Innovate BC

2025/26 Annual Service Plan Report

August 2026

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Board Chair's Accountability Statement

Innovate BC's 2025/26 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2025/26 – 2027/28 Service Plan published in 2025. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

Jessie Adcock
Board Chair,
July 28, 2026

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Letter from the Board Chair & CEO

In 2025/26, Innovate BC continued to play a central role in advancing British Columbia's innovation ecosystem, supporting the development, commercialization, and adoption of technologies that strengthen productivity, competitiveness, and sustainability across key sectors of B.C.'s economy.

Throughout the year, Innovate BC delivered strong results through its integrated suite of programming. Initiatives such as the Integrated Marketplace Platform, the B.C. On-Farm Technology Adoption Program, and targeted commercialization supports enabled B.C. companies to test and scale solutions in real-world environments. These efforts contributed to measurable outcomes, including increased rates of customer acquisition, revenue growth, and technology advancement among program participants, demonstrating the tangible impact of innovation-driven investments.

A defining milestone for the year was the successful delivery of Web Summit Vancouver as a strategic global market access platform for B.C. companies and priority sectors. The event increased B.C.'s international visibility and convened investors, customers, governments, and partners around the Province's innovation strengths. Innovate BC played a central role in aligning provincial representation and integrating the event with broader commercialization, scaling, and market diversification objectives, helping position B.C. companies for investment, procurement, and export opportunities.

Innovate BC also strengthened its role as a trusted delivery partner to government by aligning closely with provincial priorities and advancing high-impact programming across capital access, commercialization, and capacity-building. Internally, the organization enhanced its planning and execution capabilities, improving alignment between strategy, operations, and performance measurement.

Significant progress was made in building a more inclusive and resilient innovation economy, through partnerships and targeted initiatives, Innovate BC supported entrepreneurs, businesses, and talent across the province, including in rural, northern, and Indigenous communities, while advancing opportunities for underrepresented groups.

Looking ahead, Innovate BC remains focused on enabling long-term sustained growth and competitiveness. The organization will continue to invest in the partnerships, talent, and infrastructure required to sustain a world-class innovation ecosystem.

Jessie Adcock
Board Chair
July 28, 2026

Peter Cowan, P.Eng, MBA, LL.M
President & CEO
July 28, 2026

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the *Budget Transparency and Accountability Act* (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2024 and the Board Chair's Mandate Letter from the minister responsible shaped the goals, objectives, performance measures and financial plan outlined in Innovate BC's 2025/26 - 2027/28 Service Plan and the actual results reported on in this annual report.

Purpose of the Organization

The Government of British Columbia has mandated Innovate BC to nurture and support technology and innovation to add value across all sectors of the provincial economy. As such, Innovate BC is a critical part of the Province's strategy for realizing its long-term economic vision. In alignment with Government's strategic direction, Innovate BC will continue to foster technology and innovation throughout the province to help build a thriving, sustainable and inclusive economy. Innovate BC's activities are enabled by the *Innovate BC Act*.

Innovate BC works to:

- Build and maintain strategic partnerships with technology and innovation stakeholders, particularly with industry and other adopters of technology.
- Develop and deliver tools, resources, expert guidance, programs, and initiatives that increase company growth, accelerate technology commercialization, adoption, diffusion and export, and support job creation, ensuring that the benefits of technology and innovation are felt around the province, inclusive of Indigenous and other under-represented groups and rural and northern communities.
- Provide input into Government's development of technology and innovation policy, particularly related to technology adoption and scale up.
- Provide options on how to support the BC Fast Pilot Program (a program that assists B.C. businesses to secure their first paying customer) or alternative programs.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2025/26 – 2027/28 service plan. For forward-looking planning information, including current and future performance targets, please see the latest service plan.

Goal 1: B.C. is a Leader in Bringing Sustainable Innovations to Market

Objective 1.1: Facilitate the Development, Adoption and Scaling of Innovative Solutions

Supporting the development, scaling, and commercialization of B.C.-based innovative solutions is vital to ensuring a thriving and competitive provincial economy. By delivering targeted and demand-driven innovation continuum programming, Innovate BC aims to offer tailored support to businesses, industries, academia, and the broader ecosystem at different stages of growth, from research to commercialization to scale-up. These efforts aim to create significant economic, environmental, and social impacts across the province, advancing sustainability, decarbonization, and competitiveness in key sectors.

Key results

- Integrated Marketplace (IM) Pilot project with PacifiCan complete - supported 37 projects over 4 years through a combined $17.4M in funding by PacifiCan and the Province.
- Expanded IM Pilot to IM Platform and included launch of several new pilot programs to trial servicing different parts of the funding continuum, including an earlier-staged technology deployment.
- Announced three new testbeds in Forestry Innovation and Emergency Management; Marine and Coastal; and Mining & Critical Minerals sectors in support of the IM Platform, bringing the total number of testbeds to seven.
- Ongoing delivery of B.C. On-Farm Technology Adoption Program on behalf of the Ministry of Agriculture and Food, providing funding to eligible B.C. farm operators to support the adoption of new technologies that will help them increase production, efficiency and profitability. To date, Innovate BC has deployed $6.8M over 134 projects in support of B.C. producers.

Summary of progress made in 2025/26

The IM program continued into its fourth year and by year-end saw the launch of three additional testbeds in Forestry Innovation and Emergency Management; Marine and Coastal;

and Mining sectors. as well as continued progress across the previously announced Vancouver International Airport, Port of Prince Rupert, Port of Vancouver and Health testbeds.

In 2025/26 projects were deployed through most testbeds, including Holinova's mobile charging infrastructure being tested at the Vancouver International Airport; Ocean Aid and Salmon Vision respective edge computing and AI systems to support the Lax Kw'alaams First Nation ancestral practice of fish counting and monitoring next to Prince Rupert; Skyward Wildfire's AI-driven lightning forecasting and aerial lightning suppression systems under the Forestry Innovation and Emergency Management testbed; Saltwork's lithium refining technology being deployed with EMP Metals under the Mining and Critical Minerals testbed; and VoltSafe's smart shore power solution at Royal Vancouver Yacht Club's Jericho marina under Marine and Coastal testbed.

The Health Testbed continues to deploy a critical platform for supporting the testing and adoption of digital pathology innovation, among other innovations, developed within B.C.'s rich life sciences ecosystem, and addresses priority areas for the Province including health and safety, decarbonization, and competitiveness.

