



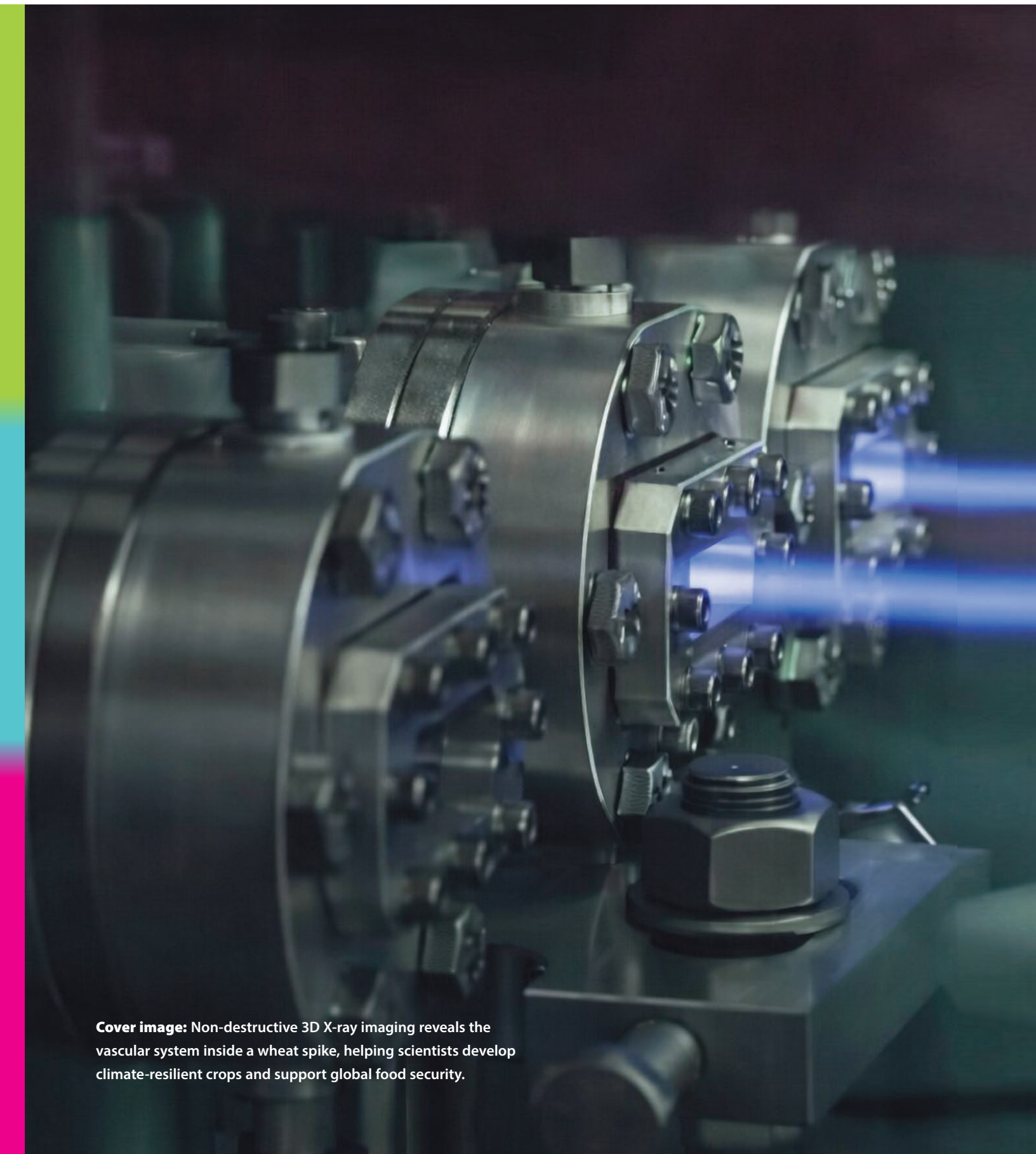
Canadian  
Light  
Source    Centre canadien  
de rayonnement  
synchrotron

## ANNUAL REPORT 2026

DISCOVERY AT THE SPEED OF LIGHT

# Driving Canadian Research and Innovation





**Cover image:** Non-destructive 3D X-ray imaging reveals the vascular system inside a wheat spike, helping scientists develop climate-resilient crops and support global food security.



## VISION

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

## MISSION

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

## 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.

## MESSAGE FROM THE CHAIR OF THE BOARD



The past year has been a significant one for the Canadian Light Source (CLS), marked by both notable achievement and important transition. Throughout this period, the Board of Directors has remained focused on its core responsibilities: ensuring strong governance, supporting scientific excellence, and positioning CLS to continue

serving Canada's national interests in an increasingly complex global environment.

A strengthened relationship with the University of Saskatchewan (USask) has reinforced a strong and united foundation for the facility, complemented by continued robust Board oversight. This leadership, combined with the expertise and dedication of CLS staff and the strength of a national user community spanning disciplines and regions, provides a solid platform for future success. Together, these elements position CLS to continue to advance its mandate of delivering value to Canada's research and innovation ecosystem.

CLS underwent a review by the Canada Foundation for Innovation's (CFI) Major Science Initiatives (MSI) Standing Advisory Committee (CFI SAC), which confirmed that the facility is meeting its scientific goals across its four priority areas. The Committee highlighted the consistent research output as identified by a strong Canadian-led publication record, and substantial impactful work published in leading journals. It also recognized CLS's role as a national, multidisciplinary research platform and noted the high level of productivity achieved with a relatively small scientific and technical team.

However, the year was not without challenges. CLS operated within a demanding budgetary environment while navigating unanticipated delays associated with the linear accelerator upgrade. The Board closely oversaw the senior leadership team's efforts to restore operations, recognizing both the operational complexity involved and the importance of maintaining user confidence and continuity. We also remained attentive to the evolving national funding landscape, including Canada's transition toward a Major Research Facilities (MRF) framework.

The CFI identified CLS as one of six MSI-funded facilities to be included in the development of the future MRF program. This framework represents a significant evolution in how

The Committee highlighted the consistent research output as identified by a strong Canadian-led publication record, and substantial impactful work published in leading journals.

Canada supports large scale national research infrastructure—one that emphasizes long-term stewardship, lifecycle funding, and a portfolio-based approach to maximizing scientific and socioeconomic impact. In response, CLS developed a set of MRF budget scenarios ranging from maintaining the status quo to strengthening Canada's position and enhancing international competitiveness, including consideration of what a more modern facility would mean for Canada's future research capacity.

In the coming fiscal year, the Board, in collaboration with the CLS Senior Leadership Team and informed by the recommendations of the CFI SAC, will advance a new strategic plan for the CLS. Initiated at the March 2026 Board meeting, this focused plan will guide the facility through the successful conclusion of the current MSI funding cycle and position CLS for future MRF directions. This effort reflects a rapidly evolving research landscape shaped by geopolitical tension, economic uncertainty, and the growing importance of scientific sovereignty. Against this backdrop, CLS is well positioned to support Canada's national priorities—building on more than 20 years of scientific excellence to enable world-class research, train highly qualified talent, drive innovation, and contribute to the country's economic and sovereign resilience.

I express my deepest gratitude to my fellow Board members for their thoughtful oversight and strategic engagement, and my sincere appreciation to the CLS staff and senior leadership team for their commitment and professionalism during a demanding year. With the stalwart support of our funders—the CFI, the Government of Saskatchewan, and USask—we remain focused on ensuring that CLS continues to serve Canada with excellence, relevance, and impact—now and into the future.

