



Business Plan

2025-2028



ALBERTA INNOVATES

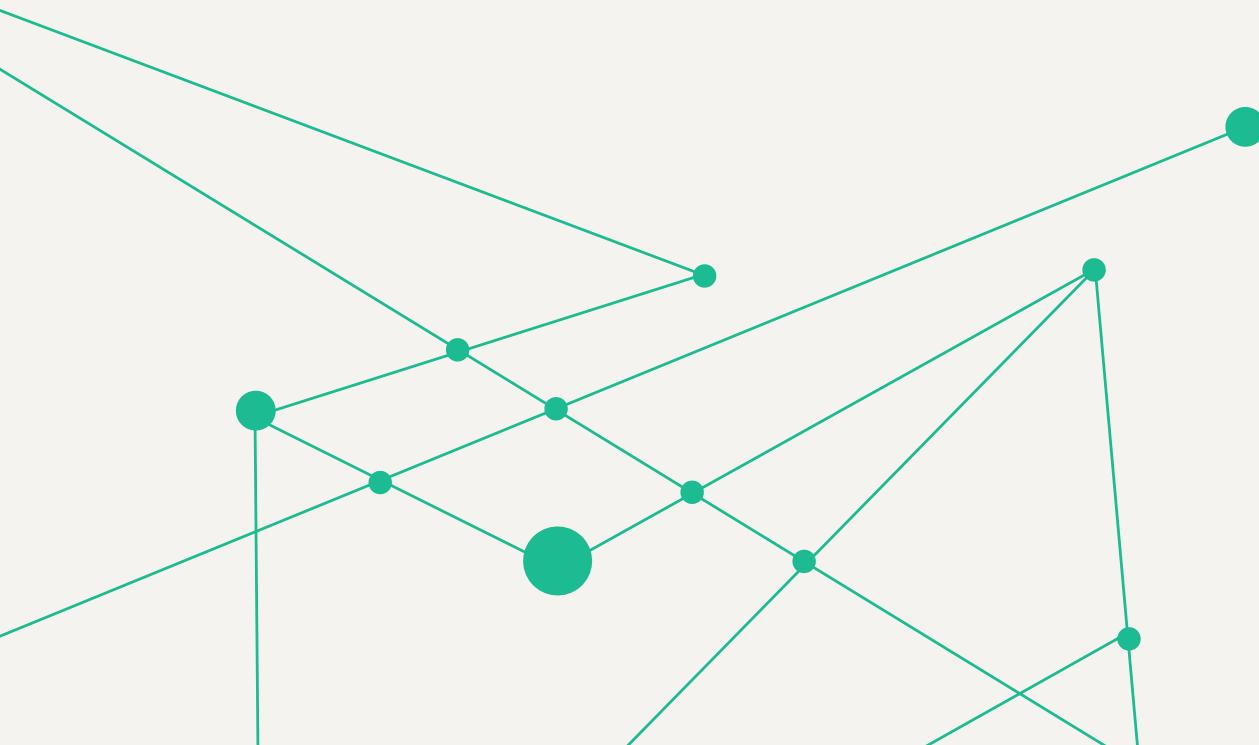
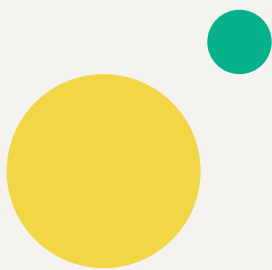


Table of Contents

Message from the Board Chair	2
Message from the CEO	3
Land Acknowledgement	5
Who We Are – Alberta Innovates at a Glance	6
Strategic Context	
Positioning Alberta for Innovation-Led Growth	7
Refocusing Alberta Innovates	9
Strategic Goal 1: Improving Access to Innovation Supports	11
Strategic Goal 2: Accelerating Commercialization and Scaling Alberta’s Innovation Economy	16
Strategic Goal 3: Building an Intentional Culture and Operating Model that Delivers Exceptional Value for Albertans	21
Operations and Governance	
Consolidated Budget and Statement of Operations	25
Capital Plan and Leasing Arrangements	30
Enterprise Risk Management	32

Message from the Board Chair

Alberta is at an inflection point. What began as a growing innovation system is now advancing into something more: a dynamic ecosystem capable of leading both nationally and globally. At Alberta Innovates, we know that to keep pace with this evolution, we must focus our efforts, work more collaboratively, and position Alberta for lasting success.

The world is moving faster than ever, and Canada faces challenges that cannot be ignored. Canada's investment in research and development (R&D) remains below global leaders. As reported by the OECD in March 2025, Canada invests just 1.8 per cent of its GDP in research and development, well behind the U.S. at 3.5 per cent and the EU at 2.1 per cent. A 2024 report from the Conference Board of Canada placed us 14th out of 20 innovation nations. Our productivity and competitiveness are under increasing pressure. This isn't just a challenge—it's a call to action.

That's why this year, we acted. We took a focused look at our organization—evaluating leadership, priorities, and direction. With the support of new board members and the steady guidance of Dr. Mike Mahon as CEO, we've set a clear path forward rooted in Alberta's strengths and aligned with global realities.

Through a comprehensive review of the programs and services provided by Alberta Innovates, InnoTech Alberta, and C-FER Technologies, we focused on areas that will drive Alberta's economic and global competitiveness. We asked key questions: Where have we had the most impact? What does Alberta need now? How do we ensure that our innovation system stays resilient and adaptable? Where and how do we need to change?

The result is a streamlined strategy, aligned with Alberta's Technology and Innovation Strategy (ATIS), that focuses on outcomes that matter to our province's future. Alberta is uniquely positioned to lead in current and emerging sectors like quantum, artificial intelligence, energy, life sciences, health innovation, agriculture, and aerospace. Leading in these sectors is not a distant goal; it's an immediate priority. Alberta's competitive edge is rooted in our ability to adapt quickly, collaborate across sectors, and make strategic investments that will shape the future.

Innovation doesn't happen in isolation. Our strength lies in connecting ideas, people, and resources. By working with entrepreneurs, researchers, industry leaders, investors, and government, we will turn Alberta's potential into tangible progress.

This business plan isn't just a roadmap; it's a commitment to fuel innovation that builds a more competitive, future-ready Alberta.



Tony Williams, *Board Chair*

Message from the CEO



Dr. Mike Mahon, CEO

Welcome to the Alberta Innovates Business Plan for the 2025–28 planning cycle.

Planning documents are essential for any organization, but this year, the Alberta Innovates, InnoTech Alberta, and C-FER Technologies plan carries even more weight. It marks the beginning of a new chapter—one driven by thoughtful evolution, collaboration, and a commitment to advancing Alberta’s innovation ecosystem.

In May 2025, we will introduce our renewed strategic plan—a crucial milestone in our ongoing development. The world around us has changed, and our approach must change with it. This plan outlines how we will evolve to stay relevant, responsive, and resilient—making the most of Alberta’s strengths while preparing for what’s next.

Since joining Alberta Innovates last July, I have traveled across the province, met with our teams, and engaged with hundreds of partners, researchers, and companies. I’ve seen firsthand the energy, ambition, and shared dedication that drives our work. Alberta has the capacity to lead in innovation—but leadership will require focus. A focus on solving real-world challenges, scaling our most promising technologies, and building the infrastructure, talent, and partnerships needed to compete—and win—on the global stage.

Our purpose is clear: to fuel the innovation that strengthens Alberta’s future. Our vision is straightforward: a thriving province where investment, research, innovation, technology, and entrepreneurship come together to create a globally competitive economy. Our mission is focused: to support the development and commercialization of high-impact innovation that drive Alberta’s future economic and societal growth.

Our renewed Alberta Innovates Strategic Plan is anchored in four cross-sectoral innovation priorities that reflect key aspects of the ATIS where we are driving implementation and delivering impact in:

- Applied Digital & Emerging Technologies
- Advanced Materials and Aerospace
- Natural Resource Recovery
- Health, Agriculture, and Life Sciences

These are opportunities to shape the next chapter of Alberta’s economy and they reflect both Alberta’s long-standing strengths and emerging opportunities.

To fully realize the promise within these sectors, we must evolve as an organization—from how we operate, to how we work with stakeholders, to how we invest. We are streamlining programs, aligning investments, expanding partnerships, and ensuring financial sustainability in step with evolving ATIS priorities.