Further to direction received to consolidate program delivery and offerings, Innovate BC deployed an expanded 'Integrated Marketplace Platform' initiative to compliment and support multiple existing and new offers. The IM Platform enables Innovate BC to tailor and deliver program offerings that meet specific needs while leveraging economies of scale and creating various project opportunities to accelerate innovation commercialization. The IM "Early-Stage Demonstration Call" (ESDC) pilot fostered innovation by offering up to $500K in funding to help Small-Medium sized Enterprise (SME) deploy first pilots of new technologies in related sectors. Aligned with the similar BC Fast Pilot Program target outcomes, this call successfully awarded 14 companies across the province. Additionally, the "Coast Innovation Challenge" (CIC) pilot was launched to help answer a specific Marine and Coastal remote energy challenge brought forward by the Canadian Coast Guard. Under this pilot program, 4 projects were awarded up to $100K to support their technology testing and demonstrations. The B.C. On-Farm Technology Adoption Program, delivered through the Integrated Marketplace office in collaboration with the Ministry of Agriculture and Food, was expanded to include additional funding for a fourth intake to be deployed in 2026/27 fiscal year. The program, which provides funding assistance to B.C. farmers so they can access labour-saving technologies and innovations, provides up to $8.75M over four years from the Governments of Canada and B.C.

The Heavy-Duty Low and Zero Emission Vehicles (HDZEV) project and the Northern B.C. Clean Energy Corridor Projects completed their second year and continued demonstration of new clean technologies along main transportation corridors in northern B.C. These projects help reduce the risks for early adopters to acquire and test novel clean technologies and are operating across four communities in the north including Prince Rupert, Smithers, Kitimat, and Prince George.

In November 2025, the first Microgrant pilot offering was launched with a focus on Go-To Market strategy deployment to help B.C. companies advance commercialization activities and accelerate market readiness. The program's initial intake was heavily oversubscribed, with applications totaling 64 times the initial $500K in funding made available and distributed among 11 recipients. This highlights the significant unmet need across B.C.'s innovation ecosystem and will help inform future program design. All funded projects were completed, with reporting currently underway to evaluate outcomes and impact.

Performance measure(s) and related discussion

Performance Measure	2023/24 Baseline	2024/25 Actual	2025/26 Target	2025/26 Actual
[1a] Percentage of Innovate BC program participants that acquired new customers, and/or new revenue as a result of participation in the program [1]	71%	69%	Maintain or improve upon previous year	79%
[1b] The percentage of program participants that report Innovate BC's programs helped advance their technology development and/or their technology adoption [2]	81%	87%	Maintain or improve upon previous year	90%

Data source:
[1]Progress and/or final reports from commercialization program partners and/or program participants. PM [1a] targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as "Maintain or improve upon previous year".
[2] Progress and/or final reports from program partners and/or program participants. PM [1b] targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as "Maintain or improve upon previous year".

For performance measure 1a, the target of maintaining or improving upon the previous year's result was successfully achieved as planned, with 79 percent of participants reporting that they acquired new customers and/or generated new revenue through Innovate BC commercialization programs.

For performance measure 1b, the target of maintaining or improving upon the previous year's result was successfully achieved as planned, with 90 percent of participants reporting that Innovate BC's programs helped advance their technology development and/or technology adoption.

Goal 2: B.C. Technology and Innovation Companies are Able to Start, Grow and Scale in B.C.

Objective 2.1: Deliver Programs and Services that Build Capacity and Enhance Skills Development.

Innovate BC and its partners deliver ecosystem development programs and initiatives that help entrepreneurs start and grow their companies as well as validate their markets. In addition, Innovate BC provides high-potential companies with enhanced support and training to build internal capacity, including connections to capital and new market opportunities.

Through initiatives that encourage company development and expansion, Innovate BC aims to drive sustainable growth and competitiveness, while ensuring the benefits of this progress are felt in all regions of the province.

Key results

- Innovate BC delivered on several initiatives and resources relating to expanding IP capacities for B.C. companies, including the expansion of a free digital IP Hub tool. Innovate BC also supports delivery of several federally funded programs including IP Assist for NRC IRAP, and AccelerateIP in collaboration with New Ventures BC.
- Supported high-potential B.C. companies through targeted programs, mentorship, and ecosystem connections that helped ventures strengthen investment readiness, access new markets, and accelerate commercialization and revenue growth, including through the New Ventures BC Competition and Business Acceleration Pilot (BizAP).
- Delivered programs and partnerships that enhanced digital skills and technology adoption among SMEs, which supported businesses to improve operational efficiency, productivity, and digital readiness, including through the CRM Digital Bootcamp.
- Worked with ecosystem partners to leverage collaborative opportunities, including Web Summit Vancouver, to strengthen B.C.'s innovation ecosystem, increase global visibility for B.C. companies, and facilitate new investment and market opportunities.

Summary of progress made in 2025/26

Innovate BC continued to strengthen B.C.'s innovation ecosystem through targeted investments in talent development, commercialization support, digital adoption, and investment readiness programming. To bolster entrepreneurial skills and investment readiness, Innovate BC funded the New Ventures BC Competition, supporting over 200 businesses through training seminars and offering up to $250,000 in cash prizes. Through PacifiCan's Business Acceleration Pilot (BizAP), Innovate BC partnered with ecosystem organizations across the province to leverage federal funding and deliver specialized programming supporting high-growth ventures in areas such as market expansion, investment readiness, and business scaling.

Innovate BC also advanced digital adoption and workforce development initiatives across B.C. through the CRM "Horizons" Bootcamp, delivered in partnership with a local accelerator. The program supported B.C. businesses in implementing and optimizing internal tools and systems to enhance customer engagement, streamline operations, and drive sustainable growth. The program received 1,214 applications and engaged 1,059 unique participants across the province, with 44 percent participation from equity-seeking groups. Participant satisfaction was strong, with 93% satisfied with advisory knowledge and 70% satisfied or very satisfied with the course content or advisory services received.

In May 2025, Innovate BC successfully executed all sector development programming deliverables and participated in year one of Web Summit Vancouver. Throughout the remainder of 2025/26 Innovate BC worked with 16 ecosystem partners to deliver programming to prepare hundreds of B.C. technology ventures and contributed as a key partner for the second edition of Web Summit Vancouver in May 2026. These collaborative initiatives helped strengthen B.C.'s innovation ecosystem while increasing global visibility, investor engagement, and market opportunities for B.C. companies.

