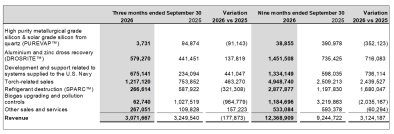
PyroGenesis Announces 3rd Quarter 2026 Financial Results

November12, 2026

Nine-month revenue is best since 2022.
Backlog of $39.9 million.

PyroGenesis Announces 3rd Quarter 2026 Financial Results



	Three months ended September 30 2026	2025	Variation 2026 vs 2025	Nine months ended September 30 2026	2025	Variation 2026 vs 2025
High purity metallurgical grade silicon & solar grade silicon from quartz (PUREVAP™)	3,731	94,874	(91,143)	38,855	390,978	(352,123)
Aluminium and zinc dross recovery (DROSRITE™)	579,270	441,451	137,819	1,451,598	735,425	716,083
Development and support related to systems supplied to the U.S. Navy	975,141	234,094	441,047	1,334,148	996,035	736,114
Torch related sales	1,217,126	753,852	463,270	4,948,749	2,508,213	2,439,527
Refrigerant destruction (GPARC™)	266,614	587,922	(321,308)	2,077,877	1,197,830	1,680,047
Biogas upgrading and pollution control	62,740	1,027,519	(964,779)	1,164,696	3,219,863	(2,035,167)
Other sales and services	267,051	106,828	157,223	533,084	593,378	(60,294)
Revenue	3,071,867	3,249,540	(177,673)	12,368,908	9,244,722	3,124,187

PyroGenesis Announces 3rd Quarter 2026 Financial Results

MONTREAL, Nov. 12, 2026 (GLOBE NEWSWIRE) -- PyroGenesis Inc. ("PyroGenesis" or "the Company") (TSX: PYR) (OTCQX: PYRGF) (FRA: 8PY1), a leader in ultra-high temperature processes and engineering innovation, and a plasma-based technology provider to heavy industry & defense, today announces its financial and operating results for the third quarter ended September 30, 2026.

"Q3 was an important quarter for the company. We put the finishing touches on several key initiatives to bring them across the finish line, we brought new clients into the fold, and we drove recurring business – a key strategic goal for the company," said P. Peter Pascali, President and CEO of PyroGenesis. "Most prominently, on the operational side, we completed the acquisition of the 50% ownership in HPQ Polvere, which solidifies our long-term rights-holding of the fumed silica reactor technology for which we have very high expectations."

Mr. Pascali continued, "On the project side, we announced receipt of final acceptance certification on a large coke-oven gas and hydrogen extraction system for a global steelmaker in India, ending the one-year operational liability period and formally transferring responsibility for future operation of the system to the client. Finally, in new business, we announced three new titanium powder clients – two of which have already placed multiple follow-up orders – plus a new plasma torch client in Europe. All in all, yet another example of our diversified business model in action, and part of the reason why we have already matched the full-year revenues for two of the past three years with our best nine-month revenue total since 2022."

KEY Q3 2026 FINANCIAL HIGHLIGHTS

- **Revenue of $3.07 million**, down 5% vs. Q3 2025
- **Gross margin of 35%**
- **Net loss of $3.2 million** compared to a loss of $2.2 million in the same period a year ago
- **Modified EBITDA loss of $1.5 million** vs. a loss of $1.9 million in the same period a year ago
- **Revenue (Order) Backlog of $39.9 million of signed and/or awarded contracts** as at November 12th, 2026, of which 85% is in U.S. dollars

Q3 2026 PRODUCTION AND SALES HIGHLIGHTS

Energy Transaction

- **In August** [news release dated August 19, 2026], the Company announced a $1.4 million contract to supply two plasma torches to a European mining, metallurgy & materials entity. The client is a European research institute focused on non-ferrous metallurgy, high-purity materials, sustainable recycling, decarbonizing processes, and the circular economy. Under the contract, PyroGenesis will supply two plasma torch systems, 300 kW and 40 kW, for use in advanced metallurgy and high temperature applications related to non-ferrous metals and critical minerals. The potential for this project was previously mentioned in the Outlook section of the Company's Q2 2026 earnings release.

Materials Production

- **In August** [news release dated August 17, 2026], the Company provided a corporate update for its fumed silica business line. As background, PyroGenesis invented a plasma-based system, the fumed silica reactor (the "FSR"), to convert quartz into fumed silica in a single eco-friendly step that represents a substantially simplified process compared to the complex multi-step process used by most conventional producers of fumed silica. The PyroGenesis FSR does not utilize any harmful chemicals that are typically required in conventional fumed silica production processes and, in addition, produces no hazardous by-products. The update included information regarding potential projects with four separate entities: a major global manufacturer of fumed silica, a potential joint venture partner, a company who uses fumed silica in its end product, and an existing Middle Eastern customer considering a fumed silica plant in their region.

- **In August** [news release dated August 20, 2026], the Company announced a titanium powder contract with a DOD and NASA-supported U.S. applied research facility. PyroGenesis will provide Ti64 "coarse" cut titanium powder for use in research for critical materials. The client operates one of the largest applied research laboratories supported by the U.S. Department of Defense and NASA. The facility was established at the end of World War II and currently employs more than 1,000 personnel. To receive this contract, compliance with the Defense Federal Acquisition Regulation Supplement (DFARS), which includes security-related requirements applicable to certain U.S. Department of Defense contractors, was required (and achieved) by PyroGenesis. The potential for this project was previously mentioned in the Outlook section of the Company's Q2 2026 earnings release.

- **In August** [news release dated August 24, 2026], the Company announced a titanium powder contract with a U.S.-based original equipment manufacturer serving the additive manufacturing industry. The contract was for Ti64 coarse cut titanium powder with a particle size of 45-150µm [microns] for use in directed energy deposition, a technology widely used in the aerospace and defense industries to print or repair structural metal parts and components. The potential for this project was previously mentioned in the Outlook section of the Company's Q2 2026 earnings release.

- **In August** [news release dated August 26, 2026], the Company announced a second titanium powder contract with a DOD and NASA-supported U.S. applied research facility, for Ti64 coarse cut titanium powder for use in research for critical materials. The client operates one of the largest applied research laboratories supported by the U.S. Department of Defense and NASA.

- **In August** [news release dated August 31, 2026], the Company announced a second titanium powder contract with a U.S.-based original equipment manufacturer serving the additive manufacturing industry. The contract was for Ti64 coarse cut titanium powder with a particle size of 45-150µm [microns] for use in directed energy deposition.

- **In September** [news release dated September 15, 2026], the Company announced a titanium powder contract with a U.S materials distributor. The contract was for Ti64 fine cut powder, with a particle size range of 20-80µm (microns). This powder is typically used in laser powder bed fusion, an additive manufacturing technology widely used to produce complex, high-density components for aerospace, healthcare, and automotive industries. The client supplies U.S. customers in the aerospace, defense, energy, and broader advanced manufacturing sectors. The client has indicated the potential for a monthly supply agreement of up 1,000 kg (1 tonne). The potential for this project was previously mentioned in the Outlook section of the Company's Q2 2026 earnings release.

Waste Processing

- **In September** [news release dated September 22, 2026], the Company announced that its subsidiary Pyro Green-Gas, received the Final Acceptance Certificate for a previously announced major project undertaken for Tata Steel, one of the world's leading diversified steel producers. The certificate confirms successful completion of the one-year operational liability period and formally transfers responsibility for future operation of the system to the client. The coke-oven gas cleaning system installed for Tata Steel covers an area equivalent to a football field and spans the height of a five-storey building.

Q3 2026 Financial Highlights

- **In August** [news release dated August 6, 2026], the Company announced 2026 Q2 results: quarterly revenue of $4.4 million, up 47% year-over-year, representing the Company's best second quarter revenue since 2022; quarterly net loss of $1.1 million compared to a loss of $2.9 million in the same period a year prior; backlog of $40.0 million.
- **Post quarter end, in October** [news release dated October 19, 2026], the Company announced receipt of $2.3 million (US$1,628,772) under PyroGenesis' existing $25+ million Drosrite™ contract with Radian Oil and Gas Services Company.