We are also deepening collaboration with our technology and innovation ecosystem. Advancing innovation requires strong connections—across disciplines, between sectors, and beyond provincial borders. We’re linking innovators, researchers and entrepreneurs, government and industry, capital and ideas. At the same time, we’re elevating Alberta’s profile on the world stage to attract partners who can help scale our innovations, technologies, and supply chains globally. At the core of all this is trust. We are committed to being transparent, accountable, and focused on outcomes. That means clearer decisions on where we focus our activities, stronger performance measures, and active advocacy for innovation as a pillar of Alberta’s future prosperity.

I invite every innovator—entrepreneurs, researchers, investors, and industry—to be part of what’s next. Alberta has a unique window of opportunity. By focusing our efforts and working together, we can turn today’s momentum into a lasting economic advantage for the Province.

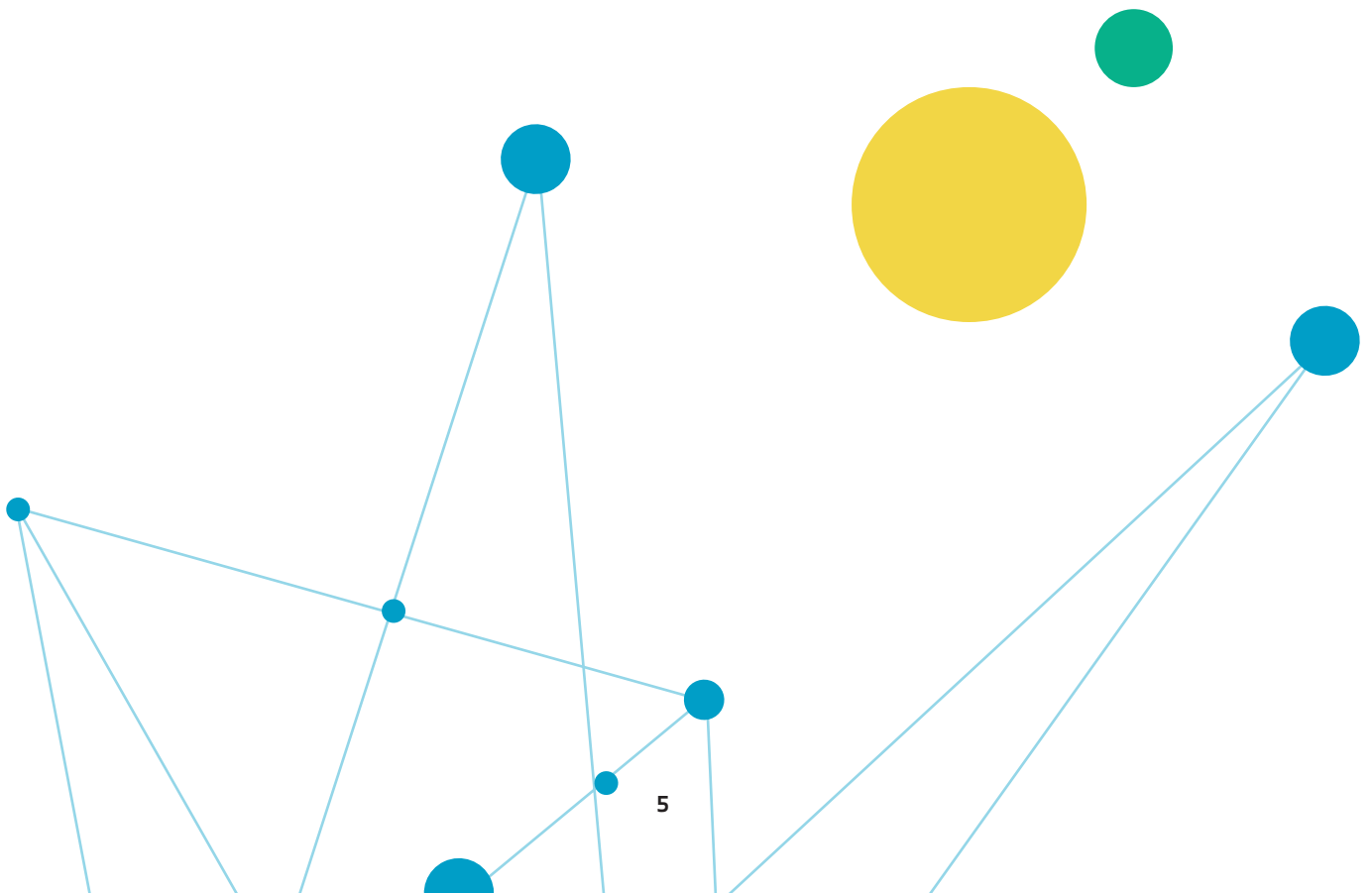
This plan is our next step—
let’s move forward, together.

Land Acknowledgement

We acknowledge the many First Nations, Métis and Inuit who have lived in and cared for these lands for generations. We are grateful for the traditional Knowledge Keepers and Elders who are still with us today and those who have gone before us.

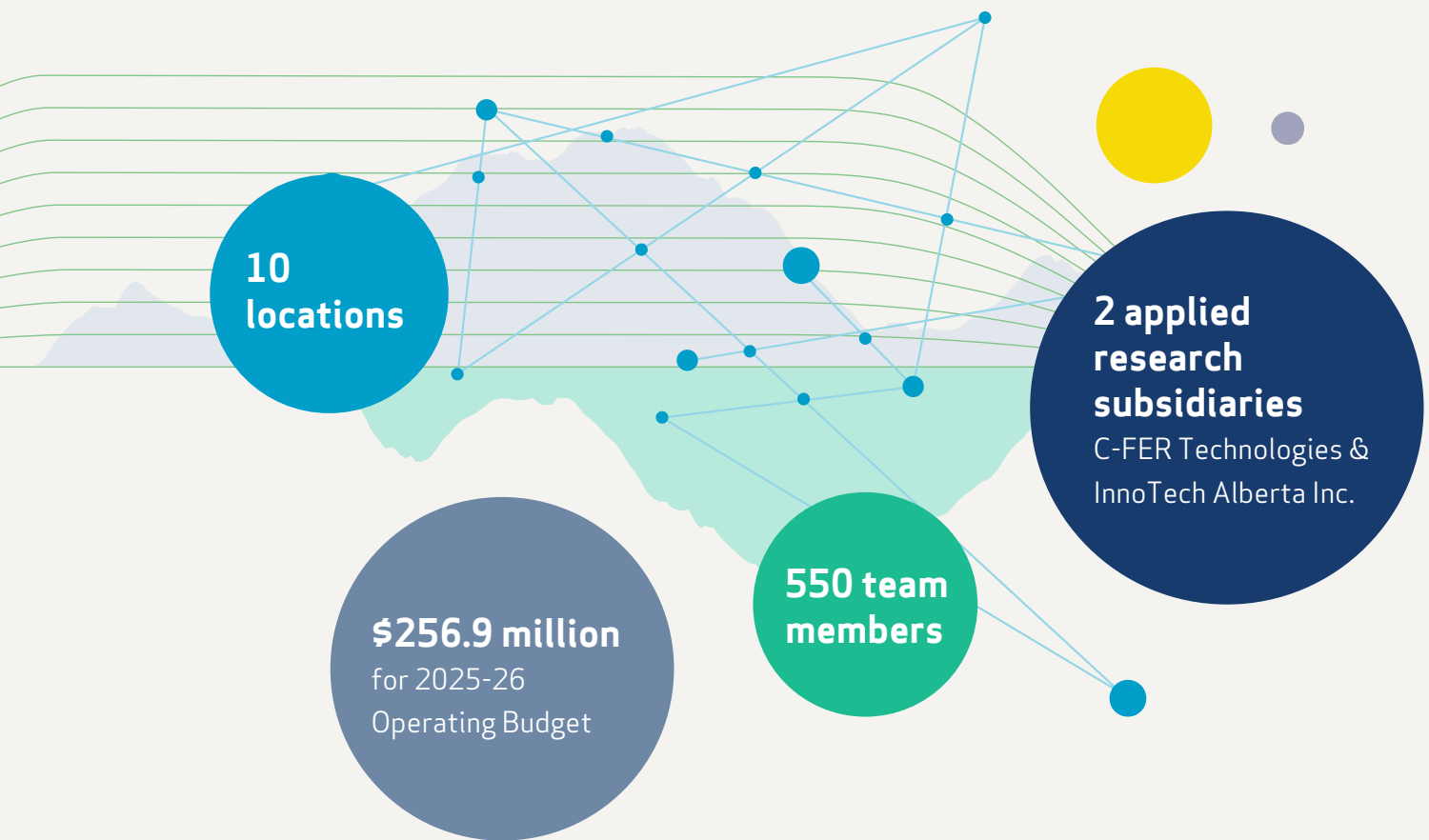
Alberta Innovates respectfully acknowledges that we are situated on traditional territory of the Treaty 6, Treaty 7, and Treaty 8 First Nations; home to Métis Settlements, the Métis Nation of Alberta, comprising Districts 5/6 covering Calgary, 8 Devon, 9/10 in Edmonton and District 12 in Vegreville within the historical Northwest Métis Homeland.

