



Financial Statements

MEOPAR Incorporated

March 31, 2026

MEOPAR Incorporated

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Independent auditor's report

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To the Board of Directors of
MEOPAR Incorporated

Opinion

We have audited the financial statements of MEOPAR Inc. (the "Network"), which comprise the statement of financial position as at March 31, 2026 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of MEOPAR Inc. as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Network in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Network's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Network or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Network's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Network's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Network to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Chartered Professional Accountants

Halifax, Canada
June 26, 2026

MEOPAR Incorporated**Statements of operations and changes in net assets**

Year ended March 31

2026**2025**

Revenue

Government assistance – NSERC, SSHRC and SSF	\$ 8,093,783	\$ 2,278,521
Project	1,133,053	323,076
Other	121,210	19,389
	<u>9,348,046</u>	<u>2,620,986</u>

Grant & program costs

Communications and networking	385,210	113,613
Knowledge mobilization and technology	1,664,651	520,012
Partnerships	828,014	31,965
Research	5,002,656	756,252
	<u>7,880,531</u>	<u>1,421,842</u>

Excess revenue over grant & program costs

1,467,515 1,199,144

Administrative

Operations and management	598,652	527,642
Salaries	583,136	468,463
	<u>1,181,788</u>	<u>996,105</u>

Operating

Amortization	170,035	212,544
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1,351,823 1,208,649

Excess (deficiency) revenue over expenses

\$ 115,692 \$ (9,505)

Net assets, beginning of year

\$ 441,384 \$ 450,889

Excess (deficiency) of revenue over expenses

115,692 (9,505)

Net assets, end of year

\$ 557,076 \$ 441,384

See accompanying notes to the financial statements.

MEOPAR Incorporated

Statement of financial position

March 31

2026

2025

Assets

Current

Cash and cash equivalents	\$ 784,022	\$ 1,877,048
Receivables	610,865	-
HST receivable	44,006	39,932
Prepaid expenses	23,984	6,134
	<u>1,462,877</u>	<u>1,923,114</u>

Tangible capital assets (Note 3)

<u>680,140</u>	<u>850,175</u>
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<u>\$ 2,143,017</u>	<u>\$ 2,773,289</u>
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Liabilities

Current

Payables and accruals	\$ 535,542	\$ 356,844
Deferred revenue (Note 4)	1,050,399	1,975,061
	<u>1,585,941</u>	<u>2,331,905</u>

Net assets

<u>557,076</u>	<u>441,384</u>
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<u>\$ 2,143,017</u>	<u>\$ 2,773,289</u>
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Related party transactions (Note 5)

Commitments (Note 7)

On behalf of the Board

DocuSigned by:

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Director

See accompanying notes to the financial statements.

MEOPAR Incorporated

Statement of cash flows

March 31

2026

2025

Increase (decrease) in cash and cash equivalents

Operating

Deficiency of revenue over expenses	\$ 115,692	\$ (9,505)
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Items not affecting cash and cash equivalents		
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Amortization	<u>170,035</u>	<u>212,544</u>
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	<u>285,727</u>	<u>203,039</u>
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Change in non-cash operating working capital

Receivables	(610,865)	82
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Funds held in trust by Dalhousie University	-	323,479
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HST receivable	(4,074)	(35,745)
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Prepaid expenses	(17,850)	4,612
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Payables and accruals	178,698	315,935
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Deferred revenue	<u>(924,662)</u>	<u>630,016</u>
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Change in cash and cash equivalents	(1,093,026)	1,441,418
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Cash and cash equivalents

Beginning of year	<u>1,877,048</u>	<u>435,630</u>
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End of year	<u>\$ 784,022</u>	<u>\$ 1,877,048</u>
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See accompanying notes to the financial statements.

MEOPAR Incorporated
Notes to the financial statements
March 31, 2026

1. Authority and purpose

MEOPAR Incorporated (the “Network”) was incorporated on February 17, 2012 under the Canada Corporations Act – Part II – as an income tax exempt not-for-profit organization. The Network provides funding to develop knowledge, tools, technology and highly qualified people through collaborative research.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”).

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and other institutions and term deposits.

Revenue recognition

The Network follows the deferral method of accounting for contributions, which include government grants.

Contributions which have external restrictions governing the types of activities they can be used to fund are deferred until related spending on these activities is incurred.

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue at the same rate of amortization as the related acquired capital assets.

Unrestricted contributions are recorded as revenue when received or receivable, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

Project and other revenues are recognized as performance obligations are met and collection is reasonably assured.