Q3 2026 Operational Highlights

- **In September** [news release dated September 29, 2026], the Company announced completion of the acquisition of 50% ownership interest in HPQ Silica Polvere Inc. ("HSPI"), the rights-holder of the fumed silica reactor ("FSR") technology. HSPI's primary line of business is commercialization of the FSR, a proprietary technology originally developed and built by PyroGenesis to convert quartz (SiO_2) into fumed silica in a single and eco-friendly step while eliminating the use of harmful chemicals generated by conventional methods. Fumed silica is a widely used industrial material found in thousands of products. If commercially successful, the FSR could significantly advance the reshoring of fumed silica production from China-based producers to domestic facilities by enabling localized, modular, and on-demand fumed silica production near end users' manufacturing facilities across North America. Before completion of the acquisition, HSPI was a wholly-owned subsidiary of HPQ Silicon Inc. ("HPQ"). Since 2021 [press release dated July 6, 2021], PyroGenesis has held: (i) a 10% annual royalty on HSPI's sales (the "Royalty") of fumed silica, (ii) the rights, under an agreement with HPQ, to convert the Royalty into a 50% interest in HSPI, and (iii) an exclusive arrangement to be the sole supplier of equipment relating to any commercialization of the FSR. PyroGenesis previously announced its intention to convert the Royalty into an ownership interest [press release dated May 30, 2024]. With the completion of the acquisition, the Royalty has been converted into a 50% ownership interest in HSPI. PyroGenesis also retains its exclusive arrangement to serve as the sole supplier of equipment relating to any commercialization of the FSR.

FINANCIAL SUMMARY

1. **Revenues**

PyroGenesis recorded revenue of $3.1 million in the third quarter of 2026 ("Q3, 2026"), representing a decrease of $0.2 million compared with $3.2 million recorded in the third quarter of 2025 ("Q3, 2025"). Revenue for the nine-month period ended September 30, 2026, was $12.4 million, an increase of $3.2 million over revenue of $9.2 million in the same period of 2025.

Revenues recorded in the three and nine-months ended September 30, 2026, were generated primarily from:

	Three months ended September 30		Variation	Nine months ended September 30		Variation
	2026	2025	**2026 vs 2025**	**2026**	2025	**2026 vs 2025**
High purity metallurgical grade silicon & solar grade silicon from quartz (PUREVAP™)	**3,731**	94,874	(91,143)	**38,855**	390,978	(352,123)
Aluminium and zinc dross recovery (DROSRITE™)	**579,270**	441,451	137,819	**1,451,508**	735,425	716,083
Development and support related to systems supplied to the U.S. Navy	**675,141**	234,094	441,047	**1,334,149**	598,035	736,114
Torch-related sales	**1,217,120**	753,852	463,270	**4,948,740**	2,509,213	2,439,527
Refrigerant destruction (SPARC™)	**266,614**	587,922	(321,308)	**2,877,877**	1,197,830	1,680,047
Biogas upgrading and pollution controls	**62,740**	1,027,519	(964,779)	**1,184,696**	3,219,863	(2,035,167)
Other sales and services	**267,051**	109,828	157,223	**533,084**	593,378	(60,294)
Revenue	**3,071,667**	3,249,540	(177,873)	**12,368,909**	9,244,722	3,124,187

A table accompanying this announcement is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/d56cecca-62bc-4532-be84-cb35e4600e13

Q3, 2026 revenues decreased by $0.2 million, mainly as a result of:

- Biogas upgrading and pollution controls related sales decreased by $1.0 million, primarily because the level of revenue recognized on biogas projects during Q3 2025, when larger project phases were progressing, did not recur in the current quarter. Revenue recognized during Q3 2026 was limited to $0.1 million, compared with $1.0 million in the corresponding prior-year period,
- SPARC™ related sales decreased by $0.3 million, following significant delivery, installation and commissioning activities undertaken during the first half of 2026. These activities generated substantial revenue earlier in the year, whereas the third quarter reflected a lower level of recognized activity compared with Q3 2025,
- Torch-related products and services increased by $0.5 million, reflecting continued execution of plasma torch contracts that progressed through fabrication, system delivery and deployment activities during 2026. These contracts benefited from work initiated in prior periods, including the manufacturing and delivery of torch systems for installation at customer facilities,
- Development and support related to systems supplied to the U.S. Navy increased by $0.4 million, reflecting a higher level of recognized development and support work than in the comparative quarter, following the progression of assembly deliveries and related activities anticipated during 2026,
- DROSRITE™ related sales increased by $0.1 million, supported by the continuation of customer-related activities following increased spare parts orders, storage revenue and contract execution reported during the first half of 2026,
- PUREVAP™ related sales decreased by $0.1 million, following the completion of previously recognized development activities in February 2026. Subsequent activities focused on technical validation and potential commercialization opportunities, resulting in limited revenue recognition during the quarter, and,
- Other sales and services increased by $0.2 million, reflecting a higher contribution from ancillary sales and service transactions compared with the corresponding quarter of 2025.

During the nine-month period ended September 30, 2026, revenues increased by $3.1 million, mainly as a result of:

- Torch-related products and services increased by $2.4 million, primarily reflecting the progression of plasma torch contracts through manufacturing, delivery and deployment activities, including the completion of manufacturing of a plasma torch system for Castellum. Most of the increase was recorded during the first half of 2026 as these contracts advanced,
- SPARC™ related sales increased by $1.7 million, mainly due to significant system delivery, installation and commissioning activities undertaken during the first half of 2026. These activities generated higher revenue than in the comparative period, partially offset by lower revenue recognized during Q3,
- Development and support related to systems supplied to the U.S. Navy increased by $0.7 million, reflecting additional engineering, assembly delivery and support activities associated with the continued progression of these systems,
- DROSRITE™ related sales increased by $0.7 million, primarily driven by higher spare parts orders from existing customers, storage revenue and the achievement of contract milestones, with most of the increase occurring during the first six months of 2026,
- Biogas upgrading and pollution controls related sales decreased by $2.0 million, mainly because significant project phases and commissioning activities recognized in 2025 did not recur at comparable levels in 2026. The decrease was partially offset by a second-quarter adjustment relating to previously achieved milestones on a terminated project, and,
- PUREVAP™ related sales decreased by $0.4 million, following the completion of development-stage activities in February 2026, with subsequent efforts focused on technical validation and commercialization rather than revenue-generating project work.

Overall, nine-month revenue growth was driven primarily by the advancement of plasma torch and SPARC™ contracts through manufacturing, delivery and commissioning stages, partly offset by reduced activity on biogas projects.

As of November 12, 2026, revenue expected to be recognized in the future related to backlog of signed and/or awarded contracts is $39.9 million,[1] of which 85% is in US dollars. Revenue will be recognized as the Company satisfies its performance obligations under long-term contracts, which are expected to occur over a maximum period of approximately 3 years.

[1] This excludes the contract with Varennes Carbon Recycling following the March 21, 2025, announcement that the company managing the project filed for protection under the Companies Creditor Arrangement Act.

2. **Cost of Sales and Services and Gross Profit**

During the three months ended September 30, 2026, cost of sales and services totaled $2.0 million, compared with $2.5 million in Q3 2025, representing a decrease of $0.5 million.

The decrease was primarily attributable to lower direct material costs of $0.4 million and subcontracting costs of $0.2 million, consistent with changes in the mix and stage of project execution, including substantially lower biogas-related activity compared with the prior-year quarter. These decreases were partially offset by higher employee compensation of $0.07 million and manufacturing overhead and other costs of $0.07 million.

Gross profit for Q3 2026 was $1.1 million, or 35% of revenue, compared with $0.8 million, or 24% of revenue, in Q3 2025. The improvement in gross margin was primarily attributable to lower direct material and subcontracting costs, which more than offset the decrease in revenue, together with differences in the mix of contracts executed during the quarter.