We respect the histories, languages, and cultures of First Nations, Métis, and Inuit whose presence continues to enrich our vibrant community.



Who We Are

Alberta Innovates at a Glance



We believe that bringing together a range of experiences and viewpoints leads to better ideas and more impactful innovation outcomes. We foster a welcoming, respectful, and inclusive environment where employees and stakeholders can take part meaningfully in shaping Alberta's innovation future.

Strategic Context

Positioning Alberta for Innovation-Led Growth

Alberta stands at a pivotal moment as global economic, technological, and environmental forces reshape how regions grow and compete. For Alberta to unlock its full economic potential, it must accelerate innovation and diversification—goals that are central to Alberta Innovates' mandate. As the province's engine for innovation, we play a central role in aligning Alberta's strengths with emerging global opportunities through focused investment and partnership across four priority areas: Applied Digital & Emerging Technologies, Advanced Materials & Aerospace, Natural Resource Recovery, and Health, Agriculture & Life Sciences

We are already seeing momentum build in Alberta's innovation ecosystem. Rapid advances in artificial intelligence, quantum computing, biotechnology, and advanced materials are contributing to job creation, investment attraction, and increased global recognition. However, this progress cannot be taken for granted. Alberta faces global headwinds—ranging from volatile trade dynamics to the accelerating pace of technological disruption. Alberta Innovates was created to respond to these very challenges. Our role is to ensure the companies in our province remain adaptive, competitive, and prepared for long-term economic growth by investing in the innovation, talent, and commercialization capacity needed to thrive in a fast-changing world.

Nationally, Canada is contending with a productivity crisis that threatens long-term prosperity. The Bank of Canada has highlighted weak productivity growth, and Canada now ranks second-to-last among G7 countries. This national issue directly impacts Alberta's export-driven economy. Through our work, Alberta Innovates is helping the province weather these economic pressures and, at the same time, contributing to Canada's overall competitiveness. By backing high-potential technologies and industries that can scale across the country, we support productivity gains, economic diversification, and resilience to global trade shocks.

Applied Digital & Emerging Technologies positions Alberta at the cutting edge of next-generation industries. Strategic investments in artificial intelligence, quantum computing, cybersecurity, and data-driven decision-making will power key sectors like healthcare, energy and agriculture. These technologies transform how businesses and governments operate, enabling areas such as precision medicine, digital health breakthroughs, and industrial automation. By supporting the building of a robust digital infrastructure, Alberta Innovates helps to ensure the province remains a leader in applied digital technologies and smart infrastructure. From supporting the expansion of data centres to advancing real-time analytics, these investments position Alberta to be more globally competitive and elevate Alberta's digital future.

Advanced Materials & Aerospace presents Alberta with a unique opportunity to build upon resource extraction and lead in high-technology manufacturing. Our focus on new materials, including carbon fibre, critical minerals, and bioplastics, drives the development of high-value industrial applications in multiple sectors. Alberta Innovates is also supporting next-generation aviation initiatives, from drone technology to space-related research & development (R&D), helping to position the province as a leader in aerospace innovation. With investments in advanced manufacturing and automation, Alberta Innovates is helping modernize production through robotics, artificial intelligence-driven processes, and additive manufacturing, contributing to both industrial transformation and economic diversification.

Natural Resource Recovery remains a cornerstone of Alberta's prosperity, with a continued emphasis on resource development and industrial transformation. By investing in advanced recovery methods, critical mineral processing, and next-generation energy

solutions, Alberta Innovates helps position the province as a leader in effective energy practices and efficiency. Investments in cleaner extraction techniques, such as enhanced bitumen recovery, alongside efforts to expand the use of our natural resources for high-value applications like advanced materials and energy storage, are critical to expanding Alberta's role in global supply chains. With a focus on both traditional and next-generation energy solutions, including hydrogen, waste-to-energy technologies, and carbon capture, utilization, and storage (CCUS), Alberta Innovates helps secure the province's long-term leadership in industrial innovation and energy markets.

Health, Agriculture & Life Sciences are essential pillars of Alberta's innovation ecosystem. Through its diverse partnerships, Alberta Innovates is supporting groundbreaking work in next-generation therapeutics, digital health, and sustainable agriculture. Strategic investments in AI and precision health are driving innovations in drug discovery, medical devices, diagnostics, and clinical trials, ensuring equitable access to healthcare for all Albertans. Additionally, Alberta is at the forefront of developing sustainable agricultural technologies and integrating encompassing approaches to address environmental challenges, emerging diseases, and ecosystem health. Innovations in bio-industrial technologies for agriculture—such as bioplastics and biofuels—are helping Alberta contribute to a future focused economy, ensuring long-term food security and environmental sustainability.

This strategic context is not just a backdrop—it is the reason Alberta Innovates exists. Our programs and partnerships are designed to address these challenges head-on and turn them into growth opportunities for Alberta. By aligning our efforts with provincial priorities, Alberta Innovates ensures Alberta remains resilient, future-ready, and a leader in innovation-led economic growth.

Refocusing Alberta Innovates

Alberta Innovates is evolving alongside Alberta's dynamic and maturing innovation ecosystem. Guided by and aligned with ATIS, we remain deeply committed to building a resilient, high-performing ecosystem. Our renewed direction reflects government priorities and is shaped by the insights of our partners, who continue to drive innovation momentum across the province.

In October 2024, Alberta Innovates undertook a comprehensive Program Review, supported by an external consultant. This initiative was launched in response to the Ministry of Technology and Innovation's continued focus on enhancing innovation performance and competitiveness, ensuring our organization remains a key catalyst for economic transformation. A cornerstone of this review was extensive engagement with stakeholders across the ecosystem. Their feedback shaped both the review's findings and the development of our new Strategic Plan and this Business Plan.

What we heard is that innovation thrives where technology, innovation and industry intersect—unlocking possibilities that no single sector could achieve alone. Alberta's strength lies in the convergence of our traditional industries—health and life sciences, energy, agriculture, and manufacturing—with emerging capabilities in AI, quantum, data, advanced materials, and aerospace and defense.

To harness this potential, we are restructuring our investment approach, partnership strategy, and operational model. As highlighted in the graphic below, our future direction focuses on four cross-cutting priorities that span multiple industries, enabling a more agile, scalable, and aligned approach to program and partnership delivery. This ensures our investments serve as multipliers of economic, technological and innovative growth across Alberta.

Why We Exist

Our Purpose

To fuel innovation that strengthens Alberta's future

Our Vision

A thriving Alberta where investment, research, technology, and entrepreneurship work together to drive a globally competitive innovation-focused economy

Our Mission

To support the development and commercialization of high-impact innovations that drive Alberta's future economic and societal growth

Where We Will Focus

Applied Digital & Emerging Technologies

Harnessing data, artificial intelligence (AI), and cybersecurity to enable smarter industries and a stronger economy.

Health, Agricultural, & Life Science Innovation

Unlocking Alberta's potential in health, biotechnology, life sciences, sustainable agriculture, and bio-industrial solutions.

Advanced Materials & Aerospace

Transforming Alberta's natural resources into high-value materials and cutting-edge aerospace innovations.

Natural Resource Recovery

Maximizing Alberta's resource potential through innovation in extraction, processing, and value-added energy applications.

What We Will Do

Goal One Improving Access to Innovation Supports

Goal Two Accelerating Commercialization and Scaling Alberta's Innovation Economy

Goal Three Building an Intentional Culture and Operating Model that Delivers Exceptional Value for Albertans

The three strategic goals outlined in this plan reflect Alberta's competitive advantages and the areas where we will invest. As we redesign our suite of programs and services to align with our focus areas, some will continue, others will evolve, and some will sunset. By reducing the number of legacy programs and services we are creating strategic capacity to pursue emerging opportunities that align with the forthcoming ATIS update and positions us to respond more effectively to the evolving needs of the ecosystem while enabling emerging, cross-sector initiatives. In collaboration with government, industry, and ecosystem partners, we anticipate the development of new partnered programs and services that capitalize on high-impact opportunities. Through the implementation of the following plan, we will reallocate funds and resources to maximize impact and accelerate Alberta's innovation future.