As part of supporting the Province of B.C.'s IP Strategy, Innovate BC expanded its IP Hub digital platform to support B.C. entrepreneurs in assessing their IP knowledge, developing their understanding of IP and supporting the implementation of an effective IP strategy to help grow their business. Innovate BC and New Ventures BC delivered the IP Pathways program, which helps startups and scaleups gain knowledge and actionable insights to align IP strategy and business strategy, and in 2025/26 the program certified 316 participants in B.C. Innovate BC serves as the Provincial delivery partner of the AccelerateIP program, led by New Ventures BC., helping align provincial efforts in support of B.C's IP Strategy. Lastly, Innovate BC delivered IP Assist, a program funded by National Research Council Industrial Research Assistance Program (NRC IRAP), connecting 46 NRC IRAP clients to service providers for IP awareness and strategy.

In addition to regular IP program delivery, Innovate BC is a recognized leader collaborating with other provinces (including Alberta, Quebec and Ontario) to launch a nationally aligned approach to IP education through a National IP Competency Framework. This framework aims to address longstanding IP literacy gaps by building IP fluency, accelerating commercialization, and strengthening Canada's innovation economy over the long term.

Performance measure(s) and related discussion

Performance Measure	2023/24 Baseline	2024/25 Actual	2025/26 Target	2025/26 Actual
[2a] The percentage of program participants that report Innovate BC programs had a significant impact on increasing their business' IP awareness and/or activity [1]	76%	77%	Maintain or improve upon previous year	84%
[2b] The percentage of participants who report that Innovate BC programs helped to advance their business and/or technology skills [2]	91%	83%	Maintain or improve upon previous year	87%

Data source:

[1] This measure is based on participant surveys and presents the percentage of companies in Innovate BC IP related programs. PM [2a] targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as "Maintain or improve upon previous year".

[2] Progress and/or final reports from program partners and/or program participants. PM [2b] targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as "Maintain or improve upon previous year".

For performance measure 2a, the target of maintaining or improving upon the previous year's result was successfully achieved, with 84 percent of program participants reporting that Innovate BC programs increased their business' IP awareness and/or activity.

For performance measure 2b, the target of demonstrating improvement over the previous year was successfully achieved, with 85 percent of participants reporting that Innovate BC programs helped advance their business and/or technology skills.

Goal 3: B.C. has a Resilient and Inclusive Technology and Innovation Workforce

Objective 3.1: Develop and Support Initiatives that Enhance Representation of Various Demographics in B.C.'s Tech Sector.

Through ecosystem development efforts and collaboration with program partners, including B.C.-based accelerators and not-for-profits, Innovate BC works to enhance opportunities for B.C. entrepreneurs from diverse backgrounds to start and grow their businesses.

Key results

- Delivered multiple projects within northern communities through the Integrated Marketplace and on behalf of the Ministry of Transportation and Transit, Transport Canada and the Clean Energy and Major Projects Office (CEMPO) providing project management and funding to eligible project partners.
- Supported the development of highly qualified talent for B.C.'s innovation economy through the Innovator Skills Initiative (ISI), helping underrepresented individuals gain work-integrated learning opportunities with B.C. technology companies.[1]

Summary of progress made in 2025/26

HDZEV completed its second year of project work delivered through the Integrated Marketplace program. The project supported Gat Leedm Logistics in Prince Rupert to procure and operationalize four zero emission class 7 and 8 trucks. Innovate BC has partnered with Gat Leedm Logistics Ltd. owned by the Metlakatla First Nation to adopt new clean transportation technologies that facilitate the reduction of greenhouse gas emissions and generate performance data that will de-risk these technologies for other fleet operators in the province. In addition to adoption, the project aims to upskill the workforce of highly skilled operators for these new innovative technologies.

Northern B.C. Clean Energy Corridor Project through the Integrated Marketplace platform is working with the City of Prince Rupert, the City of Prince George, the City of Kitimat and the

[1] Underrepresented individuals here are defined as those who self-identify as belonging to one or more of the following categories: Women, Indigenous, Visible Minority, Youth (under 30), LGBTQ2S+, New Immigrant (moved to Canada within the past 5 years), or Person living with a visible or invisible disability. Individuals who do not identify with any of the above categories have the option to select 'Other'.

Town of Smithers to explore how clean-energy solutions. Examples include low-emission vehicle technology in civil works, renewable diesel in municipal fleet operation, and hydrogen fuel enhancement modules on heavy-duty vehicles, which can be put into practice to bolster B.C.'s transportation sector.

Through ISI, Innovate BC supported underrepresented individuals in accessing work-integrated learning opportunities with B.C. technology companies, helping address talent needs within the innovation sector while driving economic impact across the province. In 2025/26, Innovate BC disbursed approximately $550,000 to nearly 60 B.C. ventures, contributing to the program's broader five-year impact of more than $20.6M disbursed to over 1,700 companies and more than 3,700 job placements supported across the province. Delivery through key ecosystem partners, including Mitacs, First Nations Technology Council, BC Tech Association, and Information and Communications Technology Council, enabled broader provincial reach and leveraged additional funding and support.

Performance measure(s) and related discussion

Performance Measure	2023/24 Baseline	2024/25 Actual	2025/26 Target	2025/26 Actual
[3a] The percentage of program participants who identify as underrepresented [1]	51%	67%	30%	68%

Data source:
[1]Program applications (e.g., entrepreneur/founder, or interns through a talent placement) and reports from program partners and/or participants. PM [3a] targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 30%.

For performance measure 3a, the target was adjusted to 30 percent following the conclusion of the Innovator Skills Initiative (ISI). While multiple programs contribute to this measure, ISI participants consisted entirely of underrepresented groups and therefore increased the overall baseline and actuals reported in previous years. The FY 2025/26 target was revised to reflect the expected participant mix across the remaining program portfolio. Actual participation from underrepresented groups exceeded target expectations across Innovate BC's programs.

Financial Report

For the auditor's report and audited financial statements, see Appendix B. These documents can also be found on the Innovate BC website.

Discussion of Results

Innovate BC's core operations and activities are funded by the Province of B.C. through the Ministry of Finance's contributions of $6.7M, which includes $0.3M for Web Summit. With these funds, Innovate BC continued to leverage partnerships across the province to develop and deliver programs that meet its mandate. To deliver the best returns on investments, Innovate BC's partners are encouraged to leverage other public and private funding sources to gain additional sources of revenue.