During the nine months ended September 30, 2026, cost of sales and services totaled $8.3 million, compared with $6.0 million in the comparative period, representing an increase of $2.3 million.

The increase was primarily attributable to higher subcontracting costs of $1.2 million, reflecting greater use of external resources to support project execution, particularly during the first half of 2026 as torch-related and SPARC™ projects progressed through manufacturing, delivery and commissioning activities. Manufacturing overhead and other costs increased by $0.7 million, while employee compensation increased by $0.3 million and direct material costs by $0.1 million, reflecting higher production and project execution activity. The year-over-year increase in subcontracting costs was also affected by a one-time adjustment of $0.4 million that resulted in negative subcontracting expense during Q2 2025.

Gross profit for the nine months ended September 30, 2026, was $4.0 million, or 33% of revenue, compared with $3.2 million, or 35% of revenue, in the comparative period. Although gross profit increased due to higher revenues, the gross margin percentage decreased as subcontracting and manufacturing overhead costs increased proportionately more than revenues, together with the impact of the prior-year subcontracting adjustment.

3. **Selling, General and Administrative Expenses**

Included within Selling, General and Administrative expenses ("SG&A") are costs associated with corporate administration, business development, project proposals, operations administration, investor relations and employee training.

During the three months ended September 30, 2026, SG&A expenses totaled $4.0 million, compared with $2.6 million in Q3 2025, representing an increase of $1.4 million.

The increase was primarily attributable to non-cash share-based compensation, which increased by $1.4 million to $1.5 million, following the grant of 10 million stock options which vested immediately. Insurance and other expenses increased by $0.2 million, while professional fees increased by $0.1 million.

These increases were partially offset by a $0.2 million decrease in depreciation of right-of-use assets, consistent with the impact of changes in lease arrangements during 2026. Government grant recoveries increased by $0.1 million, while expected credit loss and bad debt recoveries resulted in a favorable variance of $0.08 million, reflecting changes in credit loss provisions between periods.

Foreign exchange resulted in a loss of $0.03 million in Q3 2026, compared with a gain of $0.07 million in Q3 2025, representing an unfavorable variance of $0.1 million, primarily attributable to fluctuations in foreign-currency-denominated transactions and balances.

During the nine months ended September 30, 2026, SG&A expenses totaled $9.3 million, compared with $9.9 million in the comparative period, representing a decrease of $0.6 million.

The decrease was primarily attributable to lower employee compensation of $0.9 million, reflecting continued cost control measures and workforce optimization. Expected credit loss and bad debt recoveries resulted in a favorable variance of $0.9 million, primarily reflecting revisions to credit loss provisions during the first half of 2026. Depreciation of right-of-use assets decreased by $0.4 million, consistent with lease terminations and asset remeasurements, while government grant recoveries increased by $0.3 million.

These decreases were partially offset by higher non-cash share-based compensation, which increased by $1.6 million to $1.8 million, primarily reflecting the stock options granted during Q3 2026. Depreciation of property and equipment, professional fees and travel expenses each increased by approximately $0.1 million.

Overall, the nine-month decrease in SG&A expenses reflects lower employee-related costs and favorable credit loss recoveries recorded earlier in the year, which more than offset the significant increase in non-cash share-based compensation recognized during the third quarter.

4. **Research and Development ("R&D") Costs, net**

During the three months ended September 30, 2026, net research and development ("R&D") expenses totaled $0.2 million, comparable to $0.2 million in Q3 2025, with no significant variations.

During the nine months ended September 30, 2026, net R&D expenses totaled $0.49 million, compared with $0.94 million in the comparative period, representing a decrease of $0.45 million.

The decrease was primarily attributable to lower materials and equipment costs of $0.3 million, reflecting reduced project-related purchases and development activity, particularly during the first half of 2026. Employee compensation decreased by $0.1 million, consistent with the lower level of R&D activity, while the other categories of expenses were comparable.

Overall, the nine-month decrease reflects lower development expenditures during the first half of 2026 compared with the corresponding period of 2025, notwithstanding the modest increase in R&D expenses during Q3. R&D expenditures may vary from period to period depending on the stage of development of the Company's technologies and the prioritization of internal and external resources.

In addition to internally funded R&D projects, the Company incurs R&D expenditures in connection with client-funded projects. These expenditures are eligible for Scientific Research and Experimental Development ("SR&ED") tax credits, which are applied against cost of sales and services when related to client-funded projects.

5. **Finance Expenses (income), net**

During the three months ended September 30, 2026, net finance expenses totaled $0.1 million, compared with $0.25 million in Q3 2025, representing a decrease of $0.1 million.

The decrease was primarily attributable to lower interest and accretion on convertible debentures of $0.07 million, consistent with the reduction in outstanding debenture obligations, together with decreases in lease liability interest of $0.03 million, secured loan accretion of $0.03 million and penalties and other interest expenses of $0.03 million. These decreases were partially offset by higher interest on secured loans of $0.03 million, while finance income from the accretion of royalties receivable increased by $0.01 million.

During the nine months ended September 30, 2026, net finance expenses totaled $0.6 million, compared with net finance income of $0.3 million in the comparative period, representing an unfavorable variance of $0.8 million.

The unfavorable variance was primarily attributable to the non-recurrence of $1.0 million in finance income recognized during Q2 2025, following the reversal of a liability associated with a business combination when the Company determined that a contractual milestone would not be achieved. In addition, interest and accretion on secured loans increased by $0.3 million, reflecting higher financing costs associated with secured borrowing arrangements during 2026.

These unfavorable movements were partially offset by lower interest and accretion on convertible debentures of $0.2 million, reflecting reduced outstanding obligations, together with decreases in lease interest of $0.1 million and penalties and other interest expenses of $0.08 million. Finance income from the accretion of royalties receivable also increased by $0.02 million.

6. **Investments**

During the three months ended September 30, 2026, the Company recorded a loss of $0.02 million from changes in the fair value of investments, comparable to the loss of $0.02 million recorded in Q3 2025.

During the nine months ended September 30, 2026, the Company recorded a loss of $0.02 million, compared with a loss of $2.1 million in the comparative period, representing a favorable variance of $2.1 million. The improvement primarily reflects the non-recurrence of significant fair value losses associated with the Company's holdings in HPQ Silicon Inc. during 2025. Fair value adjustments during 2026 were limited to the remaining Beauce Gold Fields shares, which were subsequently disposed of for proceeds of approximately $0.03 million. As at September 30, 2026, the Company held no publicly traded strategic investments, compared with $0.05 million at December 31, 2025.

Other Income

During the three months ended September 30, 2026, the Company recorded no Other Income, consistent with Q3 2025.

During the nine months ended September 30, 2026, Other Income totaled $1.0 million, compared with $Nil in the comparative period. The amount was recognized during Q2 2026 and primarily comprised a gain of $0.9 million resulting from the out-of-court settlement of the purchase-option dispute relating to the Turcot manufacturing facility. The settlement resulted in the modification and derecognition of the associated right-of-use asset and lease liability.

An additional gain of $0.08 million was recognized from the disposal of equipment during Q2 2026, representing the excess of proceeds over the carrying value of the asset

disposed.

7. **Comprehensive Loss**

During the three months ended September 30, 2026, the Company reported a comprehensive loss of $3.2 million, compared with $2.5 million in Q3 2025, representing an unfavorable variance of $0.7 million.

The increase in comprehensive loss was primarily attributable to higher SG&A expenses of $1.4 million, largely driven by non-cash share-based compensation recognized following the grant of stock options during the quarter. This increase was partially offset by higher gross profit of $0.3 million, reflecting lower direct material and subcontracting costs and improved gross margins, together with lower net finance expenses of $0.1 million. Favorable foreign currency translation movements recorded in other comprehensive income of approximately $0.2 million also partially offset the increase in loss.

During the nine months ended September 30, 2026, the Company reported a comprehensive loss of $5.4 million, compared with $10.0 million in the comparative period, representing a favorable variance of $4.6 million.