Strategic Goal 1: Improving Access to Innovation Supports

Improving access to innovation supports is essential to advancing Alberta's technology, research and innovation ecosystem and accelerating economic diversification. Alberta Innovates will enhance pathways for startups, scaleups, and emerging sectors to access funding, infrastructure, and commercialization expertise — with targeted support for high-potential opportunities in our four cross-sectoral innovation priorities:

- **Applied digital and emerging technologies:** Supporting companies that leverage data, artificial intelligence, and cybersecurity to build smarter, more connected industries.
- **Health, agriculture, and life science innovation:** Enhancing access to funding and expertise for life sciences, bio-industrial, health, and sustainable agriculture innovations.
- **Advanced materials and aerospace:** Enabling innovators to commercialize high-value materials and aerospace technologies to enhance Alberta's global competitiveness in this sector.
- **Natural resource recovery:** Supporting innovations that improve the sustainability, efficiency, and value-added potential of Alberta's energy and resource sectors.

Alberta Innovates will align its funding programs, co-investment models, and commercialization supports to the priority innovation and investment areas. By doing so, we reduce risk for innovators, attract private and public capital, and accelerate commercialization. This approach strengthens Alberta's position as a global innovation hub and ensures companies across sectors have the tools to compete, grow, and lead.

KEY INITIATIVES

1.1 PRIORITIZING FUNDING FOR HIGH-IMPACT PROGRAMS AND DIVERSIFYING REVENUE STREAMS

- **Redesign Program Suite for Maximum Impact:** Act on Program Review recommendations by phasing out underperforming programs based on strategic alignment, impact, efficiency, and future readiness. Remaining programs will undergo structural and delivery assessments to identify more effective models. These will inform a redesigned program suite aligned with cross-sector innovation priorities to maximize impact and scalability.
- **Strengthen Partnerships and co-develop initiatives:** Strategic partnerships in priority areas will increase Alberta's visibility nationally, align funding efforts within Alberta and with those outside the province to bring additional benefit to the innovation ecosystem, and enhance collaboration on key challenges. We will expand existing relationships and co-develop initiatives with organizations like RDAR, Genome Alberta, Alberta's post-secondary institutions, and federal entities (e.g., NRCan, NRC). This will attract both public and private investments into high-priority initiatives.
- **Develop New Programming for Emerging Sectors:** Alberta's strengths in aerospace, defence, material sciences, and artificial intelligence/machine learning position the province to grow in these sectors. By collaborating with ecosystem partners and government, we will explore the creation of new programs to accelerate technology development and commercialization of Alberta-made solutions. C-FER Technologies' expertise in materials testing and compliance with international standards like International Traffic in Arms (ITAR) and DND Controlled Goods will play a key role in advancing aerospace technologies.
- **Develop a Practice of Horizon Scanning and Trend Analysis:** Collaborate with ecosystem stakeholders to develop a strategic foresight practice that includes horizon scanning, trend analysis, and scenario planning to proactively identify emerging industry trends and shifts in national and global industries. Develop targeted strategies, including formalized governance structures and regular priority alignment reviews, for engaging partners to strengthen collaboration, align investments, and drive shared innovation priorities.

1.2 BUILDING MORE FLEXIBLE AND EFFICIENT FUNDING PROCESSES

- **Optimize Grant Funding Processes:** Using data and analytics to optimize grant design, application, and management will streamline processes, making funding more accessible and efficient. By leveraging insights, we will improve program alignment, reduce administrative burdens, and speed up the delivery throughout the grant lifecycle.
- **Investigate Future Funding Models:** To maximize monetary investment and support innovation, Alberta Innovates will explore a variety of funding models, including grants, strategic partnerships, and co-investment. Grants will provide non-dilutive funds to innovators and companies advancing specific outcomes aligned with innovation priorities, such as research, commercialization, or community impact. Strategic partnerships will foster collaborations with public, private, and academic organizations to pool resources and amplify impact. Co-investment models will help de-risk investments by contributing funds alongside **other investors, encouraging private sector** participation and increasing capital for high-potential initiatives.

1.3 EXPANDING CO-INVESTMENT MODELS AND PARTNERSHIPS

- **Explore New Investment Opportunities:** Throughout the fiscal year, collaborate with the Ministry of Technology and Innovation and the Alberta Enterprise Corporation (AEC) to explore a framework to co-invest in companies with the goal of accelerating emerging companies to scale-up readiness and attract additional private and public investment.

1.4 PROACTIVELY PURSUING NATIONAL AND GLOBAL FUNDING OPPORTUNITIES

- **Strategic Engagement to Unlock New Funding Streams:** Alberta Innovates will work with the Ministry of Technology and Innovation to expand Alberta's access to national and international funding by deepening engagement with federal programs and global initiatives. Targeted outreach to agencies such as the Strategic Innovation Fund, IDEaS, and Horizon Europe will help attract new investment, foster high-impact R&D, and open global market pathways—particularly in areas like aerospace, defence, quantum computing, sustainable agriculture, and data infrastructure. These efforts will strengthen Alberta's innovation ecosystem and position the province as a destination for public and private investment.

1.5 ACCELERATING THE TRANSITION FROM RESEARCH TO MARKET-READY SOLUTIONS

- **Integrated Commercialization Pathways to De-Risk and Deploy Innovations:** Alberta Innovates will streamline the path from research to market by aligning applied R&D outputs with coordinated commercialization support. Working with ecosystem partners—including Platform Calgary, Edmonton Unlimited, Innovate Calgary, and our Technology Development Advisors—we will guide innovators through critical stages of commercialization. Where appropriate, we will leverage the world-class testing and validation services offered by InnoTech Alberta and C-FER Technologies to de-risk, scale, and demonstrate technologies, ensuring they meet safety, performance, and regulatory standards and are ready for market adoption.

KEY PERFORMANCE INDICATORS

KPIs	Actuals	Targets		
	(2023-2024) ^a	2025-26	2026-27	2027-28
\$ attracted to Alberta Innovates from external sources ^b	\$54.3M ^b	\$48.1M	\$46.7M	\$46.7M
# clients supported through grant investments (excluding trainees)	998	≥970	≥970	≥970
# clients supported through in-kind supports and services	7,649	≥9,300 ^c	≥9,300 ^c	≥9,300 ^c
# trainees supported to enhance the knowledge workforce in strategic areas	3,271 ^d	≥2,500 ^c	≥2,500 ^c	≥2,500 ^c
% reduction in Alberta Innovates program offering relative to baseline ^e	-	15-20%	5-10%	TBD
Average advancement in Technology Readiness Level ^f (TRL) achieved by funded companies	-	1 (benchmarking year)	1.5	2
# business days between grant application submission and notice of decision	41	35	32	<30

^a Actuals for 2024-25 are not yet available and will be published in forthcoming Annual Reports.

^b Targets are aligned to the combined budget amounts for (i) Federal Government Transfers, (ii) External Revenue and Industry Funding, and (iii) investment Income on the most recent Consolidated Statement of Operations.

^c Revised targets reflects anticipated reduction to program offering.

^d The number of trainees directly supported through Alberta Innovates funding are validated through our systems as unique counts; those supported indirectly through Alberta Innovates investments in other R&I activity, e.g., participation in research labs and or projects of funded researchers, are more difficult to validate and may reflect double-counting in some instances.

^e Baseline is the number of programs identified in the 2024 Program Review. Targets reflect a reduction in programs from baseline through program sunsets and amalgamations (i.e., cumulative reduction of 20-30% by 2026-27 fiscal year end), based on operational requirements and as informed through program reviews.

^f Technology Readiness Levels assess the maturity of a technology, innovation or product through its journey from concept to market/end users.

Strategic Goal 2: Accelerating Commercialization and Scaling Alberta's Innovation Economy

Commercialization is the critical bridge between research, innovation and real-world application — enabling Alberta to solve complex challenges, diversify its economy, and deliver sustainable, high-impact growth. Alberta Innovates will accelerate the development and scaling of homegrown technologies into globally competitive products and services by offering targeted services to our clients in our four cross-sectoral innovation priorities:

- **Applied digital and emerging technologies:** Advancing commercialization of AI, data science, and cybersecurity solutions that increase productivity and drive digital transformation across sectors.
- **Health, agriculture, and life science innovation:** Scaling Alberta-based innovations in life sciences, sustainable agriculture, and health to improve well-being, food security, and bioeconomy competitiveness.
- **Advanced materials and aerospace:** Catalyzing market entry and expansion for next-generation materials and aerospace technologies to enhance Alberta's global competitiveness in this sector.
- **Natural resource recovery:** Commercializing innovations that add value to Alberta's energy and resource industries through cleaner, more efficient, and future-focused technologies.