**Martha Crago,**  
Chair, Board of Directors

## MESSAGE FROM THE INTERIM CHIEF EXECUTIVE OFFICER



This has been a year of forward momentum for the CLS. We began in the dark, as the planned upgrade to our linear accelerator (linac)—intended to strengthen future performance and reliability—resulted in an unanticipated extended outage during commissioning. Thanks to the expertise of our staff and

a network of international collaborators, we advanced an innovative solution to restore light. User operations were progressively reintroduced from October to December 2025, with a full return to the regular user cycle in January 2026. The strong demand for CLS was reaffirmed through our Fall expression of interest and February call for proposals. We remain especially grateful to our users for their patience, flexibility, and continued partnership throughout this transition.

Over the past fiscal year, CLS continued to play a leadership role within both Canada's research ecosystem and the global synchrotron community. We strengthened engagement with Canadian funders and stakeholders to support the long-term sustainability of national research infrastructure, including the development of 15-year budget scenarios aligned with CFI's emerging coordinated funding framework for Major Research Facilities—an important step toward more predictable, lifecycle-based support from planning through decommissioning. To inform this work, CLS convened a workshop of international experts to assess and refine potential

Most importantly, CLS continued to support outstanding user science. As highlighted throughout this report, research enabled by the CLS is delivering tangible benefits for Canadians while advancing global science across health, agriculture, the environment, and advanced materials.

upgrade pathways for the CLS. We also contributed to the CFI National Research Facilities Workshop, which brought together facilities from across the country and reinforced both the strategic value of national research infrastructure and the importance of articulating its impact for Canada.

CLS continues to partner with the Canadian Institute for Synchrotron Radiation to advance a long-range plan for synchrotron science in Canada. We are grateful for the strong engagement of the Canadian synchrotron community, whose contributions through working groups and surveys are helping to shape a shared vision for the future of this critical infrastructure. This collaborative planning process will continue into FY2027, ensuring CLS remains well aligned with Canada's evolving scientific and strategic needs.

Engagement with our user community remained a central priority this year. I was pleased to meet with users through two Town Halls—first to provide updates on the linac, and later to introduce myself as Interim CEO—continuing an open dialogue around facility operations, future plans, and shared priorities. We also held a hybrid User Community Forum in October to celebrate award winners and to share facility updates.

Most importantly, CLS continued to support outstanding user science. As highlighted throughout this report, research enabled by the CLS is delivering tangible benefits for Canadians while advancing global science across health, agriculture, the environment, and advanced materials. From new strategies to combat antibiotic resistance, cancer, infectious diseases, and childhood conditions, to innovations in clean energy, sustainable materials, food security, and climate resilience, these discoveries show how national research infrastructure translates fundamental science into real-world solutions that improve quality of life, strengthen Canada's economy, and position the country for a more sustainable future.

This impact is reinforced by a 2025 bibliometric study that showed the CLS consistently outperforms peer synchrotron facilities in scientific impact, with stronger publication performance, higher citation influence, and a broad, high-quality research portfolio supported by stable international collaborations.

I would like to thank our Board of Directors for their strategic guidance, our funders for their continued support, our staff for their dedication and expertise, and our many users for choosing CLS as a platform for meaningful scientific discovery and innovation. Together, these contributions ensure that this national facility remains a vital platform for discovery, innovation, and impact.