The improvement was primarily attributable to a $2.1 million reduction in losses from changes in the fair value of strategic investments, as significant investment valuation losses recognized in 2025 did not recur. Other Income of $1.0 million, recognized during Q2 2026, also contributed, primarily reflecting the settlement of the Turcot manufacturing facility dispute.

The improvement was further supported by higher gross profit of $0.8 million, driven by increased revenues from torch-related and SPARC™ projects, lower SG&A expenses of $0.6 million, primarily reflecting reduced employee compensation and favorable expected credit loss recoveries, and lower net R&D expenses of $0.4 million due to reduced development expenditures. Favorable foreign currency translation movements of approximately $0.5 million also contributed.

These favorable movements were partially offset by an unfavorable $0.8 million change in net finance expenses, primarily reflecting the non-recurrence of $1.0 million in finance income recognized during 2025 following the reversal of a liability associated with a business combination.

8. **Liquidity and Capital Resources**

As at September 30, 2026, the Company had cash of approximately $0.2 million, included in the net working capital deficiency of approximately $8.7 million. Certain working capital items such as billings in excess of costs and profits on uncompleted contracts do not represent a direct outflow of cash. The Company expects that with its cash, liquidity position, the proceeds available from the strategic investment and its access to capital markets it will be able to finance its operations for the foreseeable future.

The Company's term loan was granted by the Economic Development Agency of Canada and the balance at September 30, 2026, was $197,505, compared with $247,594 as at December 31, 2025, a decrease of approximately $0.05 million reflecting scheduled principal repayments and accretion. The loan is interest free and is expected to be repaid over the applicable schedule ending in March 2029.

In February 2026, the Company entered into a secured loan agreement with the President and CEO whereby the Company borrowed $800,000, bearing interest at 5%, and was repaid in June 2026.

In March 2026, the Company raised $1,973,449 from a non-brokered private placement consisting of 3,654,537 units. Each unit includes one common share and one-half common share purchase warrant.

In June 2026, the Company completed a "bought deal" equity financing, pursuant to which the Company issued 12,514,875 units for aggregate gross proceeds of $4,255,058 at a price per unit of $0.34. Each unit includes one common share and one common share purchase warrant.

Also in June 2026, the Company announced the completion of a non-brokered private placement which was solely and entirely subscribed by the Company's President and CEO, for 5,882,352 units at a price per unit of $0.34, for gross proceeds of $2,000,000. Each unit includes one common share and one common share purchase warrant.

At September 30, 2026, there was no balance outstanding on the convertible debenture. The final payment instalment was made at maturity, in July 2026. The average interest rate on the term loan and secured loan at September 30, 2026, is approximately 18%.

Subsequent to September 30, 2026, the Company completed the acquisition of its manufacturing facility under the settlement reached with the lessor in May 2026. The purchase price was approximately $3.1 million, financed through a mortgage loan for the same amount, bearing interest at 12.25%.

A commercial bank issued standby letters of credit on behalf of the Company to two customers in the amount $257,000 (expiring in November 2026) and €540,000 euro ($882,000 expiring in August 2027) on advance guarantees secured by Export Development Canada.

OUTLOOK

Consistent with the Company's past practice, and in view of the early stage of market adoption of our core lines of business, the Company is not providing specific revenue or net income (loss) guidance for 2026.

The following is an outline of the many factors that impact the Company's strategy and future success, plus key developments that are expected to impact subsequent quarters.

Overall Strategy

The Company develops technology to transform high temperature processes for heavy industry and defense, which can result in improved operational efficiencies, higher product quality, increased output, lower cost, lower emissions, simplified logistics, reduced carbon footprint, and safer working/living environments. Most of the technologies stem from the Company's core expertise in plasma.

The Company has evolved from its early beginnings as a specialty-engineering firm to being a provider of a robust technology eco-system.

The Company believes its strategy to be timely, as multiple heavy industries are committing to major electrification initiatives, carbon reduction measures, and waste reduction programs at the same time as many governments are increasingly supportive – from both a policy and financial perspective – of these types of technologies and infrastructure projects. Additionally, both industry and government are developing strategies to ensure the availability of critical minerals – especially within North America and Europe – during the coming decades of increased output demand.

While there can be no guarantees, the Company believes the evolution of its strategy beyond greenhouse gas emission reduction, to an expanded focus that encapsulates the key segments listed at the start of the Recent Developments and Outlook section, both (i) improves the Company's chances for success while (ii) also providing a clearer picture of how the Company's wide array of offerings work in tandem to support client goals.

PyroGenesis' heavy industry target market opportunity is significant, as major industries such as aluminum, steelmaking, manufacturing, cement, chemicals, aeronautics, and government seek factory-ready, technology-based solutions to help steer through the challenging landscape of increasing demand, tightening regulations, and material availability – areas where the Company's technologies can be beneficial.

Additionally, over the past few years, interest in the Company's technologies from the defense and military industries has increased considerably, to the point where identifying these industries as unique target markets is justified. Their interest encompasses an array of the Company's offerings, including opportunities across waste destruction (especially chemical warfare agents), high temperature propulsion and protection, airframe materials testing, and titanium metal powders.

As more of the Company's offerings reach full commercialization, PyroGenesis will remain focused on attracting influential customers in broad markets while at the same time

ensuring that operating expenses are controlled to achieve profitable growth.

Cost Controls and Efficiencies

PyroGenesis has been, and continues to, scrutinize both potential and existing projects to ensure that the utilization of labour and financial resources are optimized. The Company continues to only engage in projects that reflect significant benefits to PyroGenesis and the risks of which are defined. The Company intends to intensify its focus on project and budgetary clarity during this period of elevated inflationary pressures, by identifying alternative suppliers while constantly adjusting project resources. The early-stage project assessment process has also been refined to allow for faster "go / no-go" decisions on project viability. Through an ongoing Cost Optimization Program, the Company has further identified areas to reduce costs and expenses in 2026.

Continuing the Cost Optimization Program began in fiscal 2024, which resulted in over $3 million in savings, in 2025 the Company identified savings in patent expenses, insurance and optimization of the workforce, for a net benefit of $2 million. These are recurring cost savings which will benefit the Company on a recurring annual basis.

Enhanced Sales and Marketing

Against the backdrop of its strategy, the Company continues to focus on sales, marketing, and R&D efforts in-line with – and in some cases ahead of – the growth curve for industrial change related to energy transition, electrification, protection of the critical mineral supply chain, and greenhouse gas reduction efforts.

Macroeconomic Conditions

With some continued uncertainty in the macroeconomic environment, including ambiguity in the banking sector with regard to interest rate adjustments, the continued inflationary pressures causing shifting demand dynamics across various industries at different times, and the possibility of recessionary conditions, it may be difficult to assess the future impact these events and conditions will have on our customer base, the end markets we serve, and the resulting effect on our business and operations, both in the short term and in the long term.

Despite these uncertainties, we continue to believe there is a strong need for PyroGenesis' solutions in the industries we serve as heavy industry continues to transition and/or electrify their energy sources, decarbonize, manufacture utilizing both lighter metals (such as aluminum) and additive manufacturing, and deal with tighter hazardous waste regulations.

While we expect these uncertainties and other macroeconomic conditions to continue to impact the variability in our quarter-to-quarter revenue, we believe our diversity in both customer base and solution set will continue to be a strong mitigating factor to these challenges. Additionally, the Company's ongoing efforts to reduce costs through various measures including the sourcing of more high quality, cost competitive suppliers, further bolsters the Company against cost fluctuations.

The various military conflicts in the Middle East and Eastern Europe continue to create some level of global economic uncertainty, as well as supply chain disruptions that can change at any time. However, it's important to note that the Company does not have any operations, customers or supplier relationships in Russia, Belarus, Ukraine, or Iran, and as such are not directly impacted at a customer level in these countries. The Company does have customer relationships and projects in Poland and Saudi Arabia and will continue to monitor the situation in the region regarding challenges to the completion of current projects, which at this time are not inhibited.