By leveraging partnerships across industry, academia, government, national and global markets, Alberta Innovates will improve access to unique infrastructure and testing, enhance business acceleration programs, strengthen technology transfer, and facilitate innovation uptake. These efforts will drive investment, enable company scaling, and position Alberta as a leader in commercialization within these priority areas.

KEY INITIATIVES

2.1 POSITIONING ALBERTA AS A HUB FOR HIGH-IMPACT INNOVATION PARTNERSHIPS:

- **Strengthen Leadership in Our Innovation Priorities:** Elevate Alberta's position as a leader in the cross-sectoral innovation priority areas, attracting both investment and talent. This includes leveraging the province's critical minerals to develop medical and diagnostic tools, as well as establishing hydrogen and carbon capture, utilization and storage (CCUS) hubs across Alberta to foster the growth of low carbon technologies.
- **Strengthening Innovation Infrastructure:** Alberta Innovates will strengthen innovation infrastructure by supporting industry-led projects and collaborating with C-FER Technologies, InnoTech Alberta, post-secondary institutions, and supply chain stakeholders to address gaps in areas like hydrogen, geothermal energy, critical minerals, and carbon capture. Through alignment with provincial, federal, and international partners, we will drive coordinated investments that reduce project risk, improve environmental and safety outcomes, and accelerate commercialization. We will expand specialized facilities—such as InnoTech Alberta's Bio-Industrial Pilot Plant and C-FER Technologies' large-scale testing capabilities—to create globally competitive testing environments. Initiatives like the Alberta Drilling Accelerator will establish field-scale demonstration sites to support technology development for deep geothermal energy, natural hydrogen production, and more.
- **Partner to de-risk technologies and advance commercialization:** InnoTech Alberta and C-FER Technologies will partner with other testing facilities to expand the use of existing infrastructure and accelerate technology commercialization. This includes leveraging the capabilities of InnoTech and C-FER in collaboration with sites such as TC Energy's Gas Dynamic Test Facility in Didsbury, Carbon Management Canada's Field Research Station in Brooks, and CFB Suffield near Medicine Hat. We have also established a national CCUS RTO Network—including partners like NRCan, PTRC, CMC, BCRI, and NRC—to align decarbonization testing efforts, reduce duplication, and speed up commercialization.

2.2 RIGHT-SIZING BUSINESS ACCELERATION PROGRAMS

- **Streamline Accelerator Programs:** Enhance the Scale-up & Growth Accelerator Program (Scale-up GAP) by creating tailored supports for innovative Alberta enterprises to scale globally. The program will provide targeted support at the each stage, working with local ecosystem partners to boost their scale-up capacity to help companies. This includes offering scale-up advisors, unbundled services, intellectual property guidance, and making the right connections with existing initiatives or organizations in Alberta's innovation ecosystem.
- **Facilitate Market Access and Industry Integration:** Create industry-led initiatives that connect accelerator graduates to procurement opportunities, unique testing services, pilot projects, specialized engineering services, and global supply chains. These programs will help high-potential companies secure customers, scale faster, and strengthen Alberta's global leadership in emerging industries.

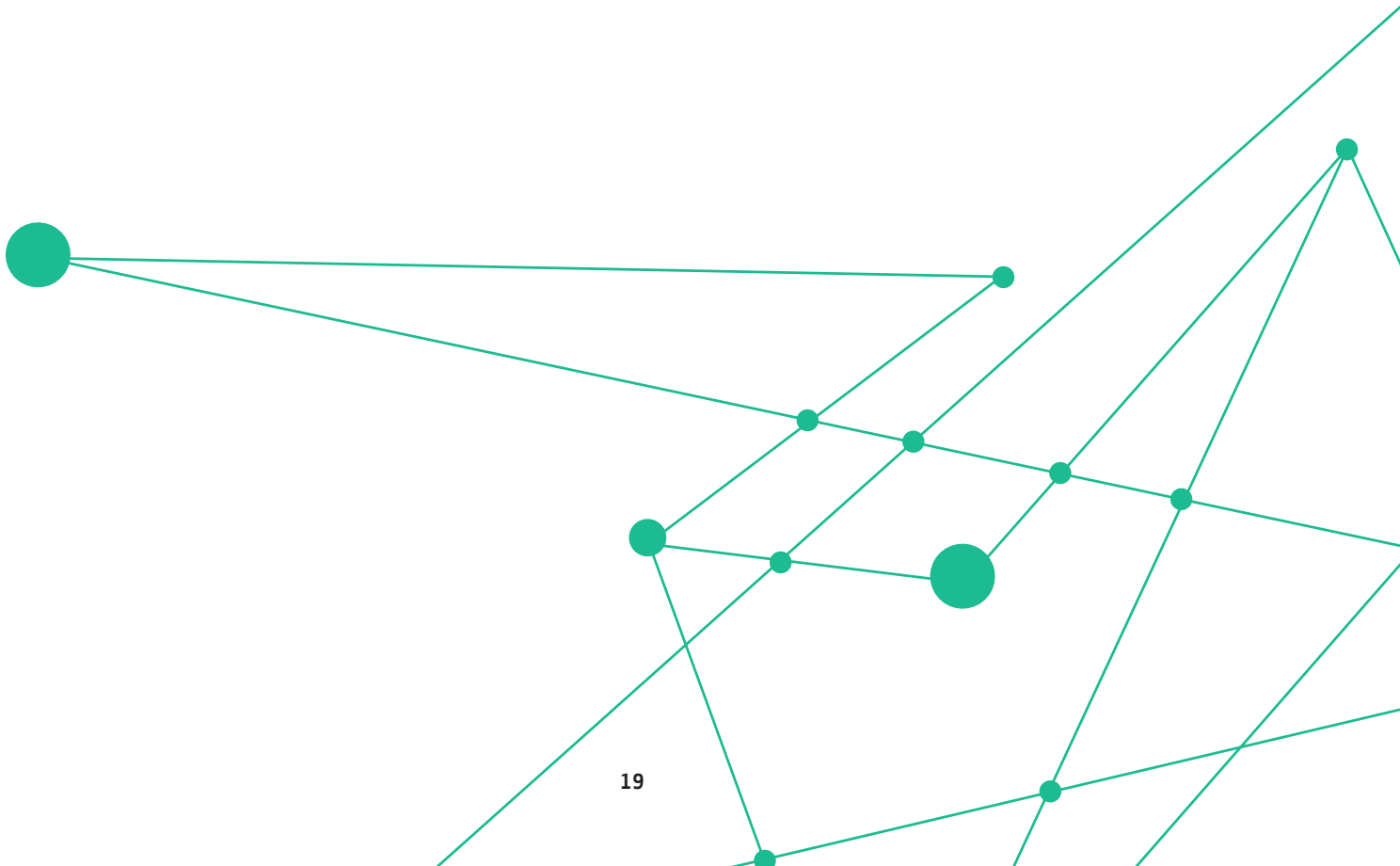
2.3 EXPANDING INNOVATION, INTELLECTUAL PROPERTY, AND KNOWLEDGE PARTNERSHIPS

- **Targeted Research and Innovation Partnerships:** Alberta Innovates will establish new targeted funding and partnership initiatives to connect industry with academic research. By supporting industry and post-secondary consortia, Alberta Innovates will help to drive applied research and innovation and will accelerate collaborative R&D in cross-sectoral priority areas.
- **Explore Intellectual Property (IP) Supports:** To turn Alberta into a powerhouse of IP generation, protection, and monetization, Alberta Innovates will explore a system where organizations with IP-specific mandates, such as Elevate IP and the Innovation Asset Collective, work with business accelerators, incubators, regional innovation networks, post-secondary institutions, businesses, and Technology Development Advisors to help innovators and companies get value from their IP. This comprehensive provincial support will be aligned with national strategies. Support will include IP education and use of IP targets and metrics in funding programs, where applicable. Additionally, InnoTech Alberta will continue to explore and monetize IP opportunities through the development of new technologies and applications.

- **Advance Knowledge Mobilization:** Through C-FER Technologies and InnoTech Alberta's engagement with industry, government, and standards organizations, we will lead knowledge management initiatives and share insights by participating in industry conferences, consortia, and standards development projects. This ensures that the latest engineering and scientific findings are disseminated to industry stakeholders and policymakers.

