Docusign Envelope ID: 694D9229-4A57-8FB1-818A-01BCB0BD6D6F

International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA)

Financial Statements
March 31, 2026

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Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Directors of
International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA)

Opinion

We have audited the financial statements of International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA) (hereafter "the Organization"), 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 financial statements, including a summary of significant accounting policies, and the schedule.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and the results of its 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 Organization 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 the 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.

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In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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

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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 Organization 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.

Raymond Chabot Grant Thornton LLP [1]

Brossard
August 31, 2026

[1] CPA auditor, public accountancy permit no. A135740

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International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA)

Operations

Year ended March 31, 2026

	2026	2025
	$	$
Revenues		
Contributions		
Innovation, Science and Economic Development (ISED) – Government of Canada (Note 3)	**2,077,950**	
Montréal International – not-for-profit organization		3,136,983
Tides Foundation, American organization on the recommendation of Google Community Grants Fund	**213,020**	90,466
International Development Research Centre (IDRC) – Government of Canada	**41,837**	130,889
Centre for AI & Climate Ltd. (CAIC), organization from the United Kingdom on the recommendation of the Government of the United Kingdom		355,015
Consulting services	**15,000**	65,000
Interest revenue	**29,754**	62,410
	2,377,561	3,840,763
Expenses		
Operations (Schedule)	**241,054**	163,995
Support for groups of experts from the Global Partnership on Artificial Intelligence (GPAI)	**678,513**	1,287,356
CEIMIA projects	**737,274**	593,347
Ecosystem – GPAI	**167,587**	69,245
Ecosystem – CEIMIA	**404,417**	643,285
Communication and visibility	**403,850**	353,702
Amortization of tangible capital assets	**81,969**	85,050
	2,714,664	3,195,980
Excess (deficiency) of revenues over expenses	**(337,103)**	644,783

The accompanying notes and schedule are an integral part of the financial statements.

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International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA)

Changes in Net Assets

Year ended March 31, 2026

	2026			2025
	Invested in capital assets	Unrestricted	Total	Total
	$	$	$	$
Balance, beginning of year	**167,732**	**2,753,469**	**2,921,201**	2,276,418
Excess (deficiency) of revenues over expenses	**(81,969)**	**(255,134)**	**(337,103)**	644,783
Balance, end of year	**85,763**	**2,498,335**	**2,584,098**	2,921,201

The accompanying notes and schedule are an integral part of the financial statements.

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International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA)

Cash Flows

Year ended March 31, 2026

	2026	2025
	$	$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	**(337,103)**	644,783
Non-cash items		
Amortization of tangible capital assets	**81,969**	85,050
Changes in working capital items		
Other receivables	**157,929**	(61,490)
Prepaid expenses	**(1,491)**	6,581
Trade payables and other operating liabilities	**(125,170)**	81,645
Deferred revenues	**(1,589)**	15,000
Deferred contributions	**9,029**	(90,466)
Cash flows from operating activities	**(216,426)**	681,103
INVESTING ACTIVITIES		
Tangible capital assets and cash flows from investing activities		(3,143)
Net increase (decrease) in cash	**(216,426)**	677,960
Cash, beginning of year	**3,034,104**	2,356,144
Cash, end of year	**2,817,678**	3,034,104

The accompanying notes and schedule are an integral part of the financial statements.

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International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA)

Financial Position

March 31, 2026

	2026	2025
	$	$
ASSETS		
Current		
Cash	**2,817,678**	3,034,104
Accounts receivable (Note 6)	**34,267**	192,196
Prepaid expenses (Note 7)	**12,604**	11,113
	2,864,549	3,237,413
Long-term		
Tangible capital assets (Note 8)	**85,763**	167,732
Rent deposit	**12,000**	12,000
	2,962,312	3,417,145
LIABILITIES		
Current		
Trade payables and other operating liabilities (Note 9)	**106,060**	231,230
Deferred revenues	**13,411**	15,000
Deferred contributions (Note 10)	**258,743**	249,714
	378,214	495,944
NET ASSETS		
Invested in capital assets	**85,763**	167,732
Unrestricted	**2,498,335**	2,753,469
	2,584,098	2,921,201
	2,962,312	3,417,145

The accompanying notes and schedule are an integral part of the financial statements.