**Ingrid Pickering,**  
Interim Chief Executive Officer



# How the light source works

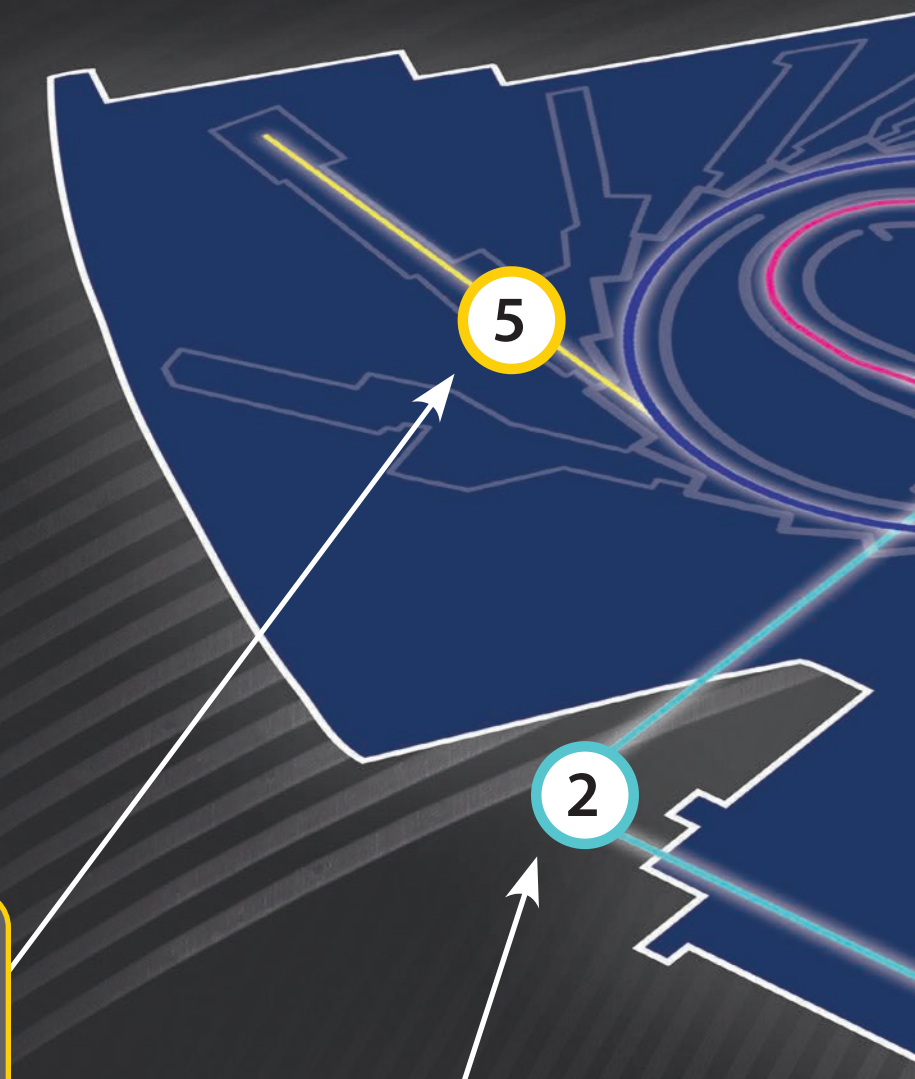
## BEAMLINES

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

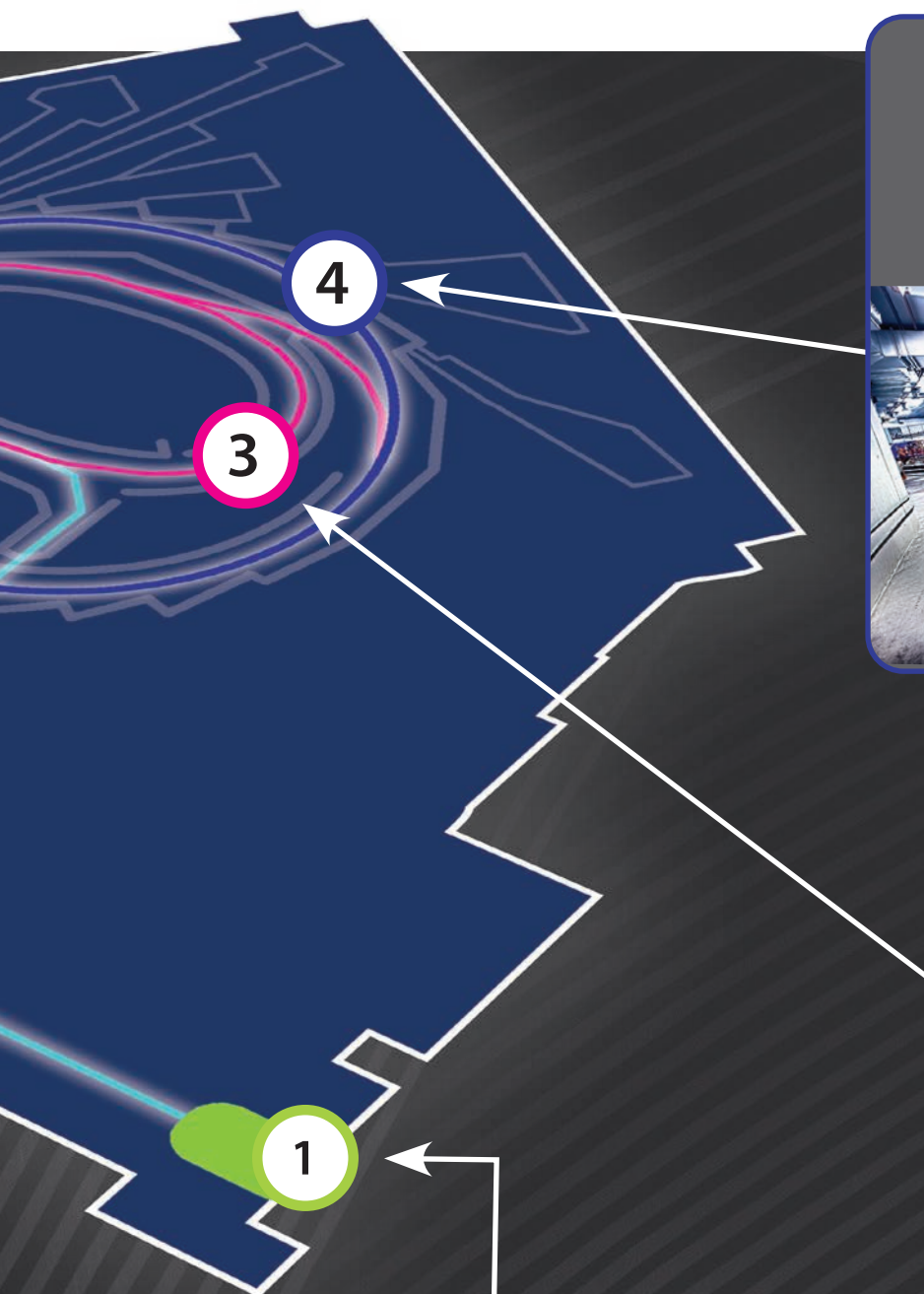


## LINEAR ACCELERATOR

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

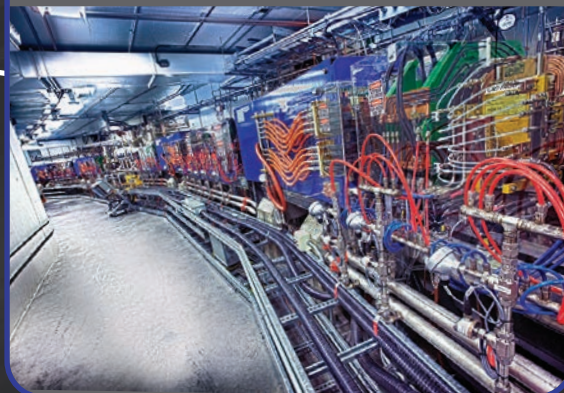






## STORAGE RING

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



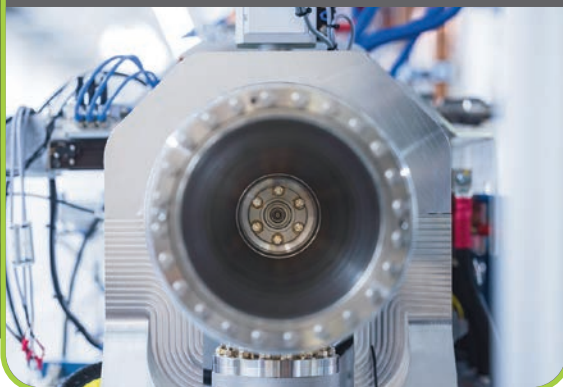
## BOOSTER RING

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

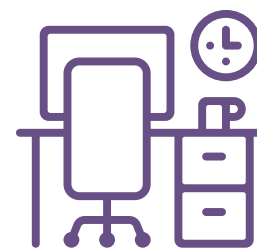


**1,633**  
SHIFTS  
DELIVERED

**614**



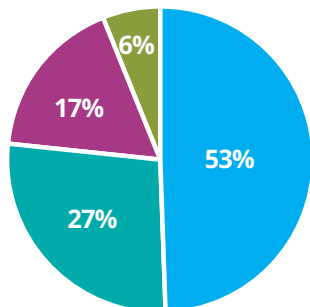
SCIENTIFIC  
PUBLICATIONS



**248**  
STAFF



## USER DISCIPLINES



**Shifts delivered by strategic area**

- Materials
- Health
- Environment
- Agriculture

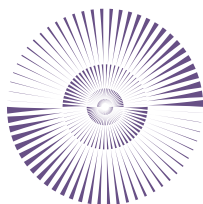
**8 PATENTS** 



**users from**  
**10** countries | **8** provinces

**33**

**INTERNATIONAL COLLABORATIONS**



**22 OPERATING BEAMLINES**

**4,026**



**People Toured the Facility**

**325** 

**GRAD STUDENTS AND POSTDOCTORAL FELLOWS**



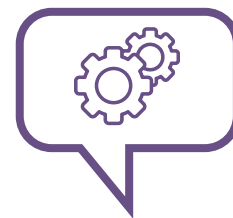
**USERS FROM**

**33**

**Canadian Institutions**

**67**

**Industrial Science Projects**



**417**

**DISTINCT USERS**



# Protecting the Health of Canadians

## Unique enzymes use never-before-seen mechanism to resist antibiotics

Using the CLS, researchers at McGill University identified two enzymes that help bacteria resist broad-spectrum antibiotics using a never-before-seen mechanism. Instead of copying the antibiotic's target—the way many resistance enzymes work—these ones bind to the drug when its central structure is twisted into a pretzel shape. Because the drug molecules take that shape so infrequently, the McGill team expected weak resistance. To their surprise, they found that one of the two enzymes worked surprisingly well. This discovery shows there are more types of enzymes that can cause resistance than we thought.

DOI:10.1038/s42004-025-01666-0



## 3D-printed lungs could improve disease prevention and treatment

University of Saskatchewan researchers created 3D-printed models of lung tissue to improve the study of diseases like tuberculosis and cystic fibrosis. Current two-dimensional models and animal models do not accurately reflect human lungs, which makes it harder to develop new treatments. The team used the CLS to study their 3D model, which was printed with special bioinks containing live cells. They found that the cells can survive in their model, which suggests it could be used to grow new cells. Developing better models that perfectly mimic human lungs could one day lead to patient-specific treatments and lab-grown lungs for transplant.