In 2025/26, the Province of British Columbia provided Innovate BC with a three-year contribution agreement totalling $28.1M to extend the delivery of the Integrated Marketplace (IM). IM enables Innovate BC to facilitate commercial adoption and scale up of innovative technology solutions related to emissions reductions, increases to productivity and efficiency, and enhancements in health and safety. Innovate BC received $9.8M for this program in 2025/26 and will receive $9.2M in 2026/27.

In 2022/23, the Government of Canada, through Pacific Economic Development Canada, also provided Innovate BC $9.9M in funding to deliver IM, with an additional amount of $1.8M granted in 2024/25. Innovate BC received $520,000 under the two agreements between fiscal years 2022/23 to 2023/24, $7.0M in 2024/25, and $4.1M in 2025/26.

In 2023/24, the Province of British Columbia provided Innovate BC funding to deliver the B.C. On-Farm Technology Adoption Program to strengthen B.C.'s agriculture sector through the adoption of new technology. The Program is led by the Ministry of Agriculture of Food and spans from 2023/24 – 2026/27. Innovate BC received $2.4M for this program in 2025/26 and will receive $2.5M in 2026/27.

In 2023/24, the Province of British Columbia provided Innovate BC with a three-year contribution agreement for $4.1M to deliver the CRM Horizons Bootcamp program in partnership with Alacrity Canada to support innovation and business development in the technology sector. The program was discontinued in 2025/26 as the final funding installment of $1.3M was not provided.

In 2025/26, Innovate BC received $0.5M from the Government of Canada through NRC IRAP for the IP Assist program. The IP Assist program promotes the development and adoption of technology by SMEs in Canada to stimulate wealth creation for Canada through technological innovation.

A summary of Innovate BC's financial results is presented in the Financial Summary section. This financial information was prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Charted Professional Accountants of Canada.

Financial Summary

($000s)	2024/25 Actual	2025/26 Budget	2025/26 Actual	2025/26 Variance
Revenues				
By Major Sources				
Province of British Columbia	17,981	8,861	18,490	9,629
Federal Government	7,547	2,160	4,630	2,470
Federal Government Service Revenue	686	-	1,114	1,114
Natural Resources and Applied Sciences Research (NRAS) Endowment (Note 2)	1,275	1,900	1,497	(403)
Other Income & Recoveries	879	386	2,382	1,996
Total Revenue	**28,368**	**13,307**	**28,113**	**14,806**
Expenses (Note 3)				
Programs and Initiatives	22,327	6,432	21,057	14,625
NRAS Endowment (Note 2)	1,197	1,800	1,406	(394)
Salaries and Benefits	3,538	3,600	4,254	654
Rent	370	360	369	9
Amortization	51	103	221	115
Operational & Administrative Expenses	846	1,012	757	(255)
Total Expenses	**28,329**	**13,307**	**28,064**	**14,757**
Net Income	**39**	**-**	**49**	**49**
Total Liabilities	**13,259**	**3,834**	**19,336**	**15,502**
Capital Expenditures	**568**	**50**	**168**	**118**
Accumulated Surplus (Note 5)	**60,366**	**58,368**	**56,203**	**(2,165)**

Note 1: The above financial information was prepared based Public Sector Accounting Standards (PSAS) and section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. When expenses support a range of service delivery activities, they are allocated to those service activities.
Note 2: For a breakdown of the NRAS Endowment, see Audited Financial Statements – (Note 7), Natural Resources and Applied Science Research Endowment.
Note 3: For a detailed breakdown of expenses, see Audited Financial Statements (Note 13)
Note 4: Budget figures are based on Innovate BC's 2025/26-2027/28 Service Plan.
Note 5: Accumulated Surplus decreased by $4.163M mainly due to remeasurement losses. See Audited Financial Statements (Note 5).

Variance and Trend Analysis

Innovate BC's actual revenue totalled $28.1M in 2025/26, which is $14.9M more than the budget. The major changes reflect provincial and federal funding as well as interest and other revenues.

The $9.6M variance from the Province of British Columbia was a result of additional funding received in 2025/26 for programs that were not budgeted. The $9.6M variance is broken down as follows: $9.7M was received from JEG for the Integrated Marketplace, an additional $1.2M was received from the Ministry of Agriculture and Food for the B.C. On Farm Technology program, and $1.3M was not received from JEG due to the discontinuation of the CRM Horizons Bootcamp program.

Revenues from the Government of Canada increased by $2.5M from the budgeted amount in 2025/26 mainly due to re-profiling some funding for IM from 2024/25.

Service revenues from the Government of Canada increased by $1.1M due to the Transport Canada contract for the ZEV project.

NRAS Endowment revenue decreased due to project extensions that impact the timing of award disbursements. The costs of administering the NRAS Endowment are included under the Salaries and Benefits expense category.

Other income and recoveries increased mainly due to higher amounts of cash in interest-bearing accounts and income resulting from a one-time event related to a historical investment.

Salaries and benefits are higher than budgeted due to additional staff required for the delivering of the Integrated Marketplace, the ZEV project, and Web Summit Vancouver.

Accumulated surplus decreased due to accumulated remeasurement losses. Remeasurement losses are unrealized losses in the value of the NRAS Endowment.

Risks and Uncertainties

Innovate BC's programs are primarily funded by core funding from the Province of B.C. with the organization aligning its funding to programs that meet its mandate. Additional programs funded by the Province of B.C. are short term programs that span one to three years. Funding from the Federal Government is uncertain.

Interest returns on investments increased in the current year. Future interest returns are unknown.

The success of Innovate BC is dependent on the abilities, experience, efforts and knowledge of its senior management and other key personnel. The organization may not be able to attract and retain additional qualified personnel as needed in the future. Innovate BC continues to work to secure additional funding from the federal government and other sources.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2025 Mandate Letter from the Minister Responsible.

2025 Mandate Letter Priority	Status as of March 31, 2026
Continue to build and maintain strategic partnerships with technology and innovation stakeholders, particularly with industry and other adopters of technology.	• In 2025/26, Innovate BC worked in collaboration with government, industry, the innovation ecosystem and B.C. businesses to deliver Road to Web Summit Vancouver (R2WSV) programming ahead of year 2 of Web Summit Vancouver. • Through this period, Innovate BC collaborated with industry and ecosystem partners across the province to support B.C. startups and scale ups in the lead-up to Web Summit Vancouver through its Road to Web Summit Vancouver initiative. This program offered specialized events, training and resources to help startups attending the conference maximize the opportunity and their ability to leverage the event for growth. • Through this period, Innovate BC continued the delivery of the Province's Integrated Marketplace program which supports collaboration between innovation-ready industry partners and B.C.-based solution providers to test, adopt and later export locally- made solutions.

