Canadian Light Source
Centre canadien de rayonnement synchrotron

2025 ANNUAL REPORT

DISCOVERY AT THE SPEED OF LIGHT

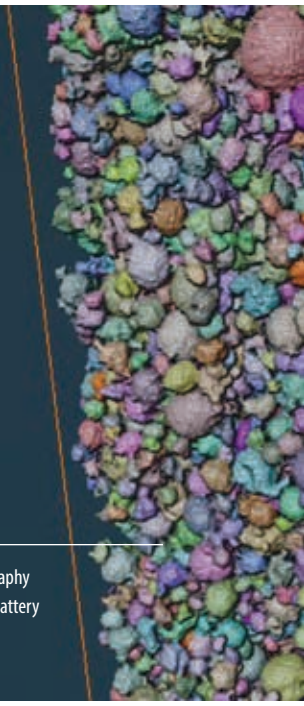
VISION

As a valued Canadian voice for innovation, our leadership and world-class talent achieve excellence in light source services and solutions.

Computed tomography image of a rock core sample (sandstone) with pores highlighted in blue.

MISSION

We enable science, learning, and socio-economic benefits through the provision of synchrotron light.



Computed tomography image of a Li-ion battery electrode material

VALUES

SAFETY: We make safety paramount.

INNOVATION: We expand the boundaries of what is possible.

LEADERSHIP: We are leaders in light source applications, global science, and organizational excellence.

COLLABORATION: We enable collaboration among users, and sectors across academia, industry, and government.

EQUITY, DIVERSITY, AND INCLUSION: We are committed to equity, diversity, and inclusion.

ACCOUNTABILITY: We utilize resources responsibly and hold ourselves to the highest standards of ethics and integrity.

Micro-computed tomography image of durum wheat post-inoculation with *Claviceps purpurea*.

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COVER: Tri-complex of Daraxonrasib, a drug designed to reverse the effects of certain cancer-driving gene mutations.

Message from the Interim Chair of the Board of Directors

It has been an honour to lead the Canadian Light Source Inc. Board of Directors this year, following the departure of our former Chair, Pierre Lapointe. On behalf of my Board colleagues, I thank Pierre for his leadership and dedication during his 3-year tenure as Chair and wish him the very best in his future endeavours.

The CLS realized significant achievements over this past year. However, the unexpected delays in the commissioning of the new linear accelerator, intended to improve reliability and beam quality for users, has meant that users have not had beam time for 12 months. The CLS team and the vendor are working diligently to bring beam back and CLS staff will work closely with the user community to accelerate their research once beam is achieved.

Notwithstanding the delay, CLS users continued to develop world-class innovations in health, agriculture, the environment, and advanced materials that will have significant impacts on Canadians' lives and Canada's prosperity. This annual report highlighs numerous examples of excellent science results achieved by CLS users from across Canada and around the world this past year.

The CLS is also collaborating with the Canadian Institute for Synchrotron Radiation to develop a Long-Range Plan for synchrotron science, to help inform Canada's future investments in the field. In tandem, the CLS is formulating short, medium and long-term scenarios as part of the Canada Foundation for Innovation's planning for the Government of Canada's new Major Research Facilities framework. Together, the science community and the CLS are working to shape a future path for synchrotron research in Canada.

None of this would be possible without our funding partners. We are very grateful to the Canada Foundation for Innovation, Natural Sciences and Engineering Research Council, the Canadian Institutes of Health Research, the Government of Saskatchewan, the University of Saskatchewan, and Prairies Canada for their generous support.

Finally, I am very pleased to welcome Dr. Martha Crago as the new Chair of the CLS Board of Directors. Martha brings a wealth of experience and a deep commitment to advancing scientific research and innovation in Canada, and her leadership and vision will be instrumental in guiding our organization forward.

Janet King,
Interim Chair of the Board of Directors

> "CLS users continued to develop world-class innovations in health, agriculture, the environment, and advanced materials that will have significant impacts on Canadians' lives and Canada's prosperity.

Message from the CEO

This has been a challenging year, as the planned 6-month dark period allocated for the installation and commissioning of a brand-new linear accelerator (linac) has required additional time and the cancelation of significant user beamtime. We understand the impact this unanticipated extended outage has had on our users—on research programs, on graduate students' graduating goals, on industry client projects—and we are sorry for this impact. The CLS is committed to getting beam back for the community as fast as possible. We are grateful for the support of the vendor, as well as the international synchrotron community's expert advice. Most importantly, thank you to all CLS staff who have worked so hard to understand the issues, test equipment, and find solutions, and to our users, for their support and patience as we work to overcome these issues.

Despite the outage, we remain focused on the future, with support from our funders, users, staff and other stakeholders. In the Fall, our Scientific Advisory Committee (SAC) completed a comprehensive review of our beamlines which will guide us to make the necessary upgrades and improvements, and ensure our beamlines evolve to meet the needs of our research community.

For the first time, our Annual Users' Meeting (AUM) was held outside our province, at the University of Waterloo, with the generous support of the Waterloo Institute for Nanotechnology. The 2024 AUM brought together researchers from across Canada and beyond to share discoveries, explore new synchrotron applications, and strengthen our vibrant user community. Thank you to our hosts and all participants for making the meeting a success.

We continue to strengthen CLS industrial science services. Focusing on industry analysis, expanding market presence, enhancing customer experience, and increasing awareness, our industry services team is working to ensure CLS remains one of the most business-friendly synchrotrons in the world, by providing unique tools for Canada's leading industries.