DOI:10.1016/j.bioadv.2025.214428



## Zebrafish could hold clues to detecting, preventing scoliosis in children and teens

Scoliosis, a side-to-side curve of the spine, affects three to four per cent of Canadian children and teens. Scientists at SickKids/University of Toronto are gaining new insights into the condition by studying small, minnow-like fish called zebrafish. Using the CLS, they discovered that some zebrafish also develop a curve in their spine which becomes stiffer as their scoliosis gets worse. The researchers are now running a clinical trial to determine if increased stiffness can

predict which children will go on to develop a severe form of the disease. This work could lead to development of early interventions and non-invasive treatments for young people. DOI:1038/s41467-025-63742-2







## Stopping infections before they can start

With antibiotic resistance growing, it is imperative to develop new weapons for fighting infections. Using the CLS, researchers from Queen's University are trying to better understand how bacteria attach themselves to the host cells they are going to infect. The team is working on strategies for preventing long, thin proteins called adhesins from binding to sugar molecules on the surface of cells—the first step in an infection. It appears that introducing a type of sugar called fucose may disrupt the binding process by confusing the adhesins about which sugar they should latch on to, thereby preventing infections before they can start.

DOI:10.1128/mbio.03158-24

## New strategy for targeting cancer-causing protein previously considered “undruggable”

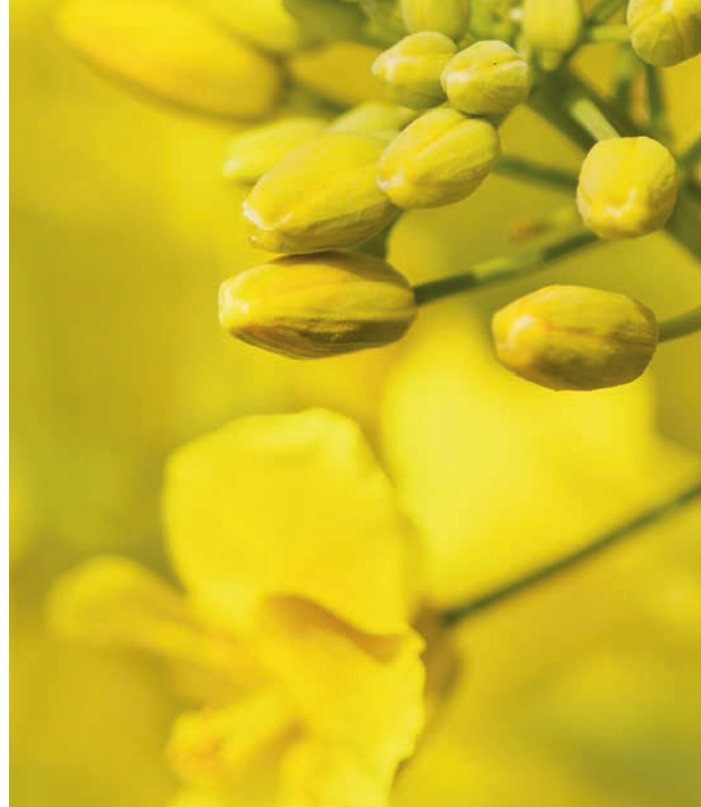
A cancer-causing protein long thought to be resistant to medication could soon be the target of new drugs, thanks to the work of Quebec researchers. The scientists from the Institut national de la recherche scientifique (INRS) studied a protein called Ras, associated with cancers of the head, neck, and urinary tract. Ras proteins play a critical role in cell signaling and growth regulation and are often mutated in cancers. Using the CLS, the group gathered atomic-level, 3D information about the protein. They discovered a “pocket” in it that appears to be an ideal target for molecular drug treatment.

DOI:10.1021/acsomega.4c10493





# Advancing Agriculture and Food Production



## More climate change-resilient crops

Researchers from the University of British Columbia and Agriculture and Agrifood Canada are using CLS to study how corn, poplar, and hazelnuts adapt to extreme weather. In harsh conditions, some plant roots develop root cortical aerenchyma—long, porous channels that help plants survive floods by moving air and aid drought survival by allowing deeper root growth. Researchers are mapping these air spaces with the BMIT beamline to understand their formation and effects on plant growth and production. This knowledge will help farmers and breeders select or develop crops more resilient to droughts and floods, supporting healthier forests, reliable harvests, and stable timber supplies as climate changes.



## Enhanced rice could address iron deficiencies around the world

Approximately 2 billion people worldwide have an iron deficiency. A research team led by scientists in Brazil developed a way to boost iron content in rice, one of the most consumed foods globally. Using the CLS, they found that modifying two genes in the plant can increase iron levels. However, they also found this change can create iron toxicity in plants grown in flooded fields—which is where most rice is grown. The team is now testing the same gene edits with rice plants grown in regular soils and in crops genetically similar to rice, such as wheat, barley, and maize.

DOI:10.1093/jxb/eraf505







## Unlocking even more value in Canada's canola industry

Canada's canola industry generates \$43.7 billion in economic activity annually. University of Saskatchewan researchers developed a new method for processing canola seeds that could help generate even more value from this crop. Using the CLS, they discovered that heating and cooling the seeds and then adding moisture created a small gap between the kernel and hull. Being able to remove the hull without damaging the kernel would enable processors to make regular canola oil but also use the protein-rich kernel to produce foods for people and animals. This research has the potential to make better use of all parts of canola seeds. DOI:10.1016/j.ifset.2025.104303



## Better heating method makes legumes easier to digest

Legumes like beans and peas contain natural chemicals called antinutrients which make them hard to digest. Food companies typically use big ovens to process legumes, but this can burn the outside before the inside is hot enough to remove the antinutrients. Using the CLS, researchers at the University of Saskatchewan showed that using RF heating—which works similarly to microwave cooking—heats the inside of peas and beans quickly. This method reduces the amount of tough-to-digest antinutrients in legumes but retains the good nutrients. It could help make plant-based protein more affordable and sustainable for people around the world.

DOI:10.1016/j.ifset.2025.104033

## Using nanotechnology to target crop-munching pests

Worldwide, farmers lose up to 40% of their crops to insects. Now researchers from Agriculture and Agri-Food Canada are exploring how to use nanotechnology to target only the “bad” bugs without harming other helpful insects. Their goal is to replace pesticide sprays with precise treatments based on each pest's DNA. The scientists used the CLS to create highly detailed X-ray images of cutworms and lygus bugs, to see how pesticides get into their body and where they accumulate. This innovative approach could help boost Canada's \$142 billion farm business while protecting beneficial bugs and the environment.