Continue to develop and deliver tools, resources, expert guidance, programs, and initiatives that increase company growth, accelerate technology commercialization, adoption, diffusion and export, and support job creation, ensuring that the benefits of technology and innovation are felt around the province, inclusive of under-represented groups including IBPOC (Indigenous, Black and People of Colour), and rural and northern communities.	• Innovate BC delivered high-impact programs in the areas of technology development and adoption, and business growth, including through the Integrated Marketplace program, Early-Stage Demonstration Call, Go-to-Market Microgrant, and the B.C. On-Farm Technology Adoption Program. • Additional initiatives, including the CRM “Horizons” Bootcamp, BizAP, and the New Ventures BC Competition, also demonstrated strong regional and equity-seeking participation by improving access to business supports, training, mentorship, investor readiness programming, and ecosystem visibility for companies throughout British Columbia. • Through its programming as well as sponsorship and other ecosystem partnerships, Innovate BC contributed to more inclusive growth across the province’s innovation ecosystem, by supporting underrepresented founders, rural and regional communities across the province in accessing business resources. Programs such as the Innovator Skills Initiative (ISI) were specifically designed to advance diversity, equity, and inclusion by supporting work-integrated learning opportunities for underrepresented groups in the technology sector.

Provide options on how to support the BC Fast Pilot program (a program that assists BC businesses to secure their first paying customer).	• In 2025/26, Innovate BC continued to support 2024/25 BC Fast Pilot program awardees while engaging in discussions with NRC-IRAP on new opportunities to redeploy this program for additional calls going forward • Innovate BC launched an Early-Stage Demonstration Call pilot under the Integrated Marketplace Platform, funding 14 SMEs to design, build and operate pilots of their technology to demonstrate its impact in real-world conditions and drive customer adoption. This includes funding for a company to demonstrate AI-powered fog-detection and forecasting, and another with digital workforce supports for absences and return-to-work processes in healthcare.
Work with the Government to review all existing Innovate BC programs and initiatives to ensure programs remain relevant, are efficient, grow the economy, and help keep costs low for British Columbians and BC businesses.	• In 2025/26, Innovate BC continued ongoing collaboration efforts with the Ministry of Jobs and Economic Growth. Information was provided to support a program review throughout the year and work continued to expand the scope of the existing Integrated Marketplace program.
Collect and share data with the Government to inform and improve the development of technology and innovation policy and programming particularly related to technology adoption and scale up.	• Innovate BC conducted research, surveys and ecosystem consultations to better understand the challenges faced by BC companies in achieving growth and scaling internationally. Insights gathered through this work informed the development of targeted initiatives including the Go-to-Market (GTM) microgrant program, scale up pilot funding and design of the Road to Web Summit (R2WSV) program and supports.

Work with ecosystem partners to leverage collaborative opportunities, such as the Web Summit Vancouver conference, to ensure B.C. businesses are well-positioned to discover and engage new markets and maximize investment avenues.	• Innovate BC collaborated with over 20 delivery partners on Road to Web Summit Vancouver, a sector development program designed to offer tailored programming focused on helping B.C. companies refine their pitch, enhance global readiness, and prepare to unlock new market and investment opportunities.
Develop and deliver the next iteration of Integrated Marketplace Initiative, including leveraging federal and industry funding to maximize program funding and increase resilience, productivity, and competitiveness of BC business.	• Deployed the ‘Integrated Marketplace Platform’ expanded initiative to encompass multiple existing plus new offerings. This platform enables Innovate BC to tailor and deliver program offerings that meet specific needs while leveraging economies of scale and create a pipeline of project opportunities to accelerate innovation commercialization.
Other mandate letter priorities (prior to 2025) covered in this report.	**Status as of March 31, 2026**
Provide input into Government’s development of technology and innovation policies, particularly those related to program development. (2021/22 Mandate Letter)	• In 2025/26, Innovate BC worked to support the province’s IP Strategy as a provincial priority with the expansion of the IP Hub, co-development of the proposed National IP Education Framework, and continued successful delivery of IP programming designed to support B.C. businesses enhance their IP comprehension and strategy.
In collaboration with the Ministry and key partners, support the continued development of a Provincial vision for innovation that maximizes the generational opportunity to build the economy of the future; supports existing sectors of our economy to adopt technology and innovation to support sustainability, competitiveness and inclusion; and realizes the province’s untapped human potential; and outline next steps for implementation (2021/22 Mandate Letter)	• Engaged with JEG in the review of current program offerings, including the Integrated Marketplace Platform and IP strategy, designed to support B.C. innovators and the broader innovation ecosystem. • Designed and delivered BC’s Road to Web Summit program, leveraging the international platform to identify, prepare and showcase BC ventures in priority Look West Sectors.

Provide options on how to support work placements (i.e. Tech Co-op Grant Program and Innovator Skills Initiative) to prioritize placements for women, Indigenous people, people of colour and others currently underrepresented in BC's tech sector, including baseline data on current representation (2021/22 Mandate Letter)	• In 2025/26, Innovate BC closed out the Innovator Skills Initiative and provided the last remaining funding grants to eligible applicants. No further funding has been provided for this program past March 31, 2026.

Appendix B: Auditor's Report and Audited Financial Statements

Doane Grant Thornton

Financial statements

Innovate BC

March 31, 2026

Innovate BC

Contents

innovate BC

Statement of Management Responsibility

Scope of Responsibility

Management has supervised preparation of the accompanying financial statements and related note disclosures and is responsible for their integrity and objectivity. The financial statements of Innovate BC have been prepared by management in accordance with Canadian public sector accounting standards.

We believe that these financial statements present fairly Innovate BC's financial position as at March 31, 2026 and the statement of operations and accumulated surplus, change in net financial assets, changes in net remeasurement gains and losses and cash flows for the year ending March 31, 2026 and that the other information contained in the entity's annual report is consistent with the financial statements as presented.

