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California Nanotechnologies Announces Q2 2027 Results

- Quarterly revenue of US$957K, representing an increase of 23% year-over-year
- Over US$2.5 million in purchase orders secured in Q3/FY2027, showcasing go-to-market success
- Managing liquidity with approximately US$1.0 million cash on hand as of Oct. 27 and US$314K receivables payment expected by October 31

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LOS ANGELES, CALIFORNIA, October 27, 2026 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to announce revenues of US$956,794 for the quarter ended August 31, 2026, representing an increase of 23% compared to the prior year. Adjusted EBITDA[1] was negative US$36,786 for the fiscal quarter ended August 31, 2026, compared with negative Adjusted EBITDA of US$80,909 in the prior year.

Net loss for the fiscal quarter was US$359,148, compared to net income of US$292,423 in the prior fiscal year. The net loss was mainly due to higher costs associated with the Company's scale-up efforts to drive future potential revenue growth, a lower gross margin due to revenue mix, and an unrealized gain of US$175,072 on share purchase warrants[2] benefiting net income in Q2/FY2025.

Diluted loss per share for the fiscal quarter was ($0.02) compared to diluted earnings per share of $0.01 for the same period last year. The financial statements are available on SEDAR+ at www.sedarplus.ca and on the Company's website.

"This was another quarter of positive step change as we prepare for our revenue growth to accelerate," said CEO Eric Eyerman. "We saw improvements to our top line and Adjusted EBITDA generation, and most importantly, have built the capabilities and team to support our larger-scale production manufacturing push. We recently signed our single largest purchase order in the Company's history in the small modular reactor (SMR) components industry. With the U.S. nuclear energy revival, Cal Nano is well positioned with our leading technology and expertise to support critical SMR materials."

[1] Non-IFRS Measure

[2] See disclosure under "Derivative Liability Recognition for Warrant Issuance under IFRS"

Financial Highlights

Amounts in USD	**Three months ended August 31, 2026**	Three months ended August 31, 2025	Period-over-period change	**Six months ended August 31, 2026**	Six months ended August 31, 2025	Period-over-period change
Revenues	**956,794**	779,916	23%	**1,874,648**	1,496,469	25%
Cost of Goods Sold	**472,774**	297,196	59%	**976,740**	605,688	61%
Gross Profit	**484,050**	482,720	0%	**897,908**	890,781	1%
Gross Margin[1]	**51%**	62%	(1100bps)	**48%**	60%	(1200bps)
Net Income/(Loss)	**(359,148)**	292,423	(221%)	**(808,746)**	(740,310)	(9%)
Income/(loss) Per Share –Diluted	**($0.01)**	$0.01	-	**($0.02)**	($0.02)	-
EBITDA[1]	**(176,237)**	(84,179)	(109%)	**(424,826)**	(331,200)	(28%)
Adjusted EBITDA[1]	**(36,786)**	(80,909)	55%	**(165,817)**	(233,616)	29%

Revenue increased in Q2/FY2026 primarily due to an equipment sale of US$314,500. Due to the revenue mix, gross margin decreased to 51%, compared to 62% in the prior year. However, Q2/FY2026 gross margin improved from 45% in Q1/FY2026.

The Company continues to anticipate fluctuations in gross margin depending on the manufacturing service mix between R&D and commercial customers, utilization, and volume of equipment deliveries.

Despite the decrease in gross margin, Adjusted EBITDA for the fiscal quarter improved 56% and was close to break even, showcasing the Company's ongoing cost management as it invests in future potential growth.

Management Commentary & Outlook

Q2/FY2027 continued the trend of sequential quarterly improvements in revenue and Adjusted EBITDA generation from its multiyear low in Q4/FY2026. FY2027 has focused on securing larger-scale manufacturing contracts, non-dilutive funding, and long-term partnerships to scale up the Company's operations.

To date, the Company has seen initial success with a large-scale production order for SMRs, an ongoing development agreement with a California-based Fortune 100 technology customer, and reoccurring production orders for a commercial satellite application. These are examples of how the Company intends to build its revenue base with a goal to capitalize on similar opportunities and benefit from higher operating leverage.

To manage its working capital and cash, the Company has started receiving at least 50% of a purchase order's value as a down payment. As a result, Cal Nano has approximately US$1.0 million in cash on hand as of October 27, 2026, and expects a US$314,500 accounts receivable payment by the end of October. This cash flow is expected to help the Company self-fund its growth plans as it works toward other potential nondilutive funding sources.

Subsequent to the quarter, Cal Nano signed an amended lease to expand its manufacturing footprint by approximately 80%. The Company believes it is well positioned to capitalize on opportunities in the nuclear energy industry as it works to secure additional commercial production contracts.

The Company has positioned itself as the premier and domestic manufacturer of critical and consumable reactor components such as control rods and radiation shielding. Cal Nano has started seeing the benefits of its past investments in sales, conferences, specialty industry organizations, and strategic partnerships to grow its leadership

in the industry.

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 August 31, 2026**	**Three months ended August 31, 2025**	**Six months ended August 31, 2026**	**Six months ended August 31, 2025**
Revenues	**956,794**	**779,916**	**1,874,648**	1,496,469
Cost of Goods Sold	472,774	297,196	976,740	605,688
Gross Profit	484,050	482,720	897,908	890,781
Gross Margin	**51%**	**62%**	**48%**	**60%**

EBITDA and Adjusted EBITDA Reconciliation

Amounts in USD	**Three months ended August 31, 2026**	**Three months ended August 31, 2025**	**Six months ended August 31, 2026**	**Six months ended August 31, 2025**
Net Income/(Loss)	**(359,148)**	**292,423**	**(808,746)**	**(740,310)**
Depreciation & Amortization	159,492	175,186	333,733	348,821
Interest Expense	20,129	33,059	46,987	60,289
Income Tax Expense	3,200	-	3,200	-
EBITDA	**(176,237)**	**(84,179)**	**(424,826)**	**(331,200)**
EBITDA Margin	***(18%)***	***(11%)***	***(23%)***	***(22%)***
Share-based Compensation	139,451	95,566	259,009	191,132
Unrealized Loss/(Gain) on Share Purchase Warrants	-	(92,296)	-	(93,548)
Adjusted EBITDA	**(36,786)**	**(80,909)**	**(165,817)**	**(233,616)**
Adjusted EBITDA Margin	***(4%)***	***(10%)***	***(9%)***	***(15%)***

Derivative Liability Recognition for Warrant Issuance under IFRS

On October 30, 2023, the Company successfully closed an issuance of units comprising common shares and warrants, encompassing an aggregate of 5,000,000 warrants, each with an exercise price of CA$0.25. As a result of the Company reporting its financial results denominated in US dollars, and in adherence to the International Financial Reporting Standards (IFRS), the Company is required to report a derivative liability attributable to the aforementioned warrants. Consequently, the Company will recognize a non-cash charge or income inclusion on a quarterly basis, predicated upon the fluctuation in the market price of the Company's shares, until such time as the warrants either are exercised or expire.

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.