DOI:10.1139/cjc-2024-0246

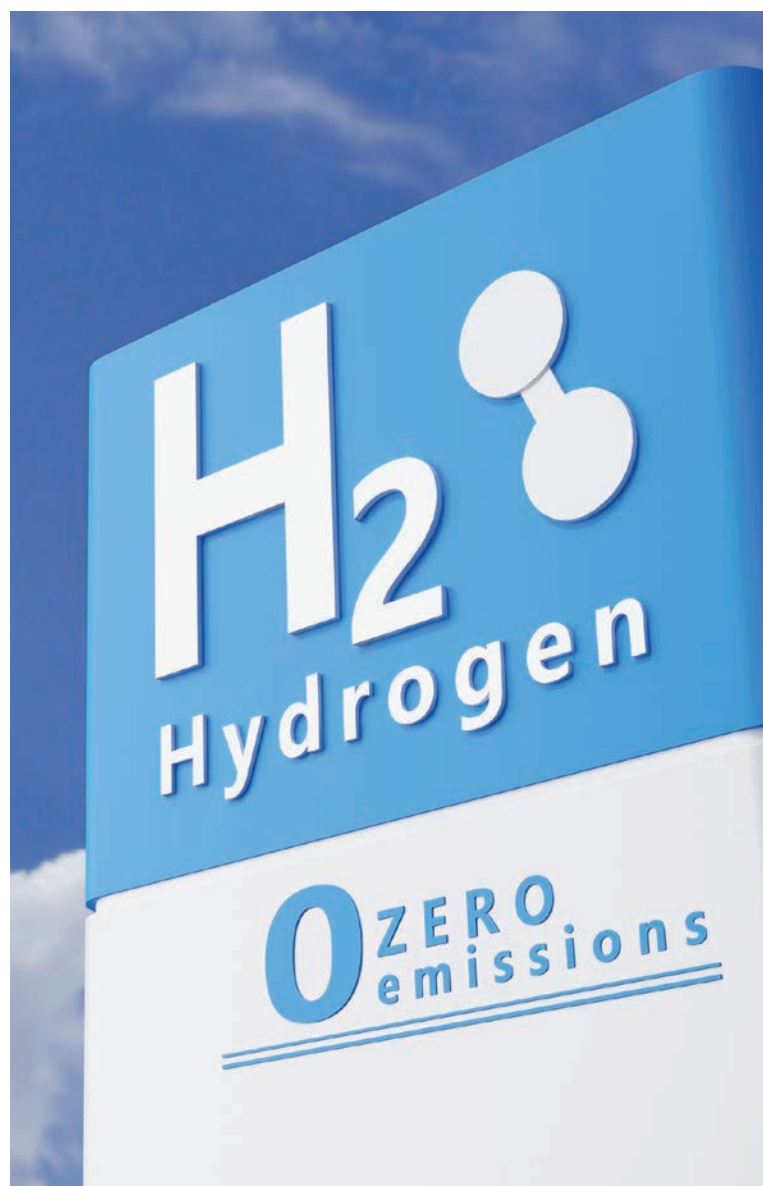
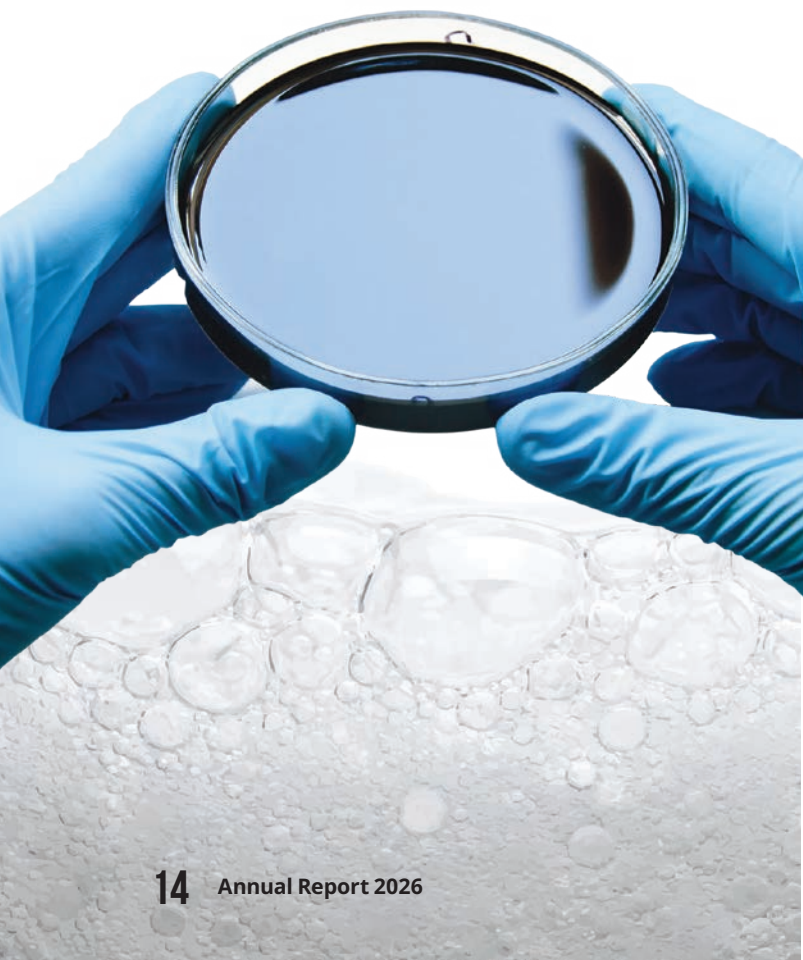




# Preserving the Environment

## Toward cleaner oil sands processing

The bitumen extracted from Canada's oil sands needs to be cleaned before it can go to refineries. The first step is called frothing: bitumen is mixed with water, then air bubbles are forced through it removing some of the sand. The industry uses solvents to get rid of remaining sand later in processing. Researchers from the University of Alberta are using the CLS to find ways to make a cleaner froth containing less sand and water. Based on what they have learned about how solids move in the froth, the researchers think reducing the amount of water used may be more efficient and environmentally friendly. DOI:10.1016/j.clet.2025.10103



## Greener production of hydrogen

Hydrogen fuel could be key in transitioning to cleaner forms of energy. While creating hydrogen through electrolysis generates no CO<sub>2</sub>, the process is expensive and needs a lot of electricity. Researchers from McGill University found a way to make the process more efficient and stable. Their version combines water with an organic compound that is produced when plant material such as pulp and paper residue breaks down. They were able to double the production of hydrogen using the same amount of electricity. The scientists used the CLS to study the copper-based catalyst they developed to speed up the water-splitting reaction. DOI:10.1016/j.cej.2025.170095





## Cost-effective catalyst for converting CO<sub>2</sub> emissions to useful products

In the fight against climate change, scientists are looking at ways to turn CO<sub>2</sub> into useful chemicals using materials called catalysts. While many catalysts are made from expensive metals like platinum, researchers at McMaster University created a cheaper formula that uses nickel, nitrogen, and carbon. The team used the CLS to determine why their recipe is so efficient at converting CO<sub>2</sub> into carbon monoxide, which is used to make products such as methanol. The team is hard at work building prototypes for testing; if the technology can be scaled up, it could one day be installed on factory smokestacks. DOI:10.1021/acselectrochem.5c00006

## Greening the production of cement

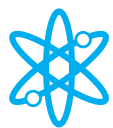
Production of cement accounts for eight to 10 per cent of total global greenhouse gas (GHG) emissions. Researchers at the University of Saskatchewan are studying whether biochar—a fine, carbon-rich powder made from burned plant waste—can replace some of the cement used to produce concrete. Using the CLS, the team found that concrete made with biochar is stronger and less porous than regular concrete. Now they are testing how the biochar-enhanced concrete holds up over the longer term. Adopting this new “recipe” could cut emissions and make use of plant material that would otherwise go to waste. DOI:10.1038/s41598-025-07210-3



## Promising approach to cleaning contaminated water in colder climates

As mining activity expands in Northern Canada, we need new, less resource-intensive approaches to keeping groundwater clean. Scientists from Yukon University Research Centre and the Université de Moncton tested a natural filtering system called a permeable reactive barrier (PRB). It uses materials like gravel, iron, and wood chips to trap toxic elements like arsenic and uranium. While the filter worked well in cold temperatures, it struggled to remove nitrate. Adding sodium acetate helped get rid of the nitrate but made the filter less effective for uranium. This experiment is a step toward creating low-cost, eco-friendly water treatment systems that work well in colder climates. DOI:10.1016/j.chemosphere.2025.144499





## Creating Next Generation Materials



### Solid-state sodium batteries could be safer, cheaper, more powerful option

The lithium-ion batteries that power many personal electronics and electric vehicles contain flammable liquid electrolytes and rare elements. Researchers from Western University developed a safer, cheaper, longer-lasting alternative that uses sodium in a solid form as the electrolyte. While sodium ions typically move poorly between the positive and negative ends of a battery, the researchers found that adding sulfur to the mix increased the conductivity of their design. They also showed their battery continued to perform well after countless charge-discharge cycles and across a wide range of temperatures.