2.4 ENABLE HEALTHCARE REFOCUSING THROUGH HEALTH INNOVATION

- Alberta Innovates is supporting health innovation with programs like AICE-Market Access, PRIHS, and the Digital Health Sandbox, supporting the development of solutions in remote care, predictive analytics, and clinical decision support. These tools aim to address key challenges such as long wait times, physician burnout, and care fragmentation. To accelerate monetization, Alberta needs standardized data platforms, agile procurement, and a learning health system approach. Alberta Innovates will facilitate alignment between funders, regulators, and system operators to integrate digital health tools into modern care models.



KEY PERFORMANCE INDICATORS

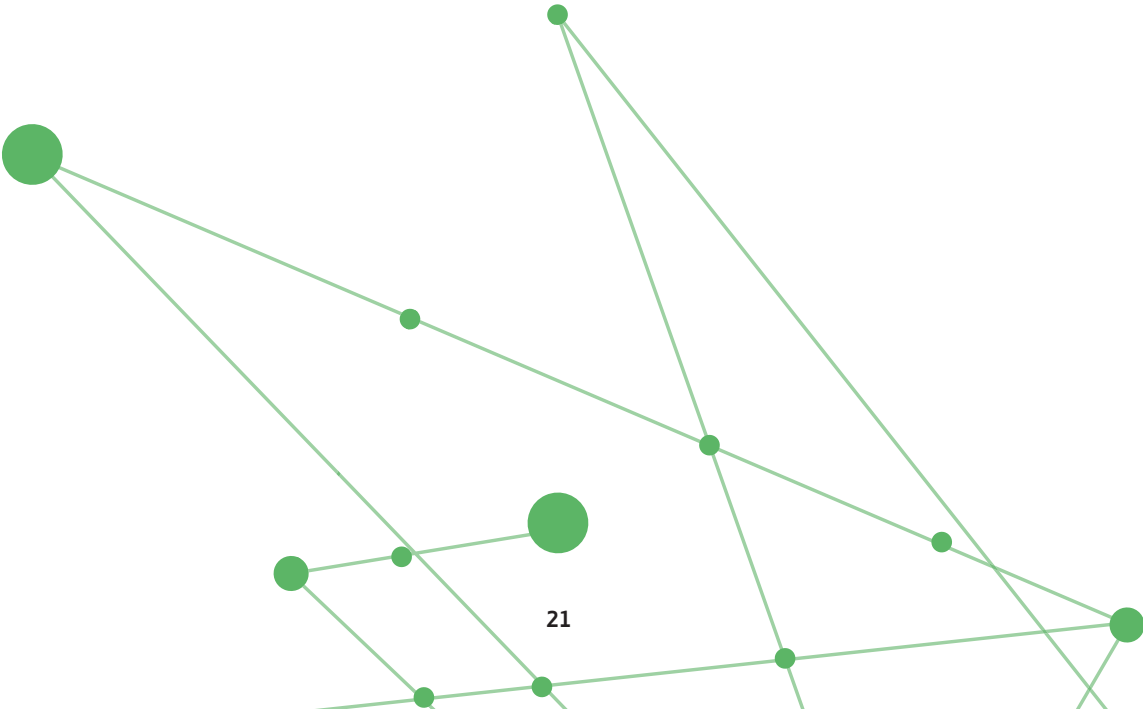
KPIs	Actuals	Targets		
	(2023-2024) ^a	2025-26	2026-27	2027-28
% difference in survival rate for SMEs funded by Alberta Innovates compared with all Canadian SMEs after 6 years	24.7%	≥25% ^b	≥25% ^b	≥25% ^b
% difference in year-over-year job growth for SMEs funded by Alberta Innovates compared with all Alberta companies	-3%	≥10% ^b	≥10% ^b	≥10% ^b
# of active partnerships formalized to advance innovation adoption by industry and/or Government of Alberta	-	15 (benchmarking year)	20	25

^a Actuals for 2024-25 are not yet available and will be published in forthcoming Annual Reports.

^b We aim to assist SMEs to consistently achieve a minimum threshold of performance above the identified comparison group

Strategic Goal 3: Building an Intentional Culture and Operating Model that Delivers Exceptional Value for Albertans

Alberta Innovates is committed to creating a high-performance, outcomes-driven culture and organizational structure that maximizes value for Albertans through excellence in execution, accountability, and impact. Aligning our people, processes, and partnerships to deliver measurable results across our four cross-sectoral innovation areas will ensure Alberta Innovates remains a leader in advancing the province’s innovation agenda.



KEY INITIATIVES

3.1 RESTRUCTURING INTERNALLY TO IMPROVE EFFICIENCY

- **Redesign Organizational Structure:** Implement a new organizational structure that promotes cross-functional collaboration, with clearly defined accountabilities and authorities. This structure will streamline decision-making, improve responsiveness, facilitate greater coordination across all teams and divisions, and improve access to the programs and services provided by Alberta Innovates, InnoTech Alberta and C-FER Technologies.
- **Revamp the Operating Model:** Improve internal processes to reduce inefficiencies, streamline workflows, and improve stakeholder engagement. This includes creating a more agile operating model that allows Alberta Innovates to respond at the speed required by the innovation ecosystem.

3.2 MODERNIZING ALBERTA INNOVATES' INFORMATION TECHNOLOGY

- **Implement Information Technology Strategy:** Deliver new and integrated systems to drive internal operational efficiencies, further securing our environment and continuing to build Alberta Innovates into a data-driven digital organization. Better managing and more effectively using data to inform decisions allows the organization to better serve clients, improve accessibility to programs and services, and facilitate growth in the province's innovation ecosystem.

3.3 REDEFINING AND EMBEDDING A COLLABORATIVE, HIGH-PERFORMANCE CULTURE

- **Reshape Organizational Culture and Performance:** Articulate the core values, performance measures, and behaviors that will define Alberta Innovates culture. Reshape the organizational structure and its Human Resources processes and programs in alignment. Implement a change management plan to expedite progress and support our people through change. This will create a more agile, accountable, and collaborative work environment.

3.4 STREAMLINING INTERNAL POLICIES AND REDUCING ADMINISTRATIVE BURDEN

- **Simplify Funding and Reporting Processes:** Reduce complexity in funding applications, review processes, and reporting requirements, ensuring that fiscal stewardship and due diligence is maintained while increasing operational efficiency. This will enhance service delivery and allow staff to focus on strategic initiatives.

3.5 IMPLEMENTING NEW FINANCIAL SUSTAINABILITY MODELS

- **Diversify Revenue Streams:** Increase financial resilience by diversifying revenue through partnerships, IP monetization, and new business models. Build cash reserves to support strategic opportunities.
- **Enhance Cost Recovery:** Explore opportunities to further generate sustainable external revenue and full-cost recovery for fee-for-service activities provided by C-FER Technologies and InnoTech Alberta, including fixed-price models to capture the maximum value for the service(s) provided.
- **Increase External Funding:** Grow fee-for-service capacity in InnoTech Alberta and C-FER Technologies to ensure sustainability. Strengthen collaboration with industry and government partners to identify and support in high-impact innovation initiatives, ensuring Alberta Innovates can continue to drive commercialization and scale innovations.

KEY PERFORMANCE INDICATORS

KPIs	Actuals	Targets		
	(2023-2024) ^a	2025-26	2026-27	2027-28
% change in year-over-year net Red Tape Reduction count	^b	0%	0%	0%
Overall employee engagement rating ^c	66%	66%	68%	70%
Increase stakeholder satisfaction, as measured by Net Promoter Score ^d	N/A	30 (benchmarking year)	40	50

^a Actuals for 2024-25 are not yet available and will be published in forthcoming Annual Reports.

^b Baseline year for data capture 2024-25

^c Data collected in Q3 of every other fiscal year. Last survey November 2023.