Tangible Capital Assets

Tangible capital assets are amortized over their estimated useful lives once they are available for use as follows:

Equipment	20% declining balance
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Tangible capital assets are carried at cost less, where applicable, any accumulated amortization and impairment losses.

When an item of tangible capital assets is no longer able to provide long term service potential to the Network, the impairment is recognized as an expense in the Statement of Operations. Any write downs recognized are not reversed.

Contributed materials and services

Contributed materials and services are disclosed at their fair value in the financial statements when the amount can be reasonably estimated and when the materials and services used in the normal course of the Network’s operations would otherwise have been purchased.

MEOPAR Incorporated

Notes to the financial statements

March 31, 2026

2. Summary of significant accounting policies (continued)

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

Significant management estimates relate to the useful lives of tangible capital assets, and deferred revenue. These estimates are reviewed periodically and adjustments are recognized in the Statement of Operations as appropriate in the year they become known.

Financial instruments

Initial measurement

The Network's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Financial assets and financial liabilities obtained in related party transactions are initially measured at cost, except for certain instruments which are initially measured at fair value. The Network does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Subsequent measurement

At each reporting date, the Network measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The financial instruments measured at amortized cost are cash and cash equivalents, receivables and payables and accruals.

Financial instruments (continued)

Subsequent measurement (continued)

For financial assets measured at cost or amortized cost, the Network regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Network determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the Statement of Operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Network's main credit risks relate to its receivables. The Network mitigates credit risk by regularly reviewing collectability of receivables. There was no significant change in exposure from the prior year.

The Network is not exposed to significant liquidity, interest, market or currency risk.

MEOPAR Incorporated

Notes to the financial statements

March 31, 2026

2. Summary of significant accounting policies (continued)

Employee future benefits

The Network's staff are eligible to join the Dalhousie Grant Paid and Associated Employees' registered retirement savings plan. Contributions for staff are approximately 5% of salary. The Network records contributions to this plan as expenditures in the year the contributions are made. Contributions to the plan made during the year amounted to \$43,692 (2025 - \$11,343).

3. Tangible capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value 2026</u>	<u>Net Book Value 2025</u>
Equipment	\$ 1,595,938	\$ 915,798	\$ 680,140	\$ 850,175

4. Deferred revenue

	<u>Beginning balance</u>	<u>Contributions received</u>	<u>Revenue recognized</u>	<u>2026 Ending balance</u>
Strategic Science Fund	\$ 1,096,684	\$ 7,019,885	\$ (8,116,569)	\$ -
Carbon to Sea	-	587,085	(241,176)	345,909
Project (ISI)	878,377	-	(173,887)	704,490
	<u>\$ 1,975,061</u>	<u>\$ 7,606,970</u>	<u>\$ (8,531,632)</u>	<u>\$ 1,050,399</u>

5. Related party transactions

In previous years, the Network had economic interest in Dalhousie University by virtue of the fact that the University was its host institution under the agreement. In fiscal 2026, MEOPAR is now only using Dalhousie University for payroll and benefits services as well as the use of office space without charge.

The value of the in-kind contributions received by means of services, equipment and facilities in fiscal 2026 is estimated by Dalhousie to be \$Nil (2025 – \$163,500). These contributions have not been recognized in the financial statements.

MEOPAR Incorporated
Notes to the financial statements
March 31, 2026

6. Grants from the Government of Canada

On November 30, 2023, the Network was awarded \$38.1 million in funding from the Government of Canada as part of the Strategic Science Fund (SSF) competition. On February 26, 2026 the Network was notified that, through a Comprehensive Expenditure Review (CER), a reduction of \$861,672 was made in the 2028-2029 funding. All recipients (those with continued funding to 2028-29, who received total awards of more than \$5 million) consequently had their total SSF awards reduced by 2.26%. The funding will be received over a five-year period. The funding schedule has been presented below:

Fiscal Year	
2024-2025	\$ 3,137,100
2025-2026	6,997,100
2026-2027	9,055,456
2027-2028	10,142,000
2028-2029	<u>7,939,172</u>
Total Grant	<u>\$ 37,270,828</u>

The disbursement of these funds will be subject to conditions outlined by the Government of Canada through the Contribution Agreement which was signed on June 17, 2024.

7. Commitments

The Network has awarded funding to various programs up to December 31, 2028. The annual commitments for these programs are as follows:

2026 - 2027	882,236
2027 - 2028	1,484,985
2028 - 2029	414,748

Subsequent to the year-end, the Network has paid \$303,180 of these commitments.