On behalf of the Board,

Signé par :

Lyse Langlois

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Director

Director

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International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA)
Notes to Financial Statements
March 31, 2026

1 - GOVERNING STATUTES AND PURPOSES OF THE ORGANIZATION

The Organization, incorporated under the *Canada Not-for-profit Corporations Act,* contributes to the responsible development of artificial intelligence based on ethical principles, human rights, inclusion, diversity, innovation and economic growth. The Organization's mission is also to enrich and further promote the depth of expertise in the Quebec and Canadian ecosystems for artificial intelligence. It is a not-for-profit organization under the *Income Tax Act.* The Organization began its activities on April 27, 2020, when it was created.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and schedule. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

Revenue recognition

Contributions

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Moreover, the Organization recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

Consulting services

Revenues from the provision of consulting services are recognized on the condition that there is an agreement between the parties, the services have been provided, the fees are fixed or determinable and collection is reasonably assured.

Interest revenues

Investment transactions are recognized on the transaction date and resulting revenues are recognized in earnings using the accrual method of accounting. Interest income is recognized on a time apportionment basis.

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2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Organization receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

Amortization

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives and following periods:

	Periods
Leasehold improvements	Lease term
Computer equipment	2 years
Furniture and fixtures	5 years

Write-down

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Organization's financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family) are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Organization's financial assets and liabilities from related party transactions are measured at cost.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost or using the cost method, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

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2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

The Organization uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. The related exchange gains and losses are accounted for in operations for the year. Revenues and expenses are translated at the exchange rate in effect on the date they are recognized. The related exchange gains and losses are recognized in operations for the year.

Rental expense

The Organization recognizes the base rent on a straight-line basis over the lease term. The excess of the rental expense recognized over the amount payable under the lease is presented as rent payable on a straight-line basis under trade payables and other operating liabilities in the statement of financial position.

Allocation of expenses

The Organization's activities comprise various costs, including personnel costs, rent and other expenses that are directly related to these activities. Additionally, a number of general operating expenses that are common to the administration and each of its activities are assumed by the Organization.

The Organization allocates certain of the general operating expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year:

– Cost of salaries and employee benefits: based on the payroll of the various functions;

– Cost of professional fees, telecommunications and office supplies: based on the estimated use per activity;

– Cost of rent: based on the surface area occupied.

3 - CONTRIBUTIONS – INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT (ISED)

The Organization has entered into a contribution agreement with the department of Innovation, Science and Economic Development (ISED) of the Government of Canada. This non-repayable contribution is intended to support the activities of the International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA).

Under the terms of this agreement, the Organization will receive a maximum contribution of $3,500,000 for the period from April 1, 2025, to March 31, 2027, consisting of $2,300,000 for the fiscal year ending March 31, 2026 and $1,200,000 for the fiscal year ending March 31, 2027.

Amounts are paid in the form of advances or reimbursements of eligible costs incurred in connection with the projects, in accordance with the terms of the agreement, and are intended to fund, among other things, research activities, knowledge mobilization, networking, and operating expenses.

This contribution is subject to compliance with certain requirements set out in the agreement.

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4 - ALLOCATION OF EXPENSES

The total amount of expenses from salaries and employee benefits, consulting and professional fees, and other is $1,678,129 ($1,570,156 in 2025) and has been allocated as follows:

	2026	2025
	$	$
Operations		
Salaries and employee benefits	**178,347**	83,879
Consulting fees	**7,084**	454
Professional fees	**8,231**	7,306
Rental	**8,791**	6,052
Maintenance and repairs	**814**	
Travel expenses	**688**	1,615
Other	**1,699**	1,431
Support for groups of experts from the GPAI	**398,794**	576,677
Ecosystem – GPAI	**129,394**	85,205
Ecosystem – CEIMIA	**152,803**	223,295
CEIMIA projects	**469,051**	316,873
Communication and visibility	**322,433**	267,369
	1,678,129	1,570,156