The conflict in Iran, which began in late February 2026, has impacted international business by causing one of the largest oil supply disruptions in history. In general, this has increased freight costs, disrupted global supply chains and aviation, led to higher petroleum prices, higher air travel fares, and put additional inflationary pressures on various goods including energy.

While higher operational costs and even economic slowdowns are being seen across some regions, the long-term effects are unknown. So far, the Company cannot point to any specific client project decisions that have been attributed to this situation. As the Company's projects are, on average, 18 months in duration, the immediate impact is mitigated to an extent by the extended project periods. Longer term project impacts are unknown.

Generally, the Company believes that broad-based threats to global supply chains increase awareness and interest in the many solutions the Company offers. This is particularly true within the minerals and metals industries, as manufacturers seek alternatives to offshore suppliers as well as technologies that could optimize output or recycle critical materials from by-products or waste – solutions that the Company currently offers.

BUSINESS LINE DEVELOPMENTS

The upcoming milestones which are expected to confirm the validity of our strategies are outlined below. Please note that these timelines are estimates based on information provided to us by the clients/potential clients, and while we do our best to be accurate, timelines can and will shift, due to protracted negotiations, client technical and resource challenges, or other unexpected situations beyond our or the clients' control:

Financial:

Payments for Outstanding Major Receivables:

Regarding the outstanding receivable under the Company's existing $25 million+ Drosrite™ contract, and as previously announced, PyroGenesis had agreed to a strategic extension of the payment plan, by the customer and its end-customer, geared to better align the pressures on the end-user's operating cash flows created by increased business opportunities. In the Q2 Outlook, it was indicated that the next payment(s) to PyroGenesis were expected in the near term. **Post quarter end, in October [news release dated October 19, 2026], the Company announced receipt of $2.3 million (US$1,628,772) under PyroGenesis' existing $25+ million Drosrite™ contract with Radian Oil and Gas Services Company. With the original contract now fully paid, this business line development will be removed from future Outlooks**.

Energy Transition:

Alumina Calcination:
As reported in previous Outlooks, the Company had been in advanced discussions with one of the largest mining companies in the world, to study the use of plasma torches in the calcination of alumina. The project would simulate the replacement of natural gas burners by plasma torches in a flash calciner furnace for producing smelter-grade alumina. The Q2 2026 Outlook stated that the Company and this client continued discussions and that an announcement may be expected in the near term.

During Q3, the project commenced. The first phase, which identified the extent of plasma power required for such a furnace, was completed. Phase 2 of this project is underway and will provide the next layer of operational modelling and analysis, with final results expected to be delivered to the client during Q4 2026. The goal is the conversion of an existing large calcination furnace.

Super High-Powered Plasma Torch for Aluminum Producer:
As reported in the previous Outlooks, the Company has been in discussions with one of the largest aluminum companies globally, toward the eventual purchase of a 5MW plasma torch. Initial discussions were centred around engineering support to develop a feasibility study in conjunction with the client, with a possible torch purchase in 2026. Subsequently, a feasibility study was prepared, and a formal proposal was submitted to the client, for the potential purchase of two 2MW plasma torch systems (in place of the previous potential purchase of one 5MW torch), for use in large molten aluminum furnaces. During Q1, the client requested a larger feasibility study for a full-scale conversion (to plasma torches) of an entire aluminum casthouse containing multiple furnaces. The Q2 2026 Outlook stated that PyroGenesis submitted plans and estimates for this study, and a decision may be expected in the near term. During Q3, at the behest of the client, the Company developed a proposal to evaluate three separate locations in North America and Europe for possible full conversion to plasma, and is awaiting approval.

Advanced Cement Research:

The Company is in discussions with a university research centre in North Africa for the use of a plasma furnace in research into advanced cement production and calcination.

Plasma Torch for Metallurgy:
The Company is in discussions with a European research institute for multiple plasma torches for use in advanced metallurgy research. **This project was announced post-quarter end, on October 14, 2026**.

Plasma Torch for Research:
The Company is in discussions with a European research institute for sale of a plasma torch system for advanced research. This potential client recently renewed discussions after engaging with PyroGenesis several years prior.

Plasma Torch for Furnace Manufacturer:
In discussion with a major European industrial furnace manufacturer for the potential replacement of furnace burners with plasma torches in industrial glass production furnaces.

Plasma Torch for Glass Manufacturing:
In discussion with an international engineering group for the potential trial replacement of furnace burners with plasma torches in industrial glass production furnaces.

Plasma Torch for Aerospace Re-Entry testing
In discussion with an American hypersonic research laboratory for a plasma torch system to be used in atmospheric re-entry testing.

Plasma Torch for Material Testing:
In discussion with a European public research and development agency for a plasma torch system for advanced material testing.

Materials Production:

Battery Materials Production:

The Company is in advanced discussions to be a key part of a major European initiative, for the use of plasma reactors to produce battery materials. PyroGenesis was approached for this initiative, and for the past two months the Company has been working with the potential client to outline how PyroGenesis' plasma reactors can meet the client's requirements, which are substantial. This project is well funded by both private and public sector entities. If awarded, this project will require a large number of plasma reactors, with a combined estimate of between $100 million and $250 million depending on scale. The Company anticipates an announcement in the near to mid term.

Semi-Conductor Research:
The Company is in discussions with a company in India for the use of plasma in raw material production related to semi-conductors.

Semi-Conductor Research:
The Company is in discussions with a government research centre in North Africa for the use of plasma in raw material production related to semi-conductor research. During Q3 the company provided an estimate for a hybrid furnace for use as both a plasma furnace and plasma reactor. An announcement may be expected in the near term.

Fumed Silica Reactor ("FSR") Project :
It has been noted in previous Outlooks (and various news releases) that PyroGenesis has been designing, engineering, and constructing the fumed silica reactor pilot plant to convert quartz into fumed silica in a single and eco-friendly step, for HPQ Polvere ("Polvere"), a wholly owned subsidiary of HPQ Silicon Inc. ("HPQ"). The plant is operational and undergoing various tests to replicate the lab-scale test at pilot plant scale. It has also been stated that modifications to the system and continued testing to improve the fumed silica are ongoing, with more announcements expected in the near term, including for potential customers.

During Q1, [news release dated January 22, 2026] the Company announced the signing of a memorandum of understanding ("MOU") toward a joint venture for the development of a commercial scale fumed silica plant. Specifically, that its client HPQ, through Polvere, and an industrial Joint Venture partner, have signed a non-binding MOU to form a joint venture company (the "JV"), for the purpose of operating a 1,000 tonne per year fumed silica production plant. PyroGenesis, under an exclusive manufacturing arrangement, would build the fumed silica reactor for US$20.0 million (approximately CA$27.3 million).

As stated in the January 22, 2026, news release, the formation of the JV will be contingent upon the successful negotiation and execution of one or more definitive agreements pertaining to the JV and related obligations by the parties thereto. Negotiations continued throughout Q3 2026 and remain ongoing.

Separately, the Company has started discussions with other major entities for potential joint ventures related to fumed silica production plants.

Plasma-based Pyrolysis for Oil Extraction from Recycled Tires:
The Company is in discussions with a U.S. company to utilize plasma in the pyrolysis of old tires for the purpose of extracting oil and producing carbon black. The Company has presented solutions including an initial feasibility study to assess the potential client's materials.

Titanium Metal Powder:

The company is currently in discussions with several companies for titanium powder orders, including:

- An existing customer, who established a powder supply agreement, announced December 15, 2025, for off-cut powder on an as-needed basis. This client may require other powder cuts in addition to the off-cuts.
- An existing client, a global aerospace leader, for whom the Company was certified as an official supplier.
- A European company who has previously purchased powder from PyroGenesis.
- A European company who previously tested PyroGenesis powder samples, for the potential annual purchase of very fine titanium powder.
- A European company also considering the purchase of very fine cut titanium powder.
- A French materials company considering the purchase of fine cut powder.
- A US-based materials broker, for a month power supply agreement for up to 500 kg per month. **The first order with this client was announced September 15, 2026.** The Company is also in discussions with this client for a potential sale of NexGen plasma atomization systems to produce metal powder, on a joint-venture basis.
- A major US university, for use in research and course work. **The first two order with this client were announced August 20 and August 26, 2026.**
- A Canadian contract manufacturer specializing in additive manufacturing.
- A US-based technology provider in the additive manufacturing industry. **The first order with this client was announced August 24, 2026, with subsequent orders announced August 31 and post-quarter end on October 22.**
- A European university, for purchase of fine cut powders.