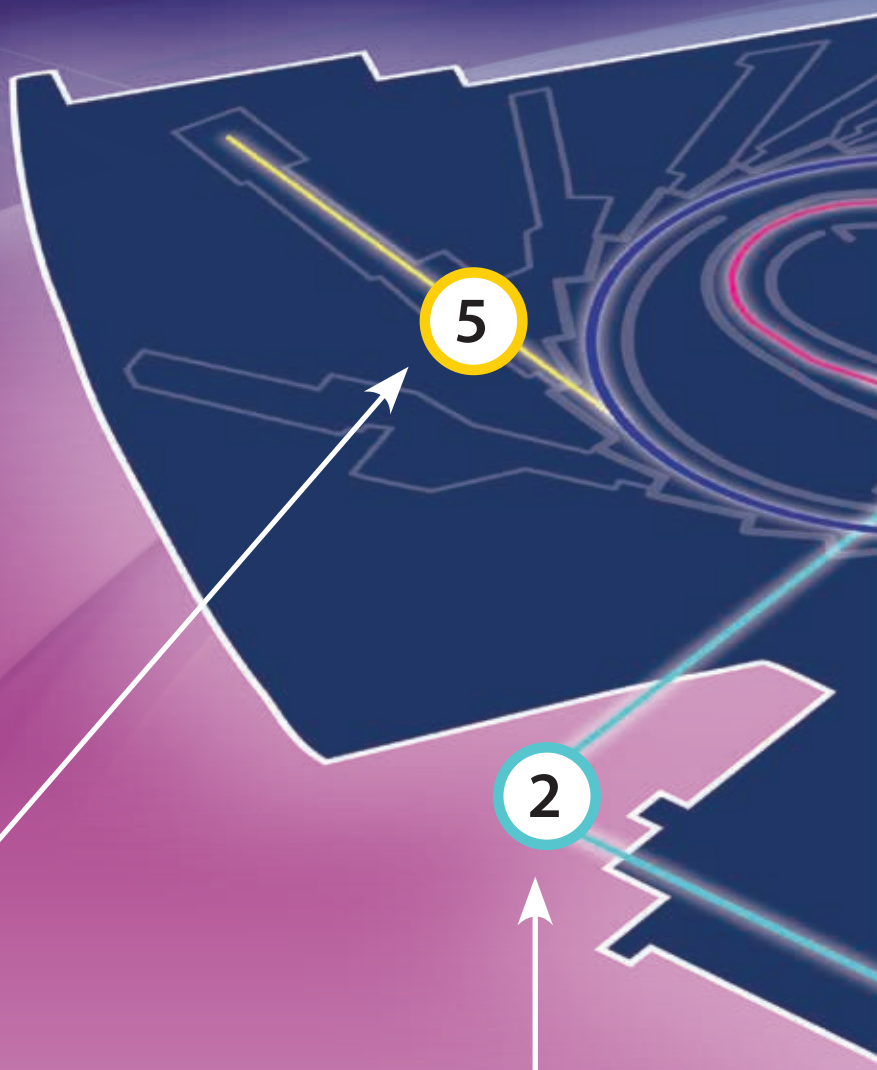
Our users continue to produce leading science in each of our strategic priority sectors, as featured in this report. In health, researchers developed a drug molecule to treat Parkinson's disease, gained insights into gut bacteria for better nutrition, and created a technique to detect osteoarthritis early. In agriculture, advancements included better understanding millet's efficient micronutrient uptake to improve crop varieties, improving plant-based meat alternatives, and discovering a protein that prevents DNA damage for healthier crops.

Innovations in environmental research included discovering biochar's ability to convert toxic chromium to a harmless form, identifying toxic metals in thawing permafrost, and developing technology to tackle oil spills. In the advanced materials area, scientists developed a material for medical and green energy applications, improved hydrogen fuel production, and gained insights into steel pipeline safety.

We look forward to having users back soon and continuing to provide the infrastructure and expert support that the community needs to produce the best science, talent, and innovations for Canada.

Bill Matiko
Chief Executive Officer

How the light source works



Beamlines

Beams of light are directed down the beamlines to experimental stations.

Linear accelerator

Microwaves increase the speed of the electrons to 99.9998 per cent of the speed of light.

Storage Ring

Magnets bend the electron beam many times, producing a super bright light.