DOI:10.1002/adma.202503107 DOI:10.1002/adfm.202516657

### New material could improve safety in nuclear reactors

Researchers at Canadian Nuclear Laboratories used the CLS to develop a new metal that could one day improve safety in the nuclear industry and on space missions. The material, called a high entropy alloy (HEA), combines chromium, iron, manganese, and nickel. Using CLS, the researchers found tiny defects—called Frank loops—and changes in the new material when they exposed it to extreme heat and radiation. Some areas in the metal lost more manganese, while others gained more nickel and iron. This new material had fewer defects than stainless steel, which is currently used in nuclear applications.

DOI:10.1016/j.jnucmat.2025.155940







## Wearable tech that is safe for the body and kind to the environment

The field of wearable technology is advancing rapidly. Using the CLS, researchers from the University of Windsor developed a new material for organic electronics that is safe for the human body and better for the environment. They combined collagen (a protein found in skin) with special plastics to make flexible devices that can be worn or even placed inside the body. The new material matches the performance of current generation materials, breaks down naturally over time, and will not harm the planet. In the future, it could be used to track plant growth or implanted in the eye of someone with vision problems. DOI:10.1021/acsami.5c03443



## Better fuel cells for long-haul trucks and planes

Hydrogen fuel cells are seen as a promising green option for powering long-haul trucks and airplanes. They hold lots of energy, refuel quickly, and weigh less than regular batteries. One of the main hurdles facing this renewable energy option is that their lone byproduct—water—can accumulate inside the cells and cause them to fail. Using the CLS, researchers from the University of Toronto and the Baden-Württemberg Cooperative State University in Germany discovered that taking advantage of gravity in the design of fuel cells can help prevent this buildup of water. These findings can help inform development of new fuel cells to support the shift to renewable energy sources.

DOI:10.1038/s41598-025-09067-y

## Cheaper, greener steel for the automotive industry

Researchers in Finland developed a new kind of steel for cars that is stronger, cheaper, and greener. Their “recipe,” which they developed using the CLS, uses more manganese and less of more costly metals. The team also developed a faster heating process that saves energy. The new formulation was intentionally designed so that its microstructure is uneven, which results in a steel better able to stretch or bend without breaking. Car makers could use this steel in parts critical to driver and passenger safety to cut weight, improve crash protection, lower costs, and reduce vehicle emissions.

DOI:10.1016/j.matdes.2026.115582





FINANCIALS

# Financial Statements

CANADIAN LIGHT SOURCE INC.  
March 31, 2026





## Independent Auditor's Report

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To the Members 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, 2026, 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, 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.

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.

MNP LLP

119 4th Ave South, Suite 800, Saskatoon SK, S7K 5X2

1 (877) 500-0778 T: (306) 665-6766 F: (306) 665-9910

## Independent Auditor's Report *(continued from previous page)*

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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 17, 2026

*MNP LLP*

Chartered Professional Accountants

**MNP**



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

|                                                                                                | <u>2026</u>            | <u>2025</u>              |
|------------------------------------------------------------------------------------------------|------------------------|--------------------------|
| <b>REVENUE</b>                                                                                 |                        |                          |
| Canada Foundation for Innovation                                                               | \$ 30,968              | \$ 24,432                |
| Natural Sciences and Engineering Research Council of Canada                                    | 4,374                  | 4,826                    |
| Canadian Institutes of Health Research                                                         | 1,626                  | 1,174                    |
| University of Saskatchewan                                                                     | 2,240                  | 2,240                    |
| Province of Saskatchewan                                                                       | 4,100                  | 4,100                    |
| Interest income                                                                                | 1,215                  | 1,322                    |
| Contracted research fees                                                                       | 1,251                  | 782                      |
| Other revenue                                                                                  | 444                    | 285                      |
|                                                                                                | <u>46,218</u>          | <u>39,161</u>            |
| <b>EXPENSES</b>                                                                                |                        |                          |
| Salaries and benefits (Note 3 and 4)                                                           | 30,254                 | 27,180                   |
| Repairs and maintenance (Note 8)                                                               | 3,424                  | 3,066                    |
| Supplies and services (Note 5 and 16)                                                          | 4,754                  | 4,731                    |
| Utilities (Note 16)                                                                            | 3,848                  | 3,090                    |
| Travel and professional development                                                            | 1,020                  | 1,011                    |
| Decommissioning costs (Note 15 and 16)                                                         | 957                    | 963                      |
| Bad debt                                                                                       | 342                    | 313                      |
|                                                                                                | <u>44,599</u>          | <u>40,354</u>            |
| <b>OPERATING EARNINGS (LOSS)</b>                                                               | <b>1,619</b>           | <b>(1,193)</b>           |
| Recognition of deferred contributions related to equipment and facility improvements (Note 13) | 3,856                  | 4,509                    |
| Amortization of equipment, facility improvements and intangible assets (Note 9 and 10)         | <u>(4,135)</u>         | <u>(4,815)</u>           |
| <b>NET EARNINGS (LOSS) BEFORE OTHER ITEMS</b>                                                  | <b>1,340</b>           | <b>(1,499)</b>           |
| <b>OTHER ITEMS</b>                                                                             |                        |                          |
| Construction (loss) recovery (Note 14)                                                         | <u>(270)</u>           | <u>7</u>                 |
| <b>NET EARNINGS (LOSS) FOR THE YEAR</b>                                                        | <b>\$ <u>1,070</u></b> | <b>\$ <u>(1,492)</u></b> |

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

|                                   |                 |                 | Invested in<br>equipment,<br>facility<br>improvements<br>and intangible<br>assets<br>(Note 17) | 2026            | 2025 |
|-----------------------------------|-----------------|-----------------|------------------------------------------------------------------------------------------------|-----------------|------|
|                                   | Unrestricted    |                 |                                                                                                |                 |      |
| <b>Balance, beginning of year</b> | \$ 5,233        | \$ 2,736        | \$ 7,969                                                                                       | \$ 9,461        |      |
| Net earnings (loss)               | 1,349           | (279)           | 1,070                                                                                          | (1,492)         |      |
| <b>Balance, end of year</b>       | <u>\$ 6,582</u> | <u>\$ 2,457</u> | <u>\$ 9,039</u>                                                                                | <u>\$ 7,969</u> |      |

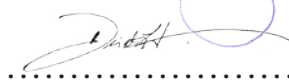


**CANADIAN LIGHT SOURCE INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**as at March 31**  
(in thousands of dollars)