Other Metal (Non-Titanium) Powders:
The Company has ongoing discussions with a major US aerospace firm, for a large, long-term metal powder supply agreement.

The Company had previously been in discussions with a Middle Eastern firm who is seeking a partner to produce aluminum and stainless-steel powders. As of Q3, there has been no movement on this file, so this entry will be removed from future outlooks.

Agricultural Material Development:
The Company is in discussions with company to use plasma in the production of various chemicals and materials used in the agricultural industry.

Waste Processing:

Waste-to-Energy:
In discussion with a European consumer product company, the largest of its kind in the world with 2025 revenue exceeding $60 billion, for a waste disposal system to turn factory waste into energy.

Radioactive Vitrification:
In discussion with a German company for a solution to treat radioactive materials through vitrification in a plasma reactor.

SPARC system for Refrigerant Gas Destruction:
In discussion with a large Middle Eastern chemical company to safely destroy hazardous refrigerants using a PyroGenesis SPARC system.

Plastic Waste:
The company is in discussions with a North American company for the use of plasma in plastic waste conversion.

Drosrite:
The company continues to in advanced discussions with a European company for the sale of Drosrite systems, with announcements potentially in the near term.

The company in advanced discussions with a second European company for the sale of Drosrite systems, with announcements potentially in the near term.

Drosrite Systems:
It was stated in the Q1 2026 Outlook that the company had recently begun discussions with a major aluminum company in India, for the potential sale of Drosrite systems. In Q2 and Q3 PyroGenesis provided technical material to the client team for plant evaluation. The Company anticipates a potential announcement in Q4 2026.

Plasma-Based Glass Valorization:
It was stated in previous Outlook's that the Company is in final negotiations with an entity in Canada, for a plasma-based furnace for use in the melting and valorization of recycled glass, with an estimated contract value of approximately $2 million, and that this potential client is currently assembling funds from a consortium of international contributors, across government and private entities, with the amount secured determining a potential start and/or the scope of the project. It was also stated that the project scope has risen to between $3-$5 million. As of Q3, due to the complexities of the negotiations regarding several private and public partners, discussions continue, with an announcement still expected in the near term.

SPARC Refrigerant Waste Destruction System:
It was announced previously that the Company is in negotiations with a Middle Eastern customer regarding PyroGenesis' SPARC system for the safe destruction of hazardous end-of-life refrigerants such as CFCs, HCFCs, and HFCs. The customer has access to a very large existing stockpile of these hazardous materials. Discussions continue as a possible co-venture, whereby PyroGenesis would receive revenue on a profit-sharing basis. PyroGenesis is conducting due diligence on key elements related to the potential business model, and a contract is currently being finalized. As of Q3 2026 the parties are in final negotiations and an announcement is expected in the near term, for either equipment sale or joint venture.

Business Line Developments: Mid Term (3 – 6 months)

Energy Transition:

Ore Pelletization Torch Trials:

CLIENT B:
As mentioned in previous Outlooks, plasma torch tests within an iron ore pelletization furnace of a client previously identified as Client B, a major international iron ore producer, were underway. The client has conducted live furnace tests using four 1 MW PyroGenesis plasma torch systems, with the possibility of replacing fossil fuel burners across multiple pelletization furnace systems. Live trials using PyroGenesis plasma torches will continue at the client's discretion until they determine they have sufficient performance data, with no estimated timeline.

CLIENT C:
Client C, a global market-leading client and a significant player in both the iron ore pelletization and steel industries, has been working with PyroGenesis over the past few years on various potential initiatives related to using plasma for decarbonization. PyroGenesis was previously awarded official supplier status to Client C as part of an impending initiative that was subsequently announced during Q4 2024 [news release dated November 19, 2024], for a contract to assess the applicability of PyroGenesis' fully electric plasma torches for use in part of the customer's electric arc furnace (EAF) steelmaking and casting process. The initial project was completed during Q2 2025 as anticipated. A comprehensive report was assembled and submitted to the client in early Q3 2025. The client is assessing potential next steps, with no estimated timeline.

Plasma Systems for Aerospace Testing:
The Company is in discussions with a US university for a plasma torch to test materials in atmospheric re-entry conditions. Discussions continue.

Plasma Systems for Aerospace Testing:
The Q2 Outlook indicated that the Company is in discussions with a US university for a plasma torch for advanced aerospace applications. In Q3 the company submitted a testing contract, anticipated to commence in Q1 2027.

Steel Production:
The company is in discussions with a North Africa entity for the use of plasma in the steel production process.

Materials Production:

Mineral Extraction:
The Company is in discussions with a North American mining company to test plasma to help extract critical minerals such as alkali metals from silicates. A proposal is being developed, and an announcement may be expected in the mid or near term.

Plasma Systems for Hydrogen Production:
The Company is in discussions with a North American gas distributor to use plasma in the large-scale production of hydrogen.

Plastic Pyrolysis to Produce Hydrogen and Carbon Black:
The Company previously announced it is in discussions with a North American clean-tech company as part of a project to produce hydrogen and carbon black from

plastic. Negotiations with the client continues. As of Q3, the client is awaiting funding and have requested an updated quotation.

Carbon Black from Pyrolysis of Fossil Fuel Derivatives:
The Company is in discussions with a large European oil company interested in using plasma for high temperature pyrolysis of a fossil fuel derivative to produce syngas and carbon black. PyroGenesis conducted initial tests with this client in December 2024, and new discussions are underway. In Q1 the Company developed a proof-of-concept lab test, and discussions are underway for next phase. In Q2 the Company submitted a detailed report and are awaiting next steps. During Q3, the client completed its review of PyroGenesis' analysis and the carbon black samples produced. PyroGenesis submitted a proposal for continued testing at the client's behest, with approval anticipated in Q1 2027.

Plasma to Convert Carbon Black to Graphene:
The Company is in discussions with an international consultancy to use plasma to convert recovered carbon black from tire pyrolysis into high-quality graphene.

Plasma to Convert Methane into High Quality Carbon Black and Hydrogen:
The Company is in discussions with an entity to use plasma to convert methane into high-quality carbon black and hydrogen.

Methane and Plasma:
The Company is in discussions with a major US university (not related to the above) for the use of plasma in applications related to methane.

Fumed Silica:
The Company is in discussion with a potential client in the Middle East for fumed silica.

Carbon Black/Graphite:
The Company is in discussion with a potential client in the Middle East for carbon black and graphite production.

Battery Materials:
The Company is in discussions with a major global automaker for the production of battery materials.

Graphite Purification:
The Company is in discussions with a North American entity to use plasma to extract and purify graphite.

Agricultural Material:
In Q2 Outlook, it was stated that the Company was in discussions with US company who develops material for use in the agricultural industry, for both low-powered (up to 40 kW) and hyper-high powered (6 MW) plasma torches. **The first project with this client for a 40 kW system was announced post-quarter end of Q3 (press release dated October 28, 2026)** and will be removed from future Outlooks.

Fumed Silica:
The Company is in discussions with a Middle Eastern company for the potential purchase of fumed silica reactors to product fumed silica for the Middle Eastern region.

Metal Powder Qualifications:
The Company has started the process to qualify its metal powder with an Asian 3D printing and scientific instruments OEM. Once qualified, the client could use the Company's powder for internal operations and recommend it to their customers. The Company did not move forward with this initiative after further consideration, and this entry will be removed from future Outlooks.

NexGen System Sales:
The Company has started discussions with an Asian industrial equipment firm interested in a purchase or licensing agreement for the Company's Nexgen plasma atomization system. While the Company has not previously considered requests for system sales, the scale of the potential deal indicated a potential benefit, so very preliminary discussions have started.