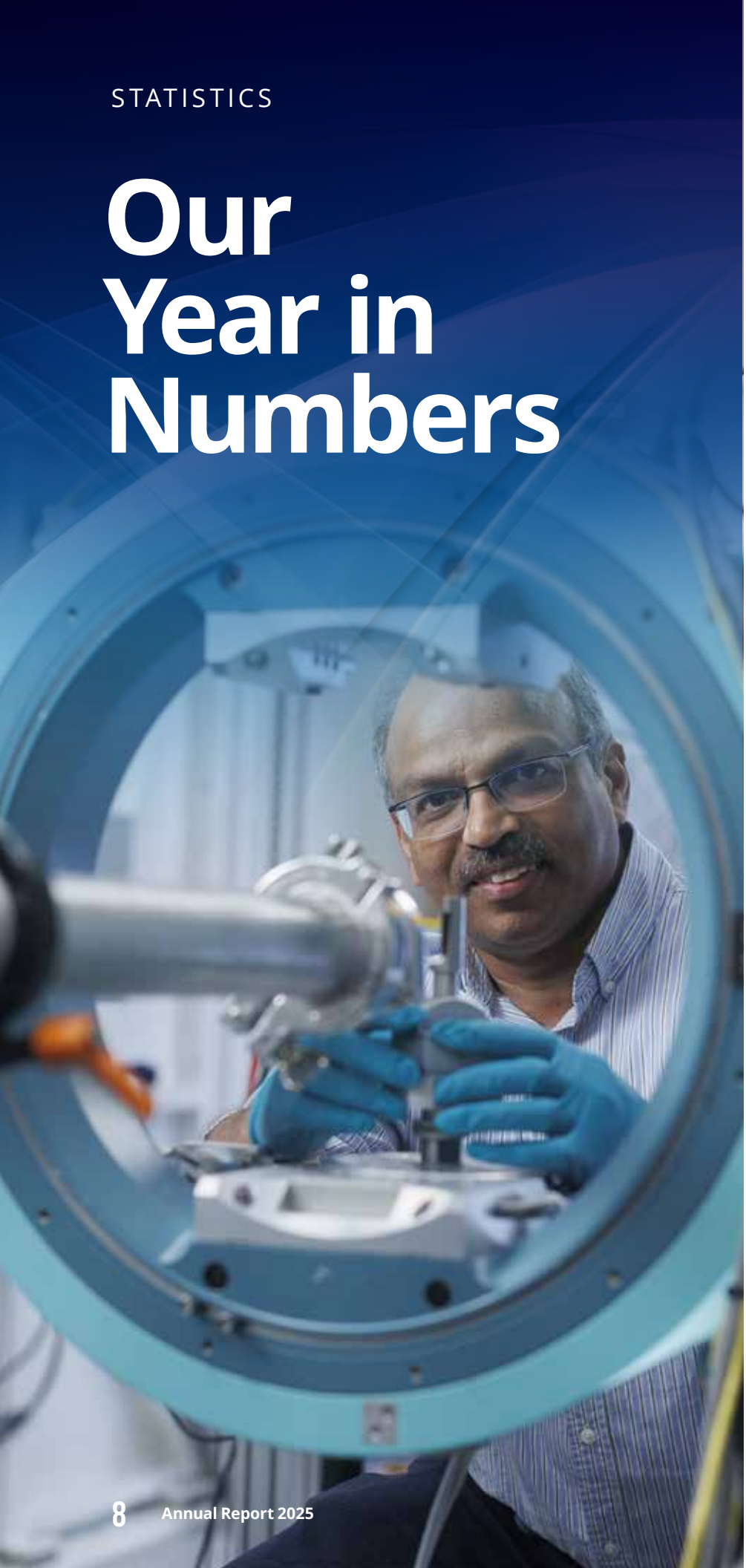
Booster Ring

In the ring, microwaves continue to accelerate the electrons; they travel around the ring 1.5 million times in 0.6 seconds.

Electron Gun

Bursts of electrons are injected into an ultra-high-vacuum, stainless-steel tube.

Our Year in Numbers

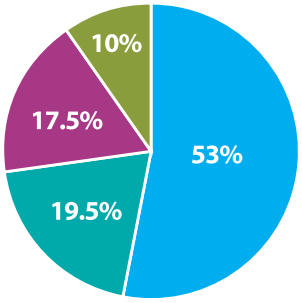


4,382
SHIFTS
DELIVERED

483
SCIENTIFIC
PUBLICATIONS

256
STAFF

USER DISCIPLINES



Shifts delivered by strategic area

- Materials
- Health
- Environment
- Agriculture

10 WORKSHOPS ORGANIZED FOR USERS

users from

17 countries | **7** provinces

56
INTERNATIONAL COLLABORATIONS

22 OPERATING BEAMLINES

3,300
People Toured the Facility

683
GRAD STUDENTS AND POSTDOCTORAL FELLOWS

USERS FROM

39
Canadian Institutions

110
Stakeholder Events

ATTENDED BY STAFF

889

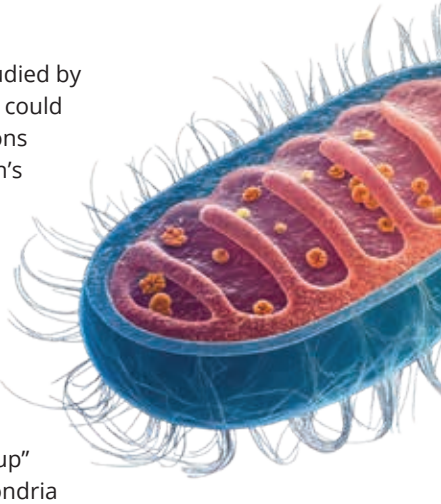
DISTINCT USERS

Protecting the Health of Canadians

New compounds to combat antibiotic resistance

To address the global threat of antibiotic resistance, scientists are searching for new ways to sneak past a bacterial cell's defence system. Using the CLS, researchers from the University of Toronto have developed novel compounds that trigger bacterial cells to self-destruct. The new form of antibiotics is designed to target a naturally occurring enzyme called ClpP that chews up old or defective proteins and plays an essential role in cellular renewal. The new compound kicks the ClpP enzyme into overdrive, so it begins chewing up proteins that it is not supposed to, eventually killing its own cell from the inside out. DOI:10.1021/acs.jmedchem.4c00773

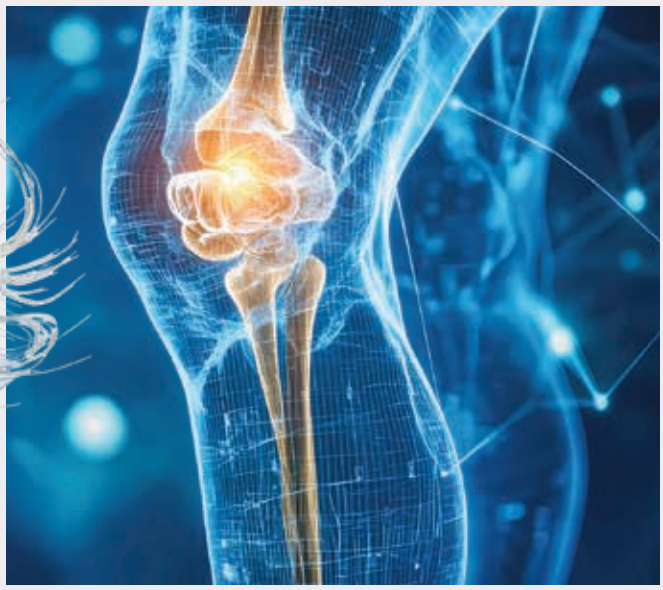
Novel drug molecule could help treat Parkinson's disease in young patients



A novel drug molecule being studied by researchers at McGill University could reactivate housekeeping functions in brain cells of young Parkinson's patients, paving the way for potential future treatments for this incurable, degenerative disease. Developed by the biotech company Biogen, the new compound has shown promising results activating parkin, a key protein in the brain responsible for "cleaning up" and recycling damaged mitochondria – the energy powerhouse of the cell. When parkin does not work properly, these damaged mitochondria accumulate, leading eventually to Parkinson's disease. DOI:10.1038/s41467-024-51889-3