Internal Controls

Management is responsible for the integrity of the financial statements and has established systems of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to facilitate the preparation of the financial statements in a timely manner. We continually monitor these internal accounting controls, modifying and improving them as business conditions and operations change. We believe our system of internal accounting controls provide reasonable assurance that errors or irregularities that would be material to the financial statements are prevented or detected in the normal course of business.

Board of Directors and Audit and Finance Committee

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's discharge of its financial reporting responsibilities. An Audit and Finance Committee is appointed by the Board. The Audit and Finance Committee reviews the financial statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit and Finance Committee has reviewed these statements prior to recommending approval by the Board of Directors. The Board of Directors has reviewed and approved the financial statements.

Independent Auditors

Doane Grant Thornton has performed an independent audit of the financial statements of Innovate BC. The Auditor's Report, as attached, outlines the scope of this independent audit and expresses an opinion on the financial statements of Innovate BC.

Lawrence Davis	Lily Sui
CFO	Director, Finance

Vancouver, British Columbia
May 14, 2026

Independent Auditor’s Report

Doane Grant Thornton LLP
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To the Board of Directors of Innovate BC

To the Ministry of Finance

Opinion

We have audited the financial statements of Innovate BC, which comprise the statement of financial position as at March 31, 2026, and the statements of operations and accumulated operating surplus, statement of remeasurement gains and losses, changes in net financial assets 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 Innovate BC as at March 31, 2026, and its results of operations, its changes in its net financial assets, net remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Innovate BC 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 these financial statements in accordance with Canadian public sector accounting standards, 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 Innovate BC’s ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Innovate BC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Innovate BC’s financial reporting process.

Doane Grant Thornton

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Innovate BC'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 Innovate BC's '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 Innovate BC 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.

Doane Grant Thornton LLP

Vancouver, Canada
May 14, 2026

Chartered Professional Accountants

Innovate BC
Statement of Financial Position

As at March 31		2026		2025
Financial assets				
Cash and cash equivalents	$	**12,397,680**	$	7,802,509
Investments (Note 3 and 15)		**10,733,124**		7,267,287
Accounts receivable and accrued interest receivable		**614,492**		110,208
Accounts receivable from Provincial Government		**-**		413,831
Accounts receivable from Federal Government		**1,962,213**		4,019,172
		25,707,509		19,613,007
Liabilities				
Accounts payable and accrued liabilities		**3,446,040**		4,374,584
Accounts payable to Provincial Government		**307,939**		2,185,290
Deferred program revenues (Note 6)		**756,968**		344,875
Deferred revenue from NRAS endowment (Note 7)		**14,824,974**		6,353,810
		19,335,921		13,258,559
Net financial assets		**6,371,588**		6,354,448
Non-financial assets				
Restricted - NRAS endowment investments (Note 7 and 15)		**48,955,382**		53,167,521
Tangible capital assets (Note 4)		**607,427**		660,015
Prepaid expenses		**268,168**		183,174
		49,830,977		54,010,710
Accumulated surplus (Note 5)	$	**56,202,565**	$	60,365,158
Accumulated surplus is comprised of:				
Accumulated operating surplus	$	**57,247,183**	$	57,197,637
Accumulated remeasurement (losses) gains		**(1,044,618)**		3,167,521
	$	**56,202,565**	$	60,365,158

Commitments and contingencies (Note 8)
Contractual obligations (Note 9)

On behalf of the Board of Directors

_______________ Director   Jameel Sayani _______________ Director

Innovate BC
Statement of Operations and Accumulated Operating Surplus

Twelve months ended March 31	Budget 2026	2026	2025
Revenue			
Grants from the Province of British Columbia (Note 12)	$ 8,861,000	$ 18,489,776	$ 17,980,858
Grants from the Federal Government	2,160,000	4,630,081	7,546,898
NRAS endowment (Note 7)	1,900,000	1,497,391	1,274,811
Service Revenue from the Government of Canada	-	1,114,058	686,383
Investment income (Note 3)	250,000	1,917,154	605,561
Other	136,000	464,970	273,779
	13,307,000	28,113,430	28,368,290
Expenses (Note 13)			
Programs and intiatives	8,136,000	23,441,462	24,254,987
Operational and administrative expenses	3,271,000	3,125,031	2,799,097
NRAS endowment funds	1,900,000	1,497,391	1,274,811
	13,307,000	28,063,884	28,328,895
Annual surplus	-	49,546	39,395
Accumulated surplus, beginning of year	57,197,637	57,197,637	57,158,242
Accumulated surplus, end of year	$ 57,197,637	$ 57,247,183	$ 57,197,637

Innovate BC
Statement of Remeasurement Gains and Losses

Twelve months ended March 31		**2026**		2025
Accumulated remeasurement gains, beginning of year	**$**	**3,167,521**	$	1,209,906
Unrealized gains on investments		**3,672,426**		3,086,092
Realized gains on investments reclassified to statement of financial position as deferred revenue from NRAS		**(7,884,565)**		(1,128,477)
Net remeasurement (losses) gains for the year		**(4,212,139)**		1,957,615
Accumulated remeasurement (losses) gains, end of year	**$**	**(1,044,618)**	$	3,167,521

Innovate BC
Statement of Changes in Net Financial Assets

Twelve months ended March 31	**Budget 2026**	**2026**	2025
Annual surplus	**$ -**	**$ 49,546**	$ 39,395
Additions to tangible capital assets	**(50,000)**	**(168,445)**	(568,187)
Amortization of tangible capital assets	**-**	**218,634**	50,507
Disposition of tangible capital assets	**-**	**10,756**	766,738
Accumulated amortization of disposition	**-**	**(8,357)**	(747,770)
	(50,000)	**102,134**	(459,317)
Acquisition of prepaid expenses	**-**	**(317,660)**	(218,156)
Use of prepaid expenses	**-**	**232,666**	122,755
	-	**(84,994)**	(95,401)
Change in net financial assets	**(50,000)**	**17,140**	(554,718)
Net financial assets, beginning of year	**6,354,448**	**6,354,448**	6,909,166
Net financial assets, end of year	**$ 6,304,448**	**$ 6,371,588**	$ 6,354,448

