-Looking Statements

Certain statements in this Press Release constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of the Company, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward looking statements. The forward-looking statements in this Press Release include, but are not limited to, statements regarding the Company's plans to execute its commercial strategy, deliver meaningful growth across all three product categories, convert high-value strategic prospects into customers, and other statements regarding the Company's plans and expectations in 2025. These statements reflect our current views regarding future events and operating performance and are based on information currently available to us, and speak only as of the date of this Press Release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Those assumptions and risks include, but are not limited to, the Company's ability to successfully allocate capital as needed and to develop new products, as well as the fact that our results of operations and business outlook are subject to significant risk, volatility and uncertainty. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including the factors identified in the "Risk Factors" section of the Company's Annual Information Form dated February 18, 2025. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this Press Release as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, we do not intend and do not assume any obligation to update these forward-looking statements.

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EcoSynthetix Inc.
Consolidated Balance Sheets
(expressed in US dollars)

	September 30, 2025	December 31, 2024
Assets		
Current assets		
Cash	9,412,566	7,721,403
Term deposits	21,012,267	24,473,985
Accounts receivable	2,386,629	2,325,369
Inventory	4,069,382	2,828,748
Prepaid expenses	423,560	90,306
	<u>37,304,404</u>	<u>37,439,811</u>
Non-current assets		
Property, plant and equipment	5,889,206	3,845,010
Total assets	<u>43,193,610</u>	<u>41,284,821</u>
Liabilities		
Current liabilities		
Trade accounts payables and accrued liabilities	2,799,048	1,938,831
Non-current liabilities		
Lease liability	1,859,639	-
Total liabilities	<u>4,658,687</u>	<u>1,938,831</u>
Shareholders' Equity		
Common shares	489,084,792	489,246,909
Contributed surplus	10,950,904	11,013,304
Accumulated deficit	(461,500,773)	(460,914,223)
Total shareholders' equity	<u>38,534,923</u>	<u>39,345,990</u>
Total liabilities and shareholders' equity	<u>43,193,610</u>	<u>41,284,821</u>

EcoSynthetix Inc.
Consolidated Statements of Operations and Comprehensive (Loss) Income
For the three and nine months ended September 30, 2025 and 2024
(expressed in US dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net sales	5,833,596	5,233,974	14,880,268	13,103,754
Cost of sales	4,092,113	3,491,521	10,847,910	9,368,132
Gross profit on sales	1,741,483	1,742,453	4,032,358	3,735,622
Expenses				
Selling, general and administrative	1,784,332	1,479,267	4,486,489	4,642,440
Research and development	386,787	563,141	1,199,933	1,652,288
	2,171,119	2,042,408	5,686,422	6,294,728
Loss from operations	(429,636)	(299,955)	(1,654,064)	(2,559,106)
Net interest income	338,608	443,146	1,067,514	1,309,064
Gain on disposal of property, plant and equipment	-	-	-	90,000
Net (loss) income and comprehensive (loss) income	(91,028)	143,191	(586,550)	(1,160,042)
Basic and diluted (loss) income per common share	(0.00)	0.00	(0.01)	(0.02)
Weighted average number of common shares outstanding	58,672,511	58,758,013	58,594,020	58,692,474

EcoSynthetix Inc.
Consolidated Statements of Cash Flows
For the three and nine months ended September 30, 2025 and 2024
(expressed in US dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Cash provided by (used in)				
Operating activities				
Net (loss) income and comprehensive (loss) income	(91,028)	143,191	(586,550)	(1,160,042)
Items not affecting cash				
Depreciation	265,525	269,945	811,711	812,577
Share-based compensation	365,891	394,724	781,333	796,143
Other	27,520	(12,711)	(125,307)	(24,368)
Gain on disposal of property, plant and equipment	-	-	-	(90,000)
Changes in non-cash working capital				
Accounts receivable	202,465	(776,092)	(61,260)	(698,051)
Inventory	(812,881)	253,148	(1,265,288)	1,349,274
Prepaid expenses	(217,779)	10,404	(333,254)	(68,434)
Trade accounts payables and accrued liabilities	761,605	928,942	621,959	1,097,867
Interest on term deposits				
Interest received on term deposits	291,473	772,812	1,333,322	1,174,974
Accrued interest on term deposits	(272,092)	(408,296)	(893,830)	(1,205,516)
	<u>520,699</u>	<u>1,576,067</u>	<u>282,836</u>	<u>1,984,424</u>
Investing activities				
Purchase of property, plant and equipment	(341,430)	(301,224)	(506,718)	(713,939)
Proceeds on disposal of property, plant and equipment	-	-	-	90,000
Receipts on matured term deposits	6,950,000	12,500,000	26,500,000	27,800,000
Purchase of term deposits	(3,022,274)	(11,500,000)	(23,477,774)	(27,300,000)
	<u>3,586,296</u>	<u>698,776</u>	<u>2,515,508</u>	<u>(123,939)</u>
Financing activities				
Payments made on lease liability	(77,906)	(77,536)	(238,781)	(238,509)
Common shares repurchased	(359,729)	(550,794)	(1,049,088)	(1,661,498)
Exercise of common share options	-	-	43,238	710,459
	<u>(437,635)</u>	<u>(628,330)</u>	<u>(1,244,631)</u>	<u>(1,189,548)</u>
Effect of exchange rate changes on cash	<u>(24,214)</u>	<u>14,749</u>	<u>137,450</u>	<u>13,493</u>
Change in cash during the period	3,645,146	1,661,262	1,691,163	684,430
Cash - Beginning of period	5,767,420	3,938,613	7,721,403	4,915,445
Cash - End of period	<u>9,412,566</u>	<u>5,599,875</u>	<u>9,412,566</u>	<u>5,599,875</u>