New research on gut bacteria could lead to helpful new probiotics

Researchers from the University of British Columbia used the CLS to study a bacterium commonly found in the gut of people who eat a plant-rich diet to better understand what gives it the unique ability to break down dietary fibre. The ultrabright synchrotron light enabled the team to determine the 3D structure and role of the proteins the bacterium uses to carry out this complex process. What they learned could eventually be applied to increasing the number of these good bacteria in our gut, to make people healthier and reduce disease. DOI:10.1016/j.jbc.2024.107625



Detecting osteoarthritis before patients need joint replacement

An imaging technique currently available only at synchrotrons like the CLS could one day enable doctors to detect osteoarthritis while patients can still be treated with medication – before they require joint replacement. In a pair of studies, researchers from the University of Saskatchewan found that phase contrast imaging detects very subtle changes in cartilage, meaning it could pick up on osteoarthritis sooner than regular clinical monitoring. This would give doctors more options for early treatment and researchers potential new targets for drug development. Companies are already working on ways to adapt the technology to make it portable for clinical use. DOI:10.1371/journal.pone.0291757

Hacking genetics could improve cancer treatment

Researchers from the Institut National de la Recherche Scientifique's Armand-Frappier Santé Biotechnologie Research Centre used the CLS to study how enzymes found in all forms of life (called ribonucleases) can be modified to work to our advantage. This work could have wide-ranging applications, from better cancer treatments and more effective pharmaceuticals to more efficient and environmentally friendly industrial catalysts. The research team previously discovered that the function of a ribonuclease could be identified by its movements at the molecular level. Now, they have found a way to hack them too. The researchers successfully modified an enzyme so that it became antibacterial and toxic to cells. DOI:10.1016/j.jbc.2024.107280

Advancing Agriculture and Food Production

Ensuring we have safe eggs to eat

Conventional egg decontamination processes, which use chemicals and heat, can damage the egg cuticle and shell, which are natural barriers to bacteria and help to maintain nutritional quality during storage. University of Saskatchewan researchers used the CLS to study an emerging, green technique that involves treating eggs using tiny water droplets sprayed with high-voltage electricity. They found the new approach significantly reduced the amount of E. coli and Salmonella bacteria on the eggs, but did not damage the cuticle and shell, preserving the food's nutritional quality. This technology can improve food safety, while lowering CO_2 emissions from processing. DOI:10.1016/j.lwt.2024.116151

Addressing hidden hunger in developing countries

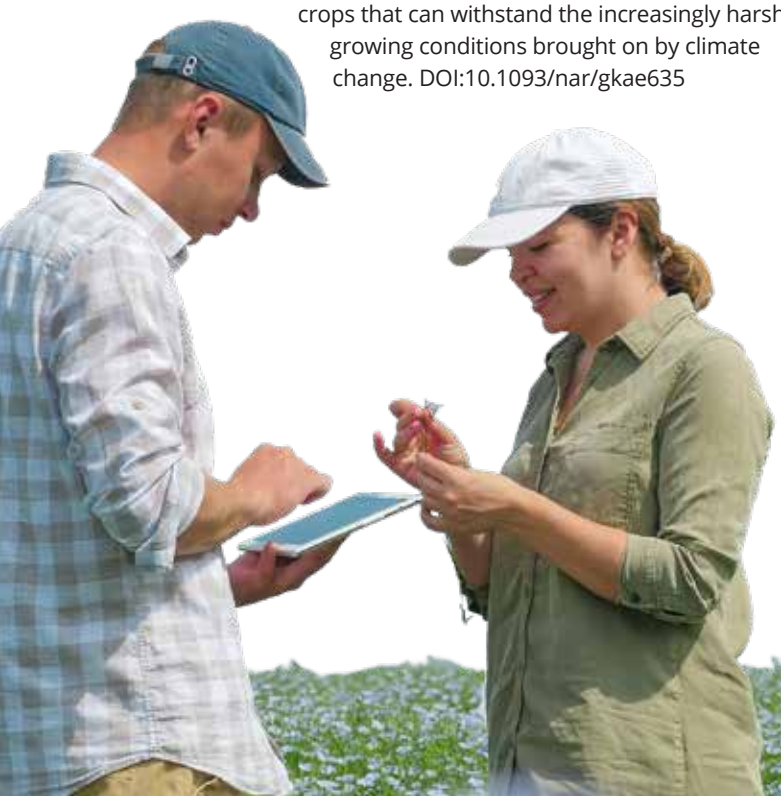
Millet, the grain, packs a bigger nutritional punch than grains like rice, wheat, and corn, is easier to grow, and is more tolerant of increasingly common drought conditions. Using the CLS, researchers from Agriculture and Agri-Food Canada – with partners in India – explored why millet is so efficient at taking up micronutrients from the soil. They looked at what millet's genes are doing at different stages – from when it first sprouts to when it makes seeds, then compared this data with genetic information from other grains. What they learned could help develop better forms of other crops such as barley and wheat. DOI:10.1111/tpj.16749

Dried veggies, legumes could be key to improving plant-based meat alternatives

Plant-based meat substitutes have grown in popularity. However, they are still criticized for becoming dried out when cooked and lacking the mouthfeel of real meat. Researchers from the University of Guelph used synchrotron light to develop two new approaches for ensuring these alternatives retain oil during cooking and have the texture we associate with ground beef. One method involved freeze-drying small pieces of vegetables to remove moisture, then filling the empty pores with oil. The second used a gel made of pea starch, chickpea flour and oil; adding this gel to plant-based products provided the texture and oil retention of ground beef. DOI:10.1016/j.crfs.2025.101002

Newly discovered protein could help develop healthier crops

Scientists from Western University have discovered a protein that has the never-before-seen ability to stop DNA damage. Using the CLS, they found the novel protein scans for breaks along the DNA and when it detects one it snaps shut – like a mousetrap. This neutralizes DNA damage and prevents further damage. While proteins typically form complicated networks to carry out a function, the protein appears to stop DNA damage all on its own. The finding could provide the foundation for everything from vaccines against cancer, to crops that can withstand the increasingly harsh growing conditions brought on by climate change. DOI:10.1093/nar/gkae635