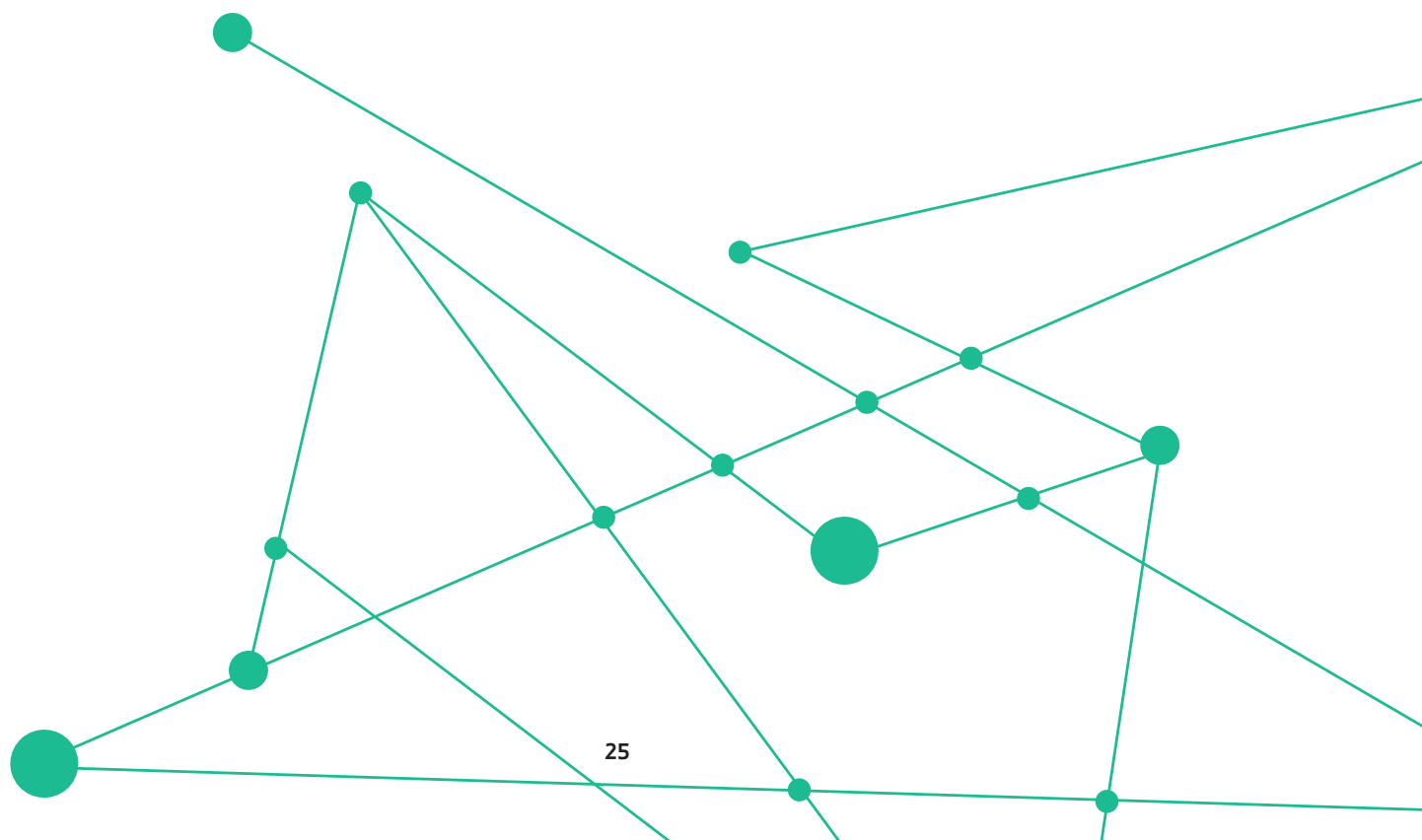
^d A market research metric used to measure the quality of experience that stakeholders have with an organization.

Operations and Governance

Consolidated Budget and Statement of Operations

The Consolidated Statement of Operations reflects the consolidation of Alberta Innovates with its wholly owned subsidiary corporations, C-FER Technologies (1999) Inc., and InnoTech Alberta Inc., along with the Alberta Foundation for Medical Research.

Alberta Innovates receives budgeted revenue and expense targets from the Government of Alberta. These targets are adjusted each year for life-cycle changes in new or expiring initiatives. The funding for several of these initiatives, as well as those funded by external dollars, is restricted. This limits the flexibility within Alberta Innovates to shift funding between these initiatives and others.



REVENUE

Total budgeted revenues for Alberta Innovates in 2025-26 are \$254.2 million, an increase of approximately \$1.8 million over the 2024-25 budget of \$252.4 million. This increase is primarily due to Alberta Innovates receiving additional base operating grant funding to support the implementation of the Information Technology Strategy in the amount of \$2.9 million for 2025-26, \$4.5 million in 2026-27 and \$5.6 million in 2027-28. Alberta Innovates has identified the need to implement new and integrated applications and technology to drive internal operational efficiencies and further secure its environment, allowing the organization to better serve its clients and facilitate the growth of Alberta's research and innovation ecosystem.

Total budgeted revenues are projected to decrease by \$64.0 million to \$190.2 million in 2026-27. This reduction is due in part to the base operating grant funding provided by the Ministry of Technology and Innovation projected to decrease by \$38.4 million to \$132.4 million. In addition, the strategic relationships grant is decreasing by \$22.2 million to \$1.6 million

primarily due to the Hydrogen Centre of Excellence (\$10 million) and Artificial Intelligence Machine Learning (\$10 million) multi-year programs concluding in 2025-26.

Total revenues for 2027-28 are currently budgeted at \$181.6 million, reflecting a decrease of \$8.6 million from 2026-27. This reduction includes a \$5 million decrease as the Scale Up & Growth Accelerator Program winds down after three years, and a \$1.6 million decrease as the Li Ka Shing Applied Virology Institute programs conclude after six years. Additionally, a \$3.1 million decrease is projected as deferred funding related to a Health program is fully recognized in 2026-27.

External revenue and industry funding, generated primarily by our two subsidiaries InnoTech Alberta and C-FER Technologies, is projected to remain stable at \$42 million per year.

All other changes are minor and reflect small adjustments to align with the organization's portfolio and the current economic situation.

EXPENSES

The expenses have been expressed in terms of Alberta Innovates business lines:

- **Research, Innovation & Commercialization:** Includes investments and partnerships in Alberta's key sectors in alignment with the strategic priorities identified by Alberta Innovates.
- **Applied Research:** Includes expenses for C-FER Technologies and InnoTech Alberta.
- **Administration:** Includes all corporate services such as finance, strategic relations & communications, information technology services, facilities, legal, human resources, and corporate planning and reporting. Administration serves a

critical function in the Corporation by providing essential supports to the operational business lines (Research, Innovation & Commercialization and Applied Research). These corporate services enable the operational business lines to work productively and efficiently toward achieving Alberta Innovates' strategic priorities and goals. Corporate services play a direct role in advancing Alberta Innovates strategic priority to embrace the digital future, given that many of them will be leading and/or actively participating in streamlining and automating our internal processes and operations.

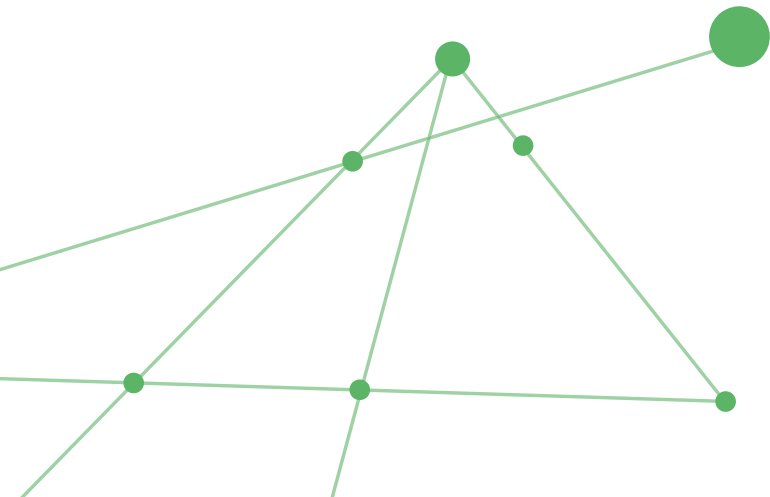
Total budgeted expenses for 2025-26 remain relatively constant at \$256.9 million. Similar to revenue, Alberta Innovates will receive an increase in budgeted expenses for the Information Technology Strategy with \$2.9 million in 2025-26, \$4.5 million in 2026-27 and \$5.6 million in 2027-28.

Total budgeted expenses for 2026-27 are projected to decrease by \$50.1 million to \$206.8 million. This reduction is due in part to the conclusion of the Hydrogen Center of Excellence Program (\$10 million per year for four years) and the Artificial Intelligence/ Machine Learning Ecosystem Initiative (\$37 million over four years) in 2025-26 as well as a projected reduction in operating expenses in alignment with a decrease in base operating grant funding.

Total budgeted expenses decrease by \$9.1 million to \$197.7 million in 2027-28 primarily due to the conclusion of the Scale Up & Growth Accelerator Program (\$5 million) and the Li Ka Shing Applied Virology Institute programs (\$1.6 million).