Innovate BC
Statement of Cash Flows

Twelve months ended March 31	2026	2025
Cash derived from (applied to)		
Operating activities		
Operating surplus	**$ 49,546**	$ 39,395
Adjustments for items not affecting cash		
Amortization of tangible capital assets	**218,634**	50,507
Loss on disposal of tangible capital assets	**2,399**	18,968
	270,579	108,870
Changes in non-cash working capital items		
Accounts receivable	**1,966,506**	(3,997,304)
Prepaid expenses	**(84,994)**	(95,401)
Accounts payable and accrued liabilities	**(2,805,895)**	2,910,854
Deferred program revenues	**412,093**	195,342
Deferred revenue from NRAS endowment	**8,471,164**	1,955,155
	8,229,453	1,077,516
Financing		
Purchase of tangible capital assets	**(168,445)**	(568,187)
Investments		
Purchase of investments	**(65,005,250)**	(23,131,598)
Proceeds on maturity of investments	**61,539,413**	22,008,307
	(3,465,837)	(1,123,291)
Net increase (decrease) in cash	**4,595,171**	(613,962)
Cash and cash equivalents, beginning of year	**7,802,509**	8,416,471
Cash and cash equivalents, end of year	**$ 12,397,680**	$ 7,802,509

Cash and cash equivalents		
Unrestricted	**$ 6,382,289**	$ 3,195,258
Restricted - deferred programs (Note 6)	**756,968**	344,875
Restricted - NRAS endowment - BCI (Note 7)	**2,700,270**	2,708,804
Restricted - NRAS endowment - other (Note 7)	**2,558,153**	1,553,572
	$ 12,397,680	$ 7,802,509

1. Nature of operations

Innovate BC was established on March 15, 2018, by an amendment of the British Columbia Innovation Council Act to the Innovate BC Act (the "Act"). Prior to March 15, 2019, Innovate BC was known as British Columbia Innovation Council (the "Council"). The Council was established in 2006 by an amendment of the Innovation and Science Council Act to the British Columbia Council Act.

Innovate BC is governed by a Board of Directors, appointed by the provincial government of British Columbia (the "Province"). Innovate BC is exempt from the payment of income taxes under Section 149 of the Income Tax Act.

Under Section 13 of the Act, the directors, officers, and employees of Innovate BC have certain immunities in the exercise of their duties carried out in the connection with Innovate BC.

A Crown Agency of British Columbia, Innovate BC works to foster innovation across the province and bolster the growth of the local economy through delivering a wide range of programs that help companies start and scale, access talent and encourage technology development, commercialization, and adoption. Innovate BC also harnesses crucial data collection and research, and works to forge strategic industry and community partnerships that create more opportunities for B.C. innovators.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") established by the Canadian Public Sector Accounting Board.

Cash and cash equivalents

Cash and cash equivalents include all balances held at banks and investments with a term to maturity of 90 days or less at the date of acquisition.

Revenue recognition

Unrestricted contributions are recorded as revenue when received or receivable, if the amounts can be estimated and collection is reasonably assured. Other unrestricted revenue, including sales of services, are reported as revenue at the time the services are provided, or the goods delivered.

Investment income on unrestricted assets is recognized as revenue when it is earned. Investment income that is subject to external restrictions is deferred and recognized as revenue in the year in which the related expense is incurred.

Transfers from governments with restrictions are deferred and recognized as revenue when they are spent in accordance with the stipulations in the related agreements. Transfers from governments without restrictions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as revenue when received. Investment income earned from restricted cash and investments related to the endowment funds are deferred and recognized as revenue when they are spent or disbursed in accordance with the restrictions of the endowment.

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Contributions externally restricted for non-capital specific purposes are recorded as deferred revenue and recognized as revenue in the year in which the stipulations are met.

Budget figures

The budget figures presented in these financial statements are based on the fiscal year 2026 operating budget, approved by the Board of Directors on February 17, 2025.

Financial instruments

Financial instruments are classified into two categories: fair value or amortized cost.

Investments in fixed income securities, which include investments with original terms to maturity of greater than 90 days, are recorded at amortized cost plus accrued interest, which approximates market value. Income on these investments is recognized in the Statement of Operations and Accumulated Surplus over the period of time the investments are held, except for those that are restricted in use. The income from investments that are restricted in use are included within deferred revenue and recognized in the Statement of Operations and Accumulated Surplus when restrictions are satisfied.

The restricted Natural Resources and Applied Science Research Endowment (“NRAS”) endowment investments portfolio held with British Columbia Investment Management Corporation, which includes investments in various equity funds, is recorded at market value.

Investments in privately-held corporations are recorded at a nominal market value.

Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are included in the cost of the related investments.

Other financial instruments such as cash and cash equivalents, receivables and accounts payable and accrued liabilities, are recorded at amortized cost, which approximate their fair value due to their short-term maturities.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes amounts that are directly attributed to acquisition, construction, development, or betterment of the asset. The historical cost, less residual value, of the tangible capital assets is amortized commencing at the time the asset is available for use based on the methods and rates as shown in the schedule below:

Furniture, fixtures and equipment	20% declining balance
Computer hardware and software	33% declining balance
Leasehold improvements	Straight line over the lesser of the term of the lease and the useful life of the asset

When events or circumstances indicate that a tangible capital asset no longer has any long-term service potential, the net carrying amount is written down to the residual value of the asset.

2. Summary of significant accounting policies (continued)

Prepaid expenses

Prepaid expenses are recorded at cost and amortized over the period where the benefits are received.

Employee future benefits

Innovate BC accrues employee vacation entitlements, included in accounts payable and accrued liabilities. Innovate BC is a member of the Public Service Pension Plan (Note 11). Defined contribution plan accounting is applied to the multi-employer defined benefit plan and, accordingly, contributions are expensed when paid or payable.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The significant areas requiring the use of management estimates include the determination of useful lives of tangible capital assets for amortization and the accrual of liabilities. When actual results differ from the estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

3. Investments

Innovate BC's investments are invested through Vancouver City Savings Credit Union ("Vancity") and British Columbia Investment Management Corporation ("BCI").

Investments include the following:

As at March 31	**2026**	2025
Unrestricted	**$ 1,166,573**	$ 5,175,853
Restricted - NRAS endowment	**9,566,551**	2,091,434
	$ 10,733,124	$ 7,267,287

Included in unrestricted investments are shares of previous British Columbia Advanced Systems Foundation ("ASI") program participant private corporations received in exchange for all or a portion of loan or royalty interests. As at March 31, 2026, Innovate BC has assessed these shares of privately-held corporations to have nominal market value of $1 each for each company shareholding. The estimated market value of the long-term investments as at March 31, 2026 is $4 (2025 - $5).