Finding solutions to problem of clumping in potash

Potash-based fertilizers and other potash products tend to clump or cake when they are exposed to moisture, which can lead to waste. Using the CLS, University of Saskatchewan researchers captured detailed 3D images of potash particles and the tiny bridges that form between them during fertilizer production—which create the clumps. This research, done in collaboration with industry partner Mosaic, showed that clumping occurs not just during the drying process but afterwards as well. These findings could help fertilizer companies prevent clumping during production. It could also help farmers avoid this caking when they're applying fertilizer. DOI:10.1016/j.partic.2024.04.012

Preserving the Environment

Organic material can convert toxic heavy metal to harmless form

Chromium is a heavy metal that exists in several forms: one of them is a carcinogen linked to various cancers and reproductive problems. The dangerous form is a byproduct of industrial processes such as leather tanning, stainless steel production, and mining. Using the CLS, researchers from the University of Waterloo found that a special type of charcoal called biochar is highly effective at absorbing chromium and converting it to its safer form. Biochar is produced by heating agricultural waste without oxygen. This finding suggests the material could be a useful tool for cleaning up pollution at industrial sites. DOI:10.1016/j.chemosphere.2024.143880

Protecting northern water supplies from toxic metals in thawing permafrost

Climate change is causing arctic permafrost to thaw, which is releasing trapped material into the surrounding environment. Researchers from Carleton University recently studied permafrost samples collected in the Yukon. Using the CLS, they found uranium and arsenic in the water released by these samples – at levels considered unsafe for drinking. While the samples were collected in an area that does not use groundwater as its source for drinking water, more than 90% of the Yukon population does rely on groundwater. The findings show that it is important to monitor permafrost thawing to assess impact on water quality. DOI:10.1021/acsearthspacechem.3c00355

Researchers develop reusable “sponge” for soaking up marine oil spills

Oil spills, if not cleaned up quickly and effectively, can cause lasting damage to marine and coastal environments. Using the CLS, researchers from Memorial University, Newfoundland are developing a new sponge-like material that is not only effective at grabbing and holding oil on its surface, but can be reused again and again—even in cold water. The special material combines a biodegradable cellulose-based material with a substance called spiropyran, which is light sensitive. Because spiropyran can switch between being oil-sorbent and oil-repellent, the new aerogel can soak up and squeeze out oil – just like a kitchen sponge. DOI:10.1016/j.scitotenv.2024.171451

AI finds a cheaper way to make green hydrogen

Trial and error experiments are a lot like trying to find a needle in a haystack. Researchers at the University of Toronto are using artificial intelligence to accelerate scientific breakthroughs in the search for sustainable energy. They used the CLS to confirm that an AI-generated “recipe” for a new catalyst offered a more efficient way to make hydrogen fuel. The AI program the team developed took over 36,000 different metal oxide combinations and ran virtual simulations to assess which combination of ingredients might work the best. Using the CLS, the researchers were then able to analyze the catalyst’s performance during an actual reaction. DOI:10.1021/jacs.4c01353

New material moves seawater batteries a step closer to primetime

Batteries that use seawater as an electrolyte can be safer, cheaper, and more environmentally friendly to make and dispose of than lithium-ion batteries. However, their development has been limited by a lack of a suitable material for the anode – the part of the battery the electricity flows out of. Using the CLS, researchers from the University of Alberta developed a composite material that can store many types of ions, including those found in seawater. Because the new anodes are thicker than previous ones, they can store a lot of energy, last a long time, and operate under extreme conditions. DOI:10.1002/adma.202416427

Creating Next Generation Materials

New type of battery could outlast EVs and still be used for grid energy storage

The push is on for batteries that can power EVs for decades, then be used for grid energy storage. Using the CLS, researchers from Dalhousie University have shown that a new type of lithium-ion battery called a single crystal electrode can be cycled more than 20,000 times – the equivalent of 8 million kilometers – without showing any discernible signs of internal damage. Regular lithium-ion batteries develop severe microscopic cracking from repeated charging and discharging. The findings suggest we're nearing the point where EV batteries outlast the rest of the car and should give the companies building them the confidence to plan for the long term. DOI:10.1149/1945-7111/ad88a8

Scientists invent "slime" that could be used in new medical, green energy, and robot applications

University of Guelph researchers have developed a slime-like material that produces electricity when compressed. When they studied their prototype using the CLS, they discovered the material has an array of potential applications. For example, installed in floors, the material could produce clean energy when people walk on it. The slime is 90 per cent water plus oleic acid and amino acids, so it's highly compatible with the body. It could also potentially be used to make bandages that actively promote healing. By increasing the electrical fields that our bodies already produce, the new material could attract healing cells to an open wound. DOI:10.1016/j.molliq.2024.126823

Advancing hydrogen as a replacement for carbon fuels

Researchers from the University of Toronto have been investigating hydrogen as a green energy source. They used the CLS to improve the efficiency of a device that converts water into hydrogen – a process called electrocatalysis. The group focused on a specific layer in the device that controls the flow of water. Water passes through that layer before it reaches a catalyst layer, which splits the water molecule. The new design developed by the team has extra channels in it, to improve water flow. Better water flow means less energy is needed to drive the process.
DOI:10.1002/adfm.202410262

Got sour milk? Printed electronics will tell you

Printed electronics are already being used to make everything from solar cells for vehicle roofs to flexible displays on smart phones. Using the CLS, a team of researchers from Simon Fraser University and the University of Saskatchewan have developed a material that stores up to 1,000 times more charge than current forms of printed electronics. It also shows promise in its ability to function in both positive and negative voltage modes, a must for the type of circuitry and advanced operations that will be required to make the Internet of Things a reality.
DOI:10.1021/acsami.4c01045

Improving steel pipelines for safe transport of hydrogen

The steel used to make pipelines can be weakened by hydrogen molecules that are introduced during manufacturing or when the pipeline is transporting oil and gas. University of Saskatchewan researchers used the CLS to generate 3D images of the cracks that form inside the steel, to better understand what is happening at a microscopic level. They found that the amount of hydrogen that stays inside the steel and where it accumulates have the largest impact on whether a pipeline will fail. This new information can be used to develop new steels that are more resistant to cracking.
DOI:10.1016/j.engfailanal.2025.10941

Financial Statements

CANADIAN LIGHT SOURCE INC.
March 31, 2025

To the Member of Canadian Light Source Inc.:

Opinion

We have audited the financial statements of Canadian Light Source Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in member's surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, 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.