|                                                                              | 2026             | 2025             |
|------------------------------------------------------------------------------|------------------|------------------|
| <b>CURRENT ASSETS</b>                                                        |                  |                  |
| Cash                                                                         | \$ 4,602         | \$ 3,338         |
| Accounts receivable (Note 6 and 16)                                          | 11,240           | 6,176            |
| Grants receivable (Note 7)                                                   | 3,507            | 2,001            |
| Prepaid expenses (Note 5)                                                    | 1,379            | 1,279            |
| Inventory (Note 8)                                                           | 4,729            | 4,931            |
|                                                                              | <u>25,457</u>    | <u>17,725</u>    |
| <b>EQUIPMENT AND FACILITY IMPROVEMENTS (Note 9)</b>                          | <b>37,704</b>    | <b>39,562</b>    |
| <b>DECOMMISSIONING FUND (Note 15)</b>                                        | <b>8,464</b>     | <b>6,596</b>     |
| <b>INTANGIBLE ASSETS (Note 10)</b>                                           | <b>250</b>       | <b>292</b>       |
|                                                                              | <u>\$ 71,875</u> | <u>\$ 64,175</u> |
| <b>CURRENT LIABILITIES</b>                                                   |                  |                  |
| Accounts payable and accrued liabilities (Note 11 and 16)                    | \$ 5,382         | \$ 4,491         |
| Government remittances payable                                               | 31               | 12               |
| Deferred revenue                                                             | 22               | 95               |
| Deferred contributions - short-term (Note 12)                                | 7,575            | 1,039            |
|                                                                              | <u>13,010</u>    | <u>5,637</u>     |
| <b>DEFERRED CONTRIBUTIONS RELATED TO</b>                                     |                  |                  |
| <b>EQUIPMENT AND FACILITY IMPROVEMENTS (Note 13)</b>                         | <b>31,914</b>    | <b>33,197</b>    |
| <b>DEFERRED CONTRIBUTIONS - LONG-TERM (Note 12)</b>                          | <b>3,212</b>     | <b>3,212</b>     |
| <b>ACCRUED DECOMMISSIONING COSTS (Note 15)</b>                               | <b>14,700</b>    | <b>14,160</b>    |
|                                                                              | <u>62,836</u>    | <u>56,206</u>    |
| <b>COMMITMENTS (Note 19)</b>                                                 |                  |                  |
| <b>MEMBER'S SURPLUS</b>                                                      |                  |                  |
| Unrestricted                                                                 | 6,582            | 5,233            |
| Invested in equipment, facility improvements and intangible assets (Note 17) | 2,457            | 2,736            |
|                                                                              | <u>9,039</u>     | <u>7,969</u>     |
|                                                                              | <u>\$ 71,875</u> | <u>\$ 64,175</u> |

**APPROVED BY THE BOARD OF DIRECTORS**

 ..... 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)

|                                                                                      | 2026                   | 2025                   |
|--------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>OPERATING ACTIVITIES</b>                                                          |                        |                        |
| Net earnings (loss)                                                                  | \$ 1,070               | \$ (1,492)             |
| Recognition of deferred contributions related to equipment and facility improvements | (3,856)                | (4,509)                |
| Amortization of equipment, facility improvements and intangible assets               | 4,135                  | 4,815                  |
| Construction loss (recovery) (Note 14)                                               | 270                    | (7)                    |
| Accrued decommissioning costs                                                        | 878                    | 884                    |
|                                                                                      | <u>2,497</u>           | <u>(309)</u>           |
| Changes in non-cash working capital                                                  |                        |                        |
| Accounts receivable                                                                  | (5,064)                | 18,036                 |
| Grants receivable                                                                    | (1,506)                | (1,601)                |
| Prepaid expenses                                                                     | (100)                  | (422)                  |
| Inventory                                                                            | 202                    | (489)                  |
| Accounts payable and accrued liabilities                                             | 621                    | (1,163)                |
| Government remittances payable                                                       | 19                     | (52)                   |
| Deferred revenue                                                                     | (73)                   | (52)                   |
| Deferred contributions - short-term                                                  | 6,536                  | (12,976)               |
|                                                                                      | <u>3,132</u>           | <u>972</u>             |
| <b>INVESTING ACTIVITIES</b>                                                          |                        |                        |
| Acquisition of equipment and facility improvements                                   | (2,561)                | (2,594)                |
| Investment in decommissioning fund                                                   | (1,868)                | (1,751)                |
|                                                                                      | <u>(4,429)</u>         | <u>(4,345)</u>         |
| <b>FINANCING ACTIVITIES</b>                                                          |                        |                        |
| Restricted contributions used to purchase equipment and facility improvements        | 2,561                  | 2,594                  |
|                                                                                      | <u>2,561</u>           | <u>2,594</u>           |
| <b>INCREASE (DECREASE) IN CASH POSITION</b>                                          | <b>1,264</b>           | <b>(779)</b>           |
| <b>CASH POSITION, BEGINNING OF THE YEAR</b>                                          | <b>3,338</b>           | <b>4,117</b>           |
| <b>CASH POSITION, END OF THE YEAR</b>                                                | <b>\$ <u>4,602</u></b> | <b>\$ <u>3,338</u></b> |



**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**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.

**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**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% |

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. The useful life of the intellectual property is based on the expiry date of the related patents, which is March 31, 2033.

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.

**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**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.



**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**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 earnings (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 earnings (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.

**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**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.

***Cloud Computing Arrangements***

The Organization enters into cloud computing arrangements to access software applications and related services. In accordance with Accounting Guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements, the Organization has elected to apply the simplification approach. Under this approach, expenditures related to cloud computing arrangements are accounted for as the supply of services and are expensed as incurred as the services are received. Payments made in advance of receiving cloud computing services are recognized as prepaid expenses and are expensed over the period in which the related services are consumed.

**3. DEFINED CONTRIBUTION PENSION PLAN**

Total pension contributions made by the Organization in the year totaled \$1,721 (2025 – \$1,631) and are included in salaries and benefits in the Statement of Operations.

**4. TERMINATION BENEFITS**

During the year, the Organization recorded termination benefit costs of \$758 (2025 – \$177) related to the termination of certain employees. As at year-end, \$356 (2025 – \$145) remains payable and is included in accounts payable and accrued liabilities. These amounts are expected to be settled within the next fiscal year.

**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**4. TERMINATION BENEFITS (continued)**

The amount recognized reflects management's best estimate of the obligation based on employment agreements and applicable legislation.

**5. CLOUD COMPUTING EXPENSES**

Cloud computing service expenses recognized during the year totaled \$314 (2025 – \$356) and are included in supplies and services in the Statement of Operations. The Organization had prepaid cloud computing services of \$101 (2025 – \$15) included in prepaid expenses at year end.

**6. ACCOUNTS RECEIVABLE**

|                                 | <u>2026</u>      | <u>2025</u>     |
|---------------------------------|------------------|-----------------|
| Cash held by USask (Note 16)    | \$ 8,622         | \$ 5,775        |
| Trade accounts receivable       | 3,098            | 661             |
| Construction revenue receivable | 25               | -               |
| Other                           | 144              | 133             |
| Allowance for doubtful accounts | (649)            | (393)           |
|                                 | <u>\$ 11,240</u> | <u>\$ 6,176</u> |

**7. GRANTS RECEIVABLE**

|                          | <u>2026</u>     | <u>2025</u>     |
|--------------------------|-----------------|-----------------|
| Prairies Can             | \$ -            | \$ 1,500        |
| NSERC                    | 2,559           | 420             |
| CIHR                     | 948             | -               |
| Province of Saskatchewan | -               | 81              |
|                          | <u>\$ 3,507</u> | <u>\$ 2,001</u> |

**8. INVENTORY**

The Organization holds spare parts in stock at year end. The Organization recognized \$666 (2025 – \$286) of inventories as expense included in repairs and maintenance in the Statement of Operations during the year.



**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**9. EQUIPMENT AND FACILITY IMPROVEMENTS**

|                                 | Cost              | Accumulated<br>Amortization | Net Book Value<br><b>2026</b> | 2025             |
|---------------------------------|-------------------|-----------------------------|-------------------------------|------------------|
| Equipment and furnishings       | \$ 14,285         | \$ 11,543                   | \$ <b>2,742</b>               | \$ 3,068         |
| Computer equipment and software | 21,736            | 18,758                      | <b>2,978</b>                  | 4,002            |
| Facility improvements           | 62,180            | 42,394                      | <b>19,786</b>                 | 21,985           |
| Asset retirement obligations    | 9,967             | 6,384                       | <b>3,583</b>                  | 3,921            |
| Development in progress         | 8,615             | -                           | <b>8,615</b>                  | 6,586            |
|                                 | <u>\$ 116,783</u> | <u>\$ 79,079</u>            | <u>\$ <b>37,704</b></u>       | <u>\$ 39,562</u> |

Additions to equipment and facility improvements during the year include supplier in-kind contributions of \$15 (2025 – \$ nil). Amortization in the year is \$4,093 (2025 – \$4,773).