The Company is in discussions with a Middle Eastern firm for the sale of NexGen plasma atomization systems to produce metal powder.

The Company is in discussions with an existing client, a US-based materials broker, for a potential sale of NexGen plasma atomization systems to produce metal powder, on a joint-venture basis.

Titanium Metal Powder:
The Company continues to be in discussion with companies who have expressed interested in titanium metal powders.

Waste Processing:

Drosrite Systems:
In the Q4 2025 Outlook, it was stated that the Company is in advanced discussions with a North American metal casting company for the purchase of a Drosrite aluminum dross processing system to process high density aluminum beverage can scrap, with an approximate value of $800-$1million. In the Q1 2026 Outlook, it was stated that client representatives visited PyroGenesis' Montreal facilities for additional discussions and that an announcement may be expected in the near term. Further discussions in Q2 have identified a specific need for the potential use of Drosrite to produce calcium aluminate instead of melting aluminum scrap. This update has been moved to a mid term potential to allow for further investigation of this newly defined usage.

The Company is also in discussions with a global mining firm for a Drosrite system which would likely start with a testing campaign on-site at the miner's factory.

Chemical Weapons Destruction (PACWADS):

In Q1, [news release dated January 6, 2026], it was announced that the Company has signed an agreement with the national security and defense division of a U.S. multinational engineering infrastructure corporation, to jointly pursue contracts that are expected to be tendered during 2026, for the safe destruction of chemical weapons in Syria. The Company and the client have been engaged in document preparation and meetings with various parties throughout Q1 2026. Announcements may be expected throughout 2026 if, and as, the contract tenders come to fruition. This project has been moved to mid-term potential to reflect the opaqueness of the RFQ process and related timelines. As of Q3 2026, worldwide government agencies and their tactical partner representatives continue to meet to discuss potential next steps, with the most recent meeting at a conference in London in October 2026. The Company continues to await developments and instructions from its client partner.

Drosrite:
The Company is in discussions with a Canadian company for projects related to aluminum dross processing.

Plasma Torch System for Pyrolysis:
In previous Outlooks, it was stated that the negotiations had continued with a European entity for the sale of a plasma torch system and/or plasma reactor system, which the customer would utilize in their production of carbon black and hydrogen for use in batteries and graphite production, and that a project quote had been submitted with a potential project value of approximately $2 million. It was further stated that a potential project scope has been developed across multiple phases, and that an announcement is expected in the near term. As of end of Q3, negotiations with this client continue, with a potential announcement in the mid-term.

Drosrite Systems:
The Company is in various stages of discussions with aluminum manufacturers to purchase Drosrite aluminum dross processing systems, including with two Middle Eastern aluminum companies for the purchase of multiple 5,000+ tonnes or 10,000+ tonnes per year Drosrite furnaces, including for an existing client.

Hazardous Aerosol Treatment:
The Company continues early-stage discussions with a large waste collection firm to help in the treatment of aerosol released during garbage collection and compacting. An initial project may be forthcoming for engineering of a solution toward the potential use of a plasma torch or reactor. The client has requested the preparation of quotes for various systems. In Q2 2026, the discussions moved to include PyroGenesis' subsidiary Pyro Green-Gas. As of Q3 the companies remain in discussion.

Radioactive Waste Destruction:
A design phase contract was signed during Q4 2025 [news release dated December 17, 2025] with a major European entity for the use of plasma in the destruction of low-level radioactive waste, to help define the technical specifications, sizing, and design parameters, for a potential subsequent engineering and build phase for a plasma-equipped furnace (and the related peripheral components), required as part of the potential construction of a radioactive waste vitrification and treatment plant in Europe. During Q1 2026, the Company designed a custom system for potential use by the client. This design was submitted and the client is reviewing the design for eventual submission to their government's nuclear agency. Next phase may be detailed design leading to procurement and construction. If selected for this competitive project, total project cost may be approximately $6-8 million. Recent document exchange during Q2 2026 included technical standards for the development of additional designs. **During Q3 the Company was awarded an additional design phase project valued at approximately $100,000.** Q1 2027 is likely for next steps.

Business Line Developments: Long Term (> 6 months)

Energy Transition:

Cement Production Calcination:
As mentioned in the Q4 2025 Outlook, the Company is in discussions with a European company within the cement industry, for the sale of an additional 1MW plasma torch system to replace gas burners in the limestone calcination process. As of Q2 2026 the potential customer continues to secure financing. As of Q3 the Company does not know the status of the potential client's financing, so this entry will be removed from future Outlooks.

Wind Tunnel Applications:
The Company is in discussions to develop a plasma wind tunnel application, in conjunction with an aerospace sector entity.

20 MW Plasma Torches for Aeronautics and Defense Client:
A contract for a 20MW plasma torch was signed in Q4 2024 [news release dated October 21, 2024], by a client who is a prime contractor for the U.S. government as well as for public and private customers in the aeronautics and defense industries. PyroGenesis previously designed and built a 4.5MW plasma torch to this same client, which was delivered in Q1 2026.

A plasma torch at the 20MW power level, based on PyroGenesis' own research, represents one of the most powerful plasma torches ever produced commercially. The project has an approximate duration of 3 years. The project is progressing and is in the engineering and electrical design phase. Of note, the company's 4.5 MW torch that is currently undergoing final commissioning has exceeded expectations and reached performance and power benchmarks faster than anticipated and with greater efficiencies. These outcomes provide additional confidence regarding the technology behind these new generation of hyper high-powered torches.

Plasma Torches for Cement Industry Calcination:
The Company is in discussions with a global leader in providing technology and services for mining, aggregates, recycling, and metal refining industries, primarily for potential sale of hyper-high temperature (10 MW and above) plasma torches for use in calcination furnaces as part of the cement production process. Discussions and negotiations regarding this potential project are likely to take an extended period, so the project has been moved to the long term category.

Plasma-Based Glass Recycling:
As stated in previously Outlooks, the Company signed an R&D / testing contract with a global leader in glass recycling, to investigate plasma as part of the customer's energy transition initiatives. The project is related to the spheronization of recycled glass using plasma, to help establish proof of concept. The contract involves multiple tests to optimize parameters and produce high-quality spherical glass particles for use in glass bed applications. Testing commenced during Q2 as planned, with early results being very promising. The full roster of tests and modifications originally scheduled for completion in Q3 2025 was extended into Q4 2025 and Q1 2026 and are ongoing. The longer-term commercial potential is for building a reactor-based system on-site at the customer's facility. For budgetary reasons on the client side, this potential project has been moved to a longer horizon. As of Q2 2026 the client was acquired by a venture capital firm and the state of future projects are currently unknown. As of Q3 the Company does not know the status of the potential client's financing, so this entry will be removed from future Outlooks.

Plasma Torches for Metal Manufacturing:
During Q4 2024 and Q1 2025, the Company conducted first round tests for one of the world's largest producers of metal products to design and develop a plasma-based solution for use in improving precision in the manufacturing process, using a low wattage plasma torch. Next steps were identified to conduct additional tests using progressively larger torches during Q2 and Q3 2025. Testing per this approach met and even surpassed expectations. In the Q2 2025 Outlook it was stated that a first-round project may commence in the near term, with a potential value of $100-200K, with long-term potential at an enterprise-wide level for this customer has a potential approximate value of $10 million. Additional tests at an even higher temperature were identified as beneficial, as well as a CFD study. For budgetary reasons on the client side, this potential project has been moved to a longer horizon. No change to the status of this potential client as of Q3.

Plasma Torches for Steel Manufacturing Process Steps:
The Company is in initial discussions with a European steel construction conglomerate for the use of plasma torches in various high temperature process steps. There were no further project discussions in Q3 but the company has indications these discussions may restart in the future when the price of electricity in Europe stabilizes after continued volatility including a very recent rise to four-year highs.