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 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.

Saskatoon, Saskatchewan

June 25, 2025

MNP LLP

Chartered Professional Accountants

MNP

CANADIAN LIGHT SOURCE INC.
STATEMENT OF OPERATIONS
for the year ended March 31
(in thousands of dollars)

	2025	2024
REVENUE		
Canada Foundation for Innovation	**$ 24,432**	$ 23,908
Natural Sciences and Engineering Research Council of Canada	**4,826**	4,600
Canadian Institutes of Health Research	**1,174**	1,400
University of Saskatchewan	**2,240**	2,299
Province of Saskatchewan	**4,100**	4,100
Contracted research fees and other	**2,389**	3,685
	39,161	39,992
EXPENSES		
Salaries and benefits (Note 3)	**27,180**	26,590
Repairs and maintenance (Note 5)	**3,066**	3,418
Supplies and services (Note 13)	**6,048**	6,107
Utilities (Note 13)	**3,090**	4,303
Decommissioning costs (Note 12 and 13)	**963**	1,171
	40,347	41,589
OPERATING LOSS	**(1,186)**	(1,597)
Recognition of deferred contributions related to equipment and facility improvements (Note 10)	**4,509**	5,187
Amortization of equipment, facility improvements and intangible assets	**(4,815)**	(5,509)
NET LOSS FOR THE YEAR	**$ (1,492)**	$ (1,919)

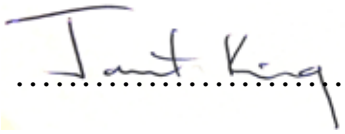
CANADIAN LIGHT SOURCE INC.
STATEMENT OF CHANGES IN MEMBER'S SURPLUS
for the year ended March 31
(in thousands of dollars)

	Unrestricted	Invested in equipment, facility improvements and intangible assets (Note 14)	**2025**	2024
Balance, beginning of year	$ 6,419	$ 3,042	**$ 9,461**	$ 11,380
Net loss	(1,186)	(306)	**(1,492)**	(1,919)
Balance, end of year	$ 5,233	$ 2,736	**$ 7,969**	$ 9,461

CANADIAN LIGHT SOURCE INC.
STATEMENT OF FINANCIAL POSITION
as at March 31
(in thousands of dollars)

	2025	2024
CURRENT ASSETS		
Cash	**$ 3,338**	$ 4,117
Accounts receivable (Note 4 and 13)	**6,176**	24,212
Grants receivable	**2,001**	400
Prepaid expenses	**1,279**	857
Inventory (Note 5)	**4,931**	4,442
	17,725	34,028
EQUIPMENT AND FACILITY IMPROVEMENTS (Note 6)	**39,562**	42,015
DECOMMISSIONING FUND (Note 12)	**6,596**	4,845
INTANGIBLE ASSETS (Note 7)	**292**	334
	$ 64,175	$ 81,222
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 8 and 13)	**$ 4,491**	$ 5,661
Government remittances payable	**12**	64
Deferred revenue	**95**	147
Deferred contributions (Note 9)	**4,251**	17,227
	8,849	23,099
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT AND FACILITY IMPROVEMENTS (Note 10)	**33,197**	35,122
ACCRUED DECOMMISSIONING COSTS (Note 12)	**14,160**	13,540
	56,206	71,761
COMMITMENTS (Note 16)		
MEMBER'S SURPLUS		
Unrestricted	**5,233**	6,419
Invested in equipment, facility improvements and intangible assets (Note 14)	**2,736**	3,042
	7,969	9,461
	$ 64,175	$ 81,222

APPROVED BY THE BOARD OF DIRECTORS



Interim Chair, Board of Directors

Chair, Finance and Audit Committee of the Board of Directors

CANADIAN LIGHT SOURCE INC.
STATEMENT OF CASH FLOWS
for the year ended March 31
(in thousands of dollars)

	2025	2024
OPERATING ACTIVITIES		
Net loss	**$ (1,492)**	$ (1,919)
Recognition of deferred contributions related to equipment and facility improvements	**(4,509)**	(5,187)
Amortization of equipment and facility improvements	**4,815**	5,509
Accrued decommissioning costs	**884**	1,091
	(302)	(506)
Changes in non-cash working capital		
Accounts receivable	**18,036**	(15,747)
Grants receivable	**(1,601)**	7,935
Prepaid expenses	**(422)**	(229)
Inventory	**(489)**	(363)
Accounts payable and accrued liabilities	**(1,170)**	(436)
Government remittances payable	**(52)**	(114)
Deferred revenue	**(52)**	(106)
Deferred contributions	**(12,976)**	13,864
	972	4,298
INVESTING ACTIVITIES		
Acquisition of equipment and facility improvements	**(2,594)**	(2,632)
Investment in decommissioning fund	**(1,751)**	(1,367)
	(4,345)	(3,999)
FINANCING ACTIVITIES		
Restricted contributions used to purchase equipment and facility improvements	**2,594**	2,648
INCREASE (DECREASE) IN CASH POSITION	**(779)**	2,947
CASH POSITION, BEGINNING OF THE YEAR	**4,117**	1,170
CASH POSITION, END OF THE YEAR	**$ 3,338**	$ 4,117

1. NATURE OF THE ORGANIZATION

Canadian Light Source Inc. (the "Organization") was incorporated under the Non-Profit Corporations Act of Saskatchewan on May 14, 1999 with its sole member being the University of Saskatchewan ("USask").