**10. INTANGIBLE ASSETS**

|                       | Cost          | Accumulated<br>Amortization | Net Book Value<br><b>2026</b> | 2025          |
|-----------------------|---------------|-----------------------------|-------------------------------|---------------|
| Intellectual property | \$ <u>639</u> | \$ <u>389</u>               | \$ <u><b>250</b></u>          | \$ <u>292</u> |

Amortization in the year is \$42 (2025 – \$42).

**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|                              | <b>2026</b>            | 2025            |
|------------------------------|------------------------|-----------------|
| Trade accounts payable       | \$ <b>841</b>          | \$ 1,003        |
| Accrued loss on construction | <b>552</b>             | 320             |
| Accrued vacation payable     | <b>2,158</b>           | 2,188           |
| Other accrued liabilities    | <b>1,831</b>           | 980             |
|                              | <u>\$ <b>5,382</b></u> | <u>\$ 4,491</u> |

**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**12. DEFERRED CONTRIBUTIONS**

The changes in the short-term deferred contributions for the year are as follows:

|                                                                           | <u>2026</u>     | <u>2025</u>     |
|---------------------------------------------------------------------------|-----------------|-----------------|
| <b>Beginning of year</b>                                                  | \$ 1,039        | \$ 14,015       |
| Contributions received /<br>receivable in year                            | 46,102          | 20,067          |
| Recognized as revenue                                                     | (36,990)        | (30,449)        |
| Contributions used for purchase<br>of equipment and facility improvements | (2,576)         | (2,594)         |
| <b>End of year</b>                                                        | <u>\$ 7,575</u> | <u>\$ 1,039</u> |

Deferred contributions – long-term of \$3,212 (2025 – \$3,212) represents amounts that are not intended to be used until the decommissioning of the facility.

**13. DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT AND FACILITY IMPROVEMENTS**

The changes in the deferred contributions for the year are as follows:

|                                                                      | <u>2026</u>      | <u>2025</u>      |
|----------------------------------------------------------------------|------------------|------------------|
| <b>Beginning of year</b>                                             | \$ 33,197        | \$ 35,122        |
| Contributions for purchase of<br>equipment and facility improvements | 2,576            | 2,594            |
| Disposals in the year                                                | (3)              | (10)             |
| Recognized as revenue                                                | (3,856)          | (4,509)          |
| <b>End of year</b>                                                   | <u>\$ 31,914</u> | <u>\$ 33,197</u> |

**14. CONTRACTOR REVENUE**

The Organization is party to an agreement to design and construct additional beamlines for the facility (Note 16). The Organization has recorded contractor revenues of \$2,201 (2025 – \$6,919) net of costs of the same amount.

During the year, the Organization recognized expected losses related to active construction contracts of \$270 (2025 – \$7 recovery). The amount recognized is based on current estimated losses for active projects.

**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**15. ACCRUED DECOMMISSIONING COSTS**

The Organization anticipates the undiscounted future cash flows required to decommission the facility to be \$19,163 (2025 – \$18,671). 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 3.4% (2025 – 3.1%) and an inflation rate estimate of 3.5% (2025 – 3.2%) and an estimated facility life of 30 years (2025 – 30 years). The change in these estimates resulted in an increase of \$98 to both the accrued decommissioning costs and the asset retirement obligations. The current year decommissioning costs of \$957 (2025 – \$963) include amortization of asset retirement obligations of \$436 (2025 – \$418) and costs associated with a financial guarantee to the CNSC of \$79 (2025 – \$79). The financial guarantee, in the amount of \$10,549 (2025 – \$10,549), is provided by a letter of credit issued by USask.

A reconciliation of the accrued decommissioning costs is as follows:

|                                           | <u>2026</u>      | <u>2025</u>      |
|-------------------------------------------|------------------|------------------|
| <b>Beginning of year</b>                  | \$ 14,160        | \$ 13,540        |
| Accretion expense                         | 442              | 465              |
| Adjustment due to change in cost estimate | 98               | 155              |
| <b>End of year</b>                        | <u>\$ 14,700</u> | <u>\$ 14,160</u> |

During the year, the Organization set aside funds for the purpose of funding the decommissioning liability of \$1,000 (2025 – \$1,000). At the end of the year, the balance of these funds is \$8,464 (2025 – \$6,596), which includes interest of \$868 (2025 – \$751) earned on the funds in the year.

**16. RELATED PARTY TRANSACTIONS**

The Organization has recorded contractor revenues for construction of beamlines for USask of \$2,201 (2025 – \$6,919) 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 (2025 - \$100) which has been included in supplies and services. During the year, the amount of utility costs were \$3,848 (2025 – \$3,090) which has been included in utilities expense.



**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**16. RELATED PARTY TRANSACTIONS (continued)**

During the year, the Organization purchased goods and services from USask in the amount of \$1,051 (2025 – \$1,146).

The financial guarantee to the CNSC for the decommissioning of the facility of \$10,549 (2025 – \$10,549) was obtained by USask on behalf of CLSI. The costs associated with the financial guarantee of \$79 (2025 – \$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:

|                                        | <u>2026</u> | <u>2025</u> |
|----------------------------------------|-------------|-------------|
| Due from - cash on hand                | \$ 8,622    | \$ 5,775    |
| Due from - goods and services provided | 1,707       | 644         |
| Due to - beamline construction         | -           | (74)        |
| Due to - goods and services purchased  | (1)         | (11)        |

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.

**17. 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.

**CANADIAN LIGHT SOURCE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31**  
(in thousands of dollars)

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**17. MEMBER'S SURPLUS INVESTED IN EQUIPMENT, FACILITY IMPROVEMENTS AND INTANGIBLE ASSETS (continued)**

The investments (net of amortization) in equipment, facility improvements and intangible assets are as follows:

|                                                                                     | <u>2026</u>     | <u>2025</u>     |
|-------------------------------------------------------------------------------------|-----------------|-----------------|
| Facility improvements - beamlines                                                   | \$ 997          | \$ 1,108        |
| Facility improvements - medical isotope technology                                  | 457             | 508             |
| Intangible asset - intellectual property                                            | 250             | 292             |
| Facility improvements - office expansion                                            | 500             | 555             |
| Other                                                                               | <u>253</u>      | <u>273</u>      |
| Member's surplus invested in equipment, facility improvements and intangible assets | <u>\$ 2,457</u> | <u>\$ 2,736</u> |

**18. 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.

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:

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**18. FINANCIAL INSTRUMENTS (continued)**

|                         | <u>2026</u>   | <u>2025</u>   |
|-------------------------|---------------|---------------|
| Accounts payable - USD  | \$ 138        | \$ 149        |
| Accounts payable - BP   | 1             | -             |
| Accounts payable - Euro | 28            | -             |
|                         | <u>\$ 167</u> | <u>\$ 149</u> |

**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. For the accrued decommissioning costs, the Organization has a decommissioning fund and a financial guarantee provided by a letter of credit issued by USask.

**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.

**19. COMMITMENTS**

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

|             |                 |
|-------------|-----------------|
| <b>2027</b> | <b>\$ 2,532</b> |
| <b>2028</b> | <b>753</b>      |
| <b>2029</b> | <b>194</b>      |
| <b>2030</b> | <b>161</b>      |



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**20. 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.

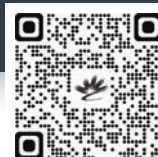
## OPERATING



## CAPITAL



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