5 - INFORMATION INCLUDED IN OPERATIONS

The total costs of salaries and employee benefits are detailed as follows:

	2026	2025
	$	$
Salaries and employee benefits		
Operations	**178,347**	83,879
Support for groups of experts from the GPAI	**313,930**	477,357
CEIMIA projects	**394,963**	270,940
Ecosystem – GPAI	**93,010**	28,581
Ecosystem – CEIMIA	**135,710**	238,781
Communication and visibility	**254,562**	230,902
	1,370,522	1,330,440

6 - ACCOUNTS RECEIVABLE

	2026	2025
	$	$
Trade accounts receivable		15,000
Contributions receivable		
Montréal International – not-for-profit organization		176,360
Sales taxes receivable	**34,267**	836
	34,267	192,196

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7 - PREPAID EXPENSES

	2026	2025
	$	$
Rental	**8,278**	7,671
Insurance	**4,123**	3,442
Other	**203**	
	12,604	11,113

8 - TANGIBLE CAPITAL ASSETS

			2026	2025
	Cost	**Accumulated amortization**	**Net carrying amount**	Net carrying amount
	$	**$**	**$**	$
Leasehold improvements	**337,212**	**262,462**	**74,750**	142,192
Computer equipment	**18,271**	**17,280**	**991**	3,960
Furniture and fixtures	**57,787**	**47,765**	**10,022**	21,580
	413,270	**327,507**	**85,763**	167,732

9 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2026	2025
	$	$
Accounts payable and accrued liabilities	**26,464**	100,606
Salaries, vacation and employee benefits payable	**79,596**	130,624
	106,060	231,230

Government remittances total $20,628 as at March 31, 2026 ($25,186 as at March 31, 2025).

10 - DEFERRED CONTRIBUTIONS

Deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover operating and project expenses for the next fiscal year.

	2026	2025
	$	$
Tides Foundation, American organization on the recommendation of Google Community Grants Fund		
Balance, beginning of year	**249,714**	340,180
Amount recognized as revenues	**(213,020)**	(90,466)
Balance, end of year	**36,694**	249,714
Innovation, Science and Economic Development (ISED) – Government of Canada		
Amount collected during the year	**2,300,000**	
Amount recognized as revenues	**(2,077,950)**	
Balance, end of year	**222,050**	-
	258,744	249,714

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11 - FINANCIAL RISKS

Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are other receivables since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

Market risk

The Organization's financial instruments expose it to market risk, in particular, to currency risk, resulting from its operating activities.

Currency risk

The majority of the Organization's transactions are in Canadian dollars. Currency risk results from the Organization's sales and purchases denominated in foreign currency which are primarily in pounds sterling and euros. As at March 31, 2026, the Organization is exposed to currency risk due to cash denominated in pounds sterling totalling $156,903 ($342,945 as at March 31, 2025) and cash denominated in euros totalling $2,350 ($12,157 as at March 31, 2025) and trade payables and other operating liabilities denominated in euros totalling $1,598 (nil as at March 31, 2025) and trade payables and other operating liabilities denominated in pounds sterling totalling $2,979 (nil as at March 31, 2025).

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

12 - COMMITMENTS

The Organization has entered into a long-term lease agreement expiring in February 2027 which calls for lease payments of $50,452 for the rental of a building. The lease contains a renewal option for an additional period of five years, which the Organization may exercise by giving a six-month notice. Minimum lease payments for the next year are $50,452 in 2027.

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International Centre of Expertise in Montréal on Artificial Intelligence (CEIMIA)

Schedule

Year ended March 31, 2026

	2026	2025
	$	$
OPERATIONS		
Salaries and employee benefits	**178,347**	83,879
Consultant fees	**7,084**	454
Professional fees	**8,231**	7,306
Training		101
Rental	**8,791**	6,052
Insurance	**14,967**	16,180
Bank charges	**3,927**	2,214
Events and communications	**1,400**	390
Stationery, software and licences	**9,605**	28,738
Telecommunications	**7,200**	16,198
Maintenance and repairs	**814**	868
Travel expenses	**688**	1,615
	241,054	163,995