USask has constructed and licensed its third generation synchrotron light facility (the "facility") to the Organization, which is responsible for the operation and conduct of all activities related to the facility, including the design, installation, and maintenance of all beamlines and related equipment.

The mandate of the Organization is to advance scientific and industrial capabilities in synchrotron science and techniques.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Accounting Standards for Not-for-Profit Organizations ("ASNPO") and reflect the following significant accounting policies:

Revenue Recognition
The Organization follows the deferral method of accounting for contributions. Contributions from the Canada Foundation for Innovation, Natural Sciences and Engineering Research Council of Canada, and Canadian Institutes of Health Research, and other restricted grants are recognized as revenue in the year in which the related expenses are incurred. Contributions received in excess of expenses incurred are recorded as deferred contributions.

Contributions from USask, the Province of Saskatchewan and other unrestricted contributions are recognized as revenue in the period in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contracted research fees and contractor revenue are recorded as services are rendered. Advances related to construction of additional beamlines and technical equipment in excess of expenses are recorded as deferred revenue. Losses on contracts are recognized as soon as the amount can be reasonably estimated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Contributions Related to Equipment and Facility Improvements
Deferred contributions related to equipment and facility improvements represent the unamortized portion of restricted contributions that were used to purchase the Organization's equipment and facility enhancements. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Cash
Cash includes balances held with banks.

Inventory
Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first in, first out method.

Equipment, Facility Improvements and Intangible Assets
Equipment and facility improvements are recorded at cost. Assets, with the exception of asset retirement obligations and intangible assets, are amortized over their expected useful life using the declining balance method at the following rates:

Equipment and furnishings	20%
Computer equipment and software	30%
Facility improvements	10%
Building under capital lease	10%

Assets are amortized at one half of the above rates in the year of acquisition.

Asset retirement obligations are amortized on a straight-line basis over the expected remaining operating life of the facility. Intangible assets are amortized on a straight-line basis over the expected useful life to the Organization.

Assets under development are not amortized until they are available for use.

The Organization writes down long lived assets held for use when conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services. The asset is also written down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Organization determines that a long lived asset is impaired, its carrying amount is written down to the asset's fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Decommissioning Costs
The Organization is required to decommission the facility when operations cease in accordance with its Particle Accelerator Operating License issued by the Canadian Nuclear Safety Commission ("CNSC"). The Organization expects the facility to operate for a 30 year period from commencement of operations.

Financial Instruments
The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's Length Financial Instruments
Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures all arm's length financial assets and liabilities at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related Party Financial Instruments
The Organization has no related party financial instruments required to be recognized at fair value.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

The Organization subsequently measures all related party financial instruments using the cost method less any reduction for impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in net loss.

Financial Asset Impairment
The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when there are numerous assets affected by the same factors. Management considers whether the issuer is having significant financial difficulty; or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year net loss.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in net loss in the year the reversal occurs.

Income Taxes
The Organization is a non-profit entity and is exempt from income taxes.

Defined Contribution Pension Plan
The Organization has a defined contribution pension plan that is offered to permanent employees and employees with a 2 year term or greater. The Organization matches employee contributions.

Foreign Currency Translation
Monetary assets and liabilities denominated in foreign currencies are translated into CAD using the exchange rate in effect at year end. Other assets and liabilities are translated at the prevailing historical rates at the time of the transaction. Expenses arising from foreign currency transactions are translated at the exchange rates in effect on the transaction date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrealized exchange gains and losses are included in the determination of net earnings or loss for the year. The Organization does not enter into any derivative contracts to hedge its exposure to changes in foreign currency exchange rates.

Use of Estimates
The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect reported amounts of assets, liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Significant financial statement items that require estimates include the collectability of accounts receivable, the useful life, discount rates and future costs associated with the asset retirement obligation, the estimate of project overrun costs on contracts, the useful life and potential impairment of equipment, facility improvements and intangible assets and potential contingencies. Actual results could differ from those estimates.

3. DEFINED CONTRIBUTION PENSION PLAN

Total pension contributions made by the Organization in the year totaled $1,631 (2024 – $1,511) and are included in salaries and benefits in the Statement of Operations.

4. ACCOUNTS RECEIVABLE

	2025	2024
Cash held by USask (Note 13)	**$ 5,775**	$ 22,368
Trade accounts receivable	**661**	1,457
Construction revenue receivable	**-**	1
Other	**133**	473
Allowance for doubtful accounts	**(393)**	(87)
	$ 6,176	$ 24,212

5. INVENTORY

The Organization holds spare parts in stock at year end. The Organization recognized $286 (2024 – $308) of inventories as expense during the year.

6. EQUIPMENT AND FACILITY IMPROVEMENTS

	Cost	Accumulated Amortization	Net Book Value **2025**	Net Book Value 2024
Equipment and furnishings	$ 13,949	$ 10,881	**$ 3,068**	$ 3,027
Computer equipment and software	21,703	17,701	**4,002**	5,274
Facility improvements	62,180	40,195	**21,985**	24,428
Asset retirement obligations	9,869	5,948	**3,921**	4,185
Development in progress	6,586	-	**6,586**	5,101
	$ 114,287	$ 74,725	**$ 39,562**	$ 42,015

Equipment and facility improvements include supplier in-kind contributions of $ nil (2024 – $3).