Total expenses are split into three categories – amortization, inter-governmental transfers and net operating expenses. Inter-governmental transfers are grants or contracts to other government entities that are then eliminated upon consolidation by the Government of Alberta. Net operating expenses is spending that the organization can direct to strategic priorities and operations. The net operating expense target for 2025-26 is \$188.9 million, comparable to the 2024-25 target of \$186.9 million.

	2024-25 Budget	2025-26 Budget
Total Expenses	254,731	256,883
Amortization	(9,639)	(9,565)
Inter-governmental transfers	(58,160)	(58,410)
Net Operating Expenses	186,932	188,908



ALBERTA INNOVATES
CONSOLIDATED STATEMENT OF OPERATIONS
(dollars in thousands)

	2023-24 Actual ¹	2024-25 Budget ¹	2025-26 Budget	2026-27 Budget	2027-28 Budget
Revenues					
Government Transfers					
Funding from Technology & Innovation					
Base Operating Grant	\$ 163,146	\$ 167,892	\$ 170,792	\$ 132,392	\$ 128,522
Strategic Relationship Grants	15,984	14,900	23,800	1,600	-
Deferred Grants from Prior Years	20,195	11,617	4,100	4,100	1,000
Deferred Capital Contribution	2,351	3,000	3,000	1,000	1,000
Funding from Other Government of Alberta Entities	6,018	5,500	3,000	3,000	3,000
Federal Government Transfers	8,163	4,600	4,600	2,833	2,833
External Revenue and Industry Funding	42,861	42,000	42,000	42,333	42,333
Investment Income	3,233	1,500	1,500	1,500	1,500
Other Government of Alberta Revenue	1,786	1,426	1,426	1,426	1,426
Total Revenue	\$ 263,737	\$ 252,435	\$ 254,218	\$ 190,184	\$ 181,614
Expenses					
Research, Innovation and Commercialization	\$ 159,653	\$ 158,240	\$ 160,466	\$ 109,009	\$ 99,421
Applied Research	53,536	54,889	54,889	54,889	54,889
Administration	30,553	31,963	31,963	31,963	31,963
Amortization	7,092	9,639	9,565	10,948	11,470
Total Expenses	\$ 250,834	\$ 254,731	\$ 256,883	\$ 206,809	\$ 197,743
Annual Surplus (Deficit)	\$ 12,903	\$ (2,296)	\$ (2,665)	\$ (16,625)	\$ (16,129)
Accumulated Surplus, Beginning of Year	\$ 30,557	\$ 43,460	\$ 41,164	\$ 38,499	\$ 21,874
Accumulated Surplus, End of Year	\$ 43,460	\$ 41,164	\$ 38,499	\$ 21,874	\$ 5,745

⁽¹⁾ Certain prior year figures have been reclassified, where necessary, to confirm to the 2025-26 presentation

Capital Plan and Leasing Arrangements

Alberta Innovates and its subsidiaries occupy a significant inventory of research and office facilities, most of which are owned and operated by Alberta Infrastructure. In addition to the Government of Alberta facilities, we also occupy space with commercial lease arrangements as shown in the table below.

We currently operate across 10 locations: Edmonton (4), Calgary (3), Devon, Vegreville and Victoria, B.C., with well over 1.2 million square feet of space and 600 acres of research farmland. In addition to our facilities, we also possess a substantial inventory of research equipment with an estimated replacement asset value of well over \$246 million. Adequate infrastructure is a vital requirement to support our vision, sustain program effectiveness and manage program growth aligned to corporate and provincial priorities.

Our Facility Services team works with the Ministry of Technology and Innovation, the Ministry of Alberta Infrastructure, and Alberta Innovates Corporate Finance to offer strategic and operational support for program accommodation, capital project planning, budgeting and implementation for Alberta Innovates and its subsidiaries. The following is a table summarizing all capital categories and funding allocation over the next three years. All selected projects have gone through a stringent review process to ensure they align and support priority program requirements.

CAPITAL BUDGET

ALBERTA INNOVATES
CONSOLIDATED CAPITAL BUDGET
(dollars in thousands)

	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget
Capital Target				
Capital Investment - Technology & Innovation Base Grant Funding				
Capital Maintenance and Renewal (CMR)	\$ 7,347	\$ 6,944	\$ 7,000	\$ 2,250
Capital Investment - Other				
Alberta Innovates Self - Financed Investment	8,500	8,500	8,500	8,500
Carbon Fibre Facilities (PrairiesCan Funding)	3,089	-	-	-
Carbon Capture Project (NRCan & Industry Funding) (Note 1)	-	2,047	-	-
Total Capital Target	\$ 18,936	\$ 17,491	\$ 15,500	\$ 10,750

Note 1 - The Carbon Capture Project was not included in the 2024-25 Budget since the funding agreements were not finalized until the 4th quarter of 2024. \$2,103K of the Carbon Capture costs are forecast to be incurred in 2024-25.

COMMERCIAL LEASE ARRANGEMENTS

Location	Size	Termination Date	Scope of Operations
Victoria Group	5,030 square feet	July 31, 2028	InnoTech Alberta – Water Characterization
C-FER East Pylypow	36,650 square feet	June 30, 2027	C-FER Engineering Consulting and Full-Scale Testing for C-FER's Pipelines and Structures InnoTech Alberta – Advanced Materials and Monitoring
Edmonton Bell Tower	31,490 square feet	March 31, 2028	Alberta Innovates
Calgary AMEC Place	5,945 square feet	Lease in overhold, pending Alberta Infrastructure	Alberta Innovates

Enterprise Risk Management

Alberta Innovates is committed to ensuring that risk management practices are embedded in the development of strategic, business and operational plans. This drives consistent, effective and accountable action and decision-making in management practice and board governance oversight.

We have designed our risk management framework to be consistent with the practices of generally accepted global risk management standard frameworks and in alignment with the Government of Alberta's risk management framework.

Our risk management standard is based on five key principles:

- Focus on resources and mitigation activities to address significant near-term corporate risks, with ongoing monitoring of all other identified and potential risks.
- Commit to implementing the Enterprise Risk Management (ERM) standard in a staged fashion, allowing for continuous improvement and efficiencies.
- Operationalize the standard across the organization through Alberta Innovates' operational, business and long-term strategic plans.
- Administer the risk management standard in a cost-effective manner by embedding it in the corporate planning processes.
- Commit to enhanced transparency and shared understanding between our organization and our stakeholders as to our organization's key risks and mitigation strategies.

KEY RISKS

When identifying key risks, we consider the potential impact and likelihood of the risks and how they will affect our ability to deliver on our business plan.

Organizational Strategy

To ensure our organization's success, our mandate and activities must be aligned to the needs of the province and its people. Our ability to deliver on our mandate to support and catalyze innovation in Alberta is dependent on a strategy supported by our Board and Ministry of Technology and Innovation. Our Senior Leadership Team is working closely with the Board to implement the approved Strategic Plan.

Organizational Transition

The successful implementation of the new Strategic Plan depends not only on the initiatives outlined in the plan itself, but also on a significant internal transformation. This transformation should result in a high-performing, outcomes-driven structure that will enhance collaboration, reduce inefficiency and maximize value for our shareholders. Our Senior Leadership Team is working together to optimize our internal operating model, streamlining our processes while reducing barriers and increasing efficiencies.

Financial Sustainability

Our organization's ability to continue to support and catalyze innovation in the province is impacted by our financial stability. In an effort to take steps towards the financial sustainability of the organization, the Board and Senior Leadership Team have identified several strategies to support this approach including prioritizing funding to critical programs and initiatives; building sufficient cash reserves to allow for flexibility to support unique opportunities; diversifying our revenue streams while also increasing partnerships and reviewing the costing/price and contracting models of our subsidiaries. These strategies are supported by our continued engagement with the Ministry of Technology and Innovation to manage budget and expenditure issues.

Measuring and Demonstrating Impact

Our ability to demonstrate our impact in a measured, meaningful and aligned way is critical to our success as an organization. Demonstrating the impacts of our programs and supports reinforce trust with our ecosystem partners including government, industry and the public. With the new Strategic Plan, Alberta Innovates will establish a robust performance framework, including Key Performance Indicators (KPIs), to evaluate our programs and supports while ensuring alignment of our activities to the province's economic goals.



1500 - 10104 103 Avenue

Edmonton, AB Canada T5J 0H8

780.423.5727 (Downtown Edmonton)

780.450.5111 (Edmonton Research Park)

TF 1.877.423.5727

info@albertainnovates.ca