Plasma Torches for Brick:
The Company is in initial discussions with a European company for the use of plasma torches in high temperature brickmaking process steps, including brickmaking refractory furnace. This is a multi-torch application, potentially requiring 15-20 60kw-150kw torches per line. In Q2 the Company provided a quote for a plasma torch system, but future project timelines are currently unknown. As of Q3, no response from this potential client, so this entry will be removed from future Outlooks.

Plasma Torches for Global Chemical Firm:
In previous Outlooks, the Company stated that it is in discussions with an American entity for the potential sale of plasma torches to aid in the production of carbon black and potentially other materials carbon and silica-based, with a potential initial value of $2-3 million and additional longer-term potential. In late Q2 and early Q3, the customer visited PyroGenesis' Montreal facilities for a site tour and for more in-depth discussions. The customer has started construction of their own pilot plant, and discussions continue sporadically regarding potential integration of plasma torches into that facility. There were on further discussions in Q2 2026, as the client focuses on internal projects. There were no further discussions in Q3. This entry will be removed from future Outlooks.

Materials Production:

Lithium Battery Material Recovery:
In Q1 [news release dated February 26, 2026] the Company announced achieving successful results from the primary testing campaign of PyroGenesis' plasma technology for superheating materials as part of the process to recover certain cathode or anode materials from end-of-life batteries. The client is a North American battery material recycler. It was stated that there may be a subsequent testing phase required which would be expected to occur before the end of Q2 2026, and that the client's ultimate goal would be to purchase an initial 1 MW plasma torch system, followed by a subsequent purchase of 5 x 1 MW plasma torch systems or 1 x 5 MW plasma torch systems. The client has indicated a potential need for multiple 5 MW plasma torch systems. New tests continued during Q1 2026. The client is now anticipating a Q1-Q2 2027 restart to the project due to the client's internal factors.

Carbon Black and Hydrogen:

The Company is in discussions with company for plastic pyrolysis for hydrogen and carbon production, using plasma.

Carbon Black and Hydrogen:
The Company is in discussions with a second European company for plastic pyrolysis using plasma. The Company has sent an estimate project quote of $10,000,000 to this potential client, based on their stated requirements. The potential client awaits funding.

Green Cement Additive:
PozPyro is a cement additive material produced by PyroGenesis' as a collaboration with its client Progressive Planet. The proprietary plasma process converts widely available, high-grade crystalline silica into amorphous silica that can be used to enhance the strength of concrete as a replacement for fly ash which is in diminishing supply. Previous announcements [news release dated May 2, 2024] showed compressive strength tests for PozPyro of up to 99.5% above standards for similar material such as fly ash, while surpassing even the full-strength value of the Portland Cement control by up to 49.67%. A potential contract for a future pilot plant has an estimated value of $15-20 million. Previously the Company developed and delivered an advanced feasibility and technical study towards the construction of a pilot plant. As of Q3 2026, the Company is waiting on go-forward decisions from the client.

Silicon, Nano-Silicon, and Silica Production:

As stated in previous Outlooks, the Company is in discussions at quotation stage with several potential customers who have expressed interest in PyroGenesis' advanced methods for producing silicon, nano-silicon, and silica. While no further developments were achieved in Q3 2026, longer term communication remains planned. The potential customers include:

- a major global automaker (whose interest lies in both nano-silicon and silicon oxide (SiOX) for EV batteries) who is considering a lab scale production system (approximate value of $500,000) with a long-term potential pilot plant with an estimated contract value of $10-15 million.
- a US battery manufacturer considering a lab-scale production system for SiOX anode material; negotiations have advanced and further cost and scope development meetings are underway.
- a raw material supplier to the construction materials industry who is considering a lab-scale production system (approximate value of $150,000) with a long-term potential pilot plant with an estimated contract value of $10-15 million. Discussions continue with potentially more discussions on the horizon.
- a raw material producer and manufacturer in South Asia is considering a production system for silicon-based material with an estimated contract value of $10-15 million. Discussions continue, regarding scope of work.
- a producer of silicon carbide.
- A national research institute examining the use of plasma in nano silicon materials.

Waste Processing:

Waste-to-Chemicals Demonstration Plant:
The Company is in early-stage discussions with European academic research consortium to build a facility to convert municipal solid waste to chemicals, using a rotary kiln and steam plasma applications.

Plasma Torch for Hazardous Waste Destruction:
The Company is in early-stage discussions with an operator of a large North American hazardous waste facility for the sale of a plasma torch system. The facility destroys a variety of hazardous waste, including PFAS "forever chemicals", currently using an incineration process. The client has indicated a 2027 project start is more likely, with an estimated $500,000 small plasma system being the current proposed technology. This potential client is currently involved in a large expansion project for additional services. During Q3 PyroGenesis submitted a business case for the destruction of hazardous refrigerants and awaits a response.

Municipal Waste Destruction and Gasification System:
The Company is in negotiations with a company in India for a large waste destruction and biogas upgrading system. The financing capabilities and timeline with this potential client are unknown so the project has been moved to the long-term category.

Plasma Torches for 3rd Party Waste-to-Energy Systems:
The Company has been in discussions over several years with a European entity, to act as a potential supplier of plasma torches for the entity's waste-to-energy initiative; the entity has at times, listed PyroGenesis as their torch supplier in various publications online. In Q3 2024, this entity announced having entered into an agreement with a German multi-Billion-dollar leading technology company to accelerate green energy transition through waste-to-energy technology. The entity announced that it aims to establish 300 plants producing 1 million tons of hydrogen over the next several years. There was no movement in Q3 2026.

**** Please note that projects or potential projects previously announced, or listed in previous Outlooks, that do not appear in the above summary updates, should not be considered as at risk. Noteworthy developments can occur at any time based on project stages, and the information presented above reflects information on hand. Projects not mentioned may have simply not concluded or not passed milestones worthy of discussion. ****

FURTHER INFORMATION

Additional information relating to Company and its business, including the 2025 consolidated financial statements, the Annual Information Form and other filings that the Company has made and may make in the future with applicable securities authorities, may be found on or through SEDAR+ at www.sedarplus.ca, or the Company's website at www.pyrogenesis.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is also contained in the Company's most recent management information circular for the most recent annual meeting of shareholders of the Company.

About PyroGenesis Inc.

PyroGenesis leverages 35 years of plasma technology leadership to deliver advanced engineering solutions to energy, propulsion, destruction, process heating, emissions, and materials development challenges across heavy industry and defense. Its customers include global leaders in aluminum, aerospace, steel, iron ore, utilities, environmental services, military, and government. From its Montreal headquarters and local manufacturing facilities, PyroGenesis' engineers, scientists, and technicians drive innovation and commercialization of energy transition and ultra-high temperature technology. PyroGenesis' operations are ISO 9001:2015 and AS9100D certified, with ISO certification maintained since 1997. PyroGenesis' shares trade on the TSX (PYR), OTCQX (PYRGF), and Frankfurt (8PY1) stock exchanges.

Cautionary and Forward-Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable securities laws. In some cases, but not necessarily in all cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking statements.

Forward-looking statements are not historical facts, nor guarantees or assurances of future performance but instead represent management's current beliefs, expectations, estimates and projections regarding future events and operating performance. Forward-looking statements are necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by PyroGenesis as of the date of this release, are subject to inherent uncertainties, risks and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ, possibly materially, from those indicated by the forward-looking statements include, but are not limited to, the risk factors identified under "Risk Factors" in PyroGenesis' latest annual information form, and in other periodic filings that it has made and may make in the future with the securities commissions or similar regulatory authorities, all of which are available under PyroGenesis' profile on SEDAR+ at www.sedarplus.ca. These factors are not intended to represent a complete list of the factors that could affect PyroGenesis. However, such risk factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. You should not place undue reliance on forward-looking statements, which speak only as of the date of this release. PyroGenesis undertakes no obligation to publicly update or revise any forward-looking statement, except as required by applicable securities laws. Neither the Toronto Stock Exchange, its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock Exchange) nor the OTCQX Best Market accepts responsibility for the adequacy or accuracy of this press release.

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