7. INTANGIBLE ASSETS

	Cost	Accumulated Amortization	Net Book Value **2025**	Net Book Value 2024
Intellectual property	$ 639	$ 347	**$ 292**	$ 334

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade accounts payable	**$ 1,003**	$ 1,910
Accrued loss on construction	**320**	327
Accrued vacation payable	**2,188**	2,366
Other accrued liabilities	**980**	1,058
	$ 4,491	$ 5,661

9. DEFERRED CONTRIBUTIONS

	2025	2024
Beginning of year	**$ 17,227**	$ 3,363
Contributions received / receivable in year	**20,067**	46,456
Recognized as revenue	**(30,449)**	(29,941)
Contributions used for purchase of equipment and facility improvements	**(2,594)**	(2,651)
End of year	**$ 4,251**	$ 17,227

10. DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT AND FACILITY IMPROVEMENTS

	2025	2024
Beginning of year	**$ 35,122**	$ 37,663
Contributions for purchase of equipment and facility improvements	**2,594**	2,651
Disposals in the year	**(10)**	(5)
Recognized as revenue	**(4,509)**	(5,187)
End of year	**$ 33,197**	$ 35,122

11. CONTRACTOR REVENUE

The Organization is party to an agreement to design and construct additional beamlines for the facility (Note 13). The Organization has recorded contractor revenues of $6,919 (2024 – $3,486) net of costs of the same amount.

During the year, the Organization recovered previously recognized expected losses related to active construction contracts of $7 (2024 – nil) due to the completion of the construction projects below the previously estimated losses and revised estimates for active projects.

12. ACCRUED DECOMMISSIONING COSTS

The Organization anticipates the undiscounted future cash flows required to decommission the facility to be $18,671 (2024 – $18,989). The present value of the asset retirement obligation and the liability for decommissioning costs has been calculated using a credit-adjusted risk free interest rate of 3.1% (2024 – 3.4%) and an inflation rate estimate of 3.2% (2024 – 3.3%) and an estimated facility life of 30 years (2024 – 30 years). The change in these estimates resulted in an increase of $155 to both the accrued decommissioning costs and the asset retirement obligations. The current year decommissioning costs of $963 (2024 – $1,171) include amortization of asset retirement obligations of $418 (2024 – $674) and costs associated with a financial guarantee to the CNSC of $79 (2024 – $79). The financial guarantee is in the amount of $10,549 (2024 – $10,549).

During the year, the Organization set aside funds for the purpose of funding the decommissioning liability of $1,000 (2024 – $1,000). At the end of the year, the balance of these funds is $6,596 (2024 – $4,845), which includes interest earned on the funds.

A reconciliation of the accrued decommissioning costs is as follows:

		2025		2024
Beginning of year	**$**	**13,540**	$	14,327
Accretion expense		**465**		418
Adjustment due to change in cost estimate		**155**		(1,205)
End of year	**$**	**14,160**	$	13,540

13. RELATED PARTY TRANSACTIONS

The Organization has recorded contractor revenues for construction of beamlines for USask of $6,919 (2024 - $3,486) net of costs of the same amount.

Under the terms of a License Agreement with USask, whereby the Organization has assumed responsibility for the operation, maintenance and enhancement of the facility, the Organization is committed to pay a license fee and utility costs. During the year, the amount of the license fee expensed by the Organization was $100 (2024 - $100) which has been included in supplies and services. During the year, the amount of utility costs were $3,096 (2024 – $4,300) which has been included in utilities expense.

During the year, the Organization purchased goods and services from USask in the amount of $1,146 (2024 – $898).

The financial guarantee to the CNSC for the decommissioning of the facility of $10,549 (2024 – $10,549) was obtained by USask on behalf of CLSI. The costs associated with the financial guarantee of $79 (2024 – $79) have been paid by CLSI and has been included in decommissioning costs.

All funds received by the Organization flow through, and certain payments to vendors of the Organization are made from, bank accounts administered by USask. At the end of the year, the amounts due from/(to) USask which are included in accounts receivable and accounts payable are as follows:

	2025	2024
Due from - cash on hand	**$ 5,775**	$ 22,368
Due from - goods and services provided	**644**	817
Due to - beamline construction	**(74)**	(131)
Due to - goods and services purchased	**(11)**	(5)

Routine operating transactions with USask are settled at prevailing market prices under normal trade terms.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

14. MEMBER'S SURPLUS INVESTED IN EQUIPMENT, FACILITY IMPROVEMENTS AND INTANGIBLE ASSETS

As indicated in the Statement of Changes in Member's Surplus, the Organization has made significant investments in equipment, facility improvements and intangible assets. These represent strategic investments by the Organization that cannot be funded from specific grants. These investments have been approved by the Board of Directors. The investments (net of amortization) in equipment, facility improvements and intangible assets are as follows:

		2025		2024
Facility improvements - beamlines	**$**	**1,108**	$	1,232
Facility improvements - medical isotope technology		**508**		565
Intangible asset - intellectual property		**292**		334
Facility improvements - office expansion		**555**		617
Other		**273**		294
Member's surplus invested in equipment, facility improvements and intangible assets	**$**	**2,736**	$	3,042

15. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis presents the Organization's exposures to risks at the reporting date.

Credit risk
The Organization is exposed to credit risk with respect to accounts receivable, grants receivable, and decommissioning fund. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization assesses credit risk on a continuous basis and to mitigate this risk, it maintains an allowance for doubtful accounts.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Organization does not actively manage this risk.

15. FINANCIAL INSTRUMENTS (continued)

The accounts payable and accrued liabilities include the following amounts expressed in CAD with respect to financial liabilities for which cash flows are denominated in foreign currencies:

	2025	2024
Accounts payable - USD	**$ 149**	$ 158
Accounts payable - BP	**-**	39
Accounts payable - CHF	**-**	4
Accounts payable - SEK	**-**	3
Accounts payable - Euro	**-**	184
	$ 149	$ 388

Liquidity risk
Liquidity risk is the risk that the Organization will not be able to meet the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect to its accounts payable and accrued liabilities and accrued decommissioning costs. To manage this risk, the Organization generates cash flows from operations which is monitored on a continuous basis.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate risk on cash, cash held by USask and decommissioning fund.

16. COMMITMENTS

The Organization has future purchase commitments relating to operations. The future purchase commitments for the next five years are as follows:

2026	**$**	**1,977**
2027		**1,564**
2028		**1,676**
2029		**170**
2030		**137**

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.

Thank You

Thank you to our government, academic and corporate funding partners for their investment in Canadian science and innovation.

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The Canadian Light Source is a national research facility of the University of Saskatchewan.

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