During the year, Innovate BC received proceeds from the sale of a private corporation in the amount of $1,367,447, which is included in investment income in the Statement of Operations and Accumulated Surplus. There may be further proceeds from this sale, but the amount and likelihood of these proceeds occurring are not determinable as of the preparation of these financial statements. No provision has been recorded.

4. Tangible capital assets

Cost	2025	Additions	Disposals	**2026**
Furniture, fixtures and equipment	$ 160,859	$ 11,680	$ -	**$ 172,539**
Leasehold improvements	91,082	49,380	-	**140,462**
Computer hardware and software	533,173	107,385	10,756	**629,802**
	$ 785,114	$ 168,445	$ 10,756	**$ 942,803**

Accumulated Amortization	2025	Amortization	Disposals	**2026**
Furniture, fixtures and equipment	$ 82,018	$ 16,283	$ -	**$ 98,301**
Leasehold improvements	3,253	23,583	-	**26,836**
Computer hardware and software	39,828	178,768	8,357	**210,239**
	$ 125,099	$ 218,634	$ 8,357	**$ 335,376**

Net book value	2025	**2026**
Furniture, fixtures and equipment	$ 78,841	**$ 74,238**
Leasehold improvements	87,829	**113,626**
Computer hardware and software	493,345	**419,563**
	$ 660,015	**$ 607,427**

5. Accumulated surplus

Accumulated surplus is comprised of the following:

As at March 31	**2026**	2025
Invested in tangible capital assets	**$ 607,427**	$ 660,015
NRAS endowment	**50,000,000**	50,000,000
Remeasurement gains	**(1,044,618)**	3,167,521
Unrestricted	**6,639,756**	6,537,622
	$ 56,202,565	$ 60,365,158

6. Deferred program revenues

	2025	Funds received	Funds expended	**2026**
BC On-Farm Technology Adoption	$ 256,675	$ 2,400,000	$ (2,043,156)	**$ 613,519**
Innovator Skills Initiative	-	58,443	-	**58,443**
Transport Canada	57,367	-	(18,855)	**38,512**
Integrated Marketplace Initiative	-	9,789,677	(9,761,063)	**28,614**
IP Hub	-	60,000	(42,120)	**17,880**
Capital Compass	19,583	-	(19,583)	**-**
AccelerateIP	11,250	-	(11,250)	**-**
	$ 344,875	$ 12,308,120	$ (11,896,027)	**$ 756,968**

Deferred funds for BC On-Farm Technology Adoption, Innovator Skills Initiative, Integrated Marketplace, and IP Hub are restricted for future program expenses. The funds remaining for Transport Canada are associated with funds received in advance of deliverables being completed for revenue recognition.

7. Natural Resources and Applied Science Research Endowment

In fiscal year 2006, Innovate BC was charged with stewarding an endowment contribution of $50,000,000 from the Ministry of Economic Development. Investment earnings are restricted for the support of training, research and development in natural resources and applied sciences.

As at March 31, 2026, restricted cash and investments are comprised of the following:

	2026	2025
Fair value of endowment	**$ 48,955,382**	$ 53,167,521
Unspent interest earnings	**14,824,974**	6,353,810
	$ 63,780,356	$ 59,521,331

This is represented as follows:

As at March 31	**2026**	2025
Total restricted cash and investments	**$ 63,780,356**	$ 59,521,331
Less restricted cash in non BCI accounts	**(2,558,153)**	(1,553,572)
Fair value of investments managed at BCI	**$ 61,222,203**	$ 57,967,759

7. Natural Resources and Applied Sciences Research Endowment (continued)

Deferred revenue from the NRAS endowment balance comprises the following:

As at March 31	**2026**	2025
Accumulated interest, beginning of year	**$ 6,353,810**	$ 4,398,655
Interest earned net of fees	**2,083,990**	2,101,489
Realized gains	**7,884,565**	1,128,477
Awards and administration fees	**(1,497,391)**	(1,274,811)
Accumulated interest, end of year	**$ 14,824,974**	$ 6,353,810

This is held as follows:

As at March 31	**2026**	2025
Cash - BCI	**$ 2,700,270**	$ 2,708,804
Cash - non BCI	**2,558,153**	1,553,572
Investments	**9,566,551**	2,091,434
Accumulated interest, end of year	**$ 14,824,974**	$ 6,353,810

Unspent interest includes $1,216,500 (2025 - $1,880,000) which is committed for future payments of contracted awards (Note 9).

8. Commitments and contingencies

(a) Operating leases

Innovate BC has entered into operating leases for their premises and certain office equipment. Total estimated lease payments up to the end of the lease terms are as follows:

2027	$ 371,365
2028	371,365
2029	371,365
2030	186,891
2031	1,209
	$ 1,302,195

(b) Contingencies

From time to time, Innovate BC is subject to certain legal proceedings and claims which arise in the ordinary course of business. The outcome of such claims is undeterminable at this time and accordingly no provision has been made for these claims.

9. Contractual obligations

Innovate BC has entered into a number of project grant contracts as at March 31, 2026, to provide future funding of research projects to be completed subsequent to year-end. These contractual obligations are funded in installments and payments are due based on the satisfaction of conditions included in the contracts. As such, no liability has been accrued in the financial statements as Innovate BC is not liable for payments until these conditions have been met.

As at March 31, 2026, the contractual obligations of Innovate BC are as follows:

Integrated Marketplace Initiative	$ 4,348,077
HDZEV	2,693,428
Ignite awards	1,216,500
BC On Farm Technology Adoption Program	348,128
	$ 8,606,133

10. Contractual rights

Innovate BC has entered into program and lease contracts with the Province of British Columbia and third parties, and are entitled to receive payments to the end of the contract terms as follows:

2027	$ 12,824,416
2028	9,184,136
2029	34,780
2030	18,000
	$ 22,061,332

11. Employee future benefits

Innovate BC and its employees contribute to the Public Service Pension Plan (the “Plan”) in accordance with the Public Sector Pension Plans Act (the “Act”). The Public Service Pension Board of Trustees, representing Plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. As the Plan is a multi-employer, defined benefit plan, Innovate BC accounts for its payments on the basis of a defined contribution plan. The Plan covers approximately 79,000 active employees.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary’s calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

11. Employee future benefits (continued)

The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of $4,491,000,000 for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026, with results available in early 2027.

During the year ended March 31, 2026, Innovate BC expensed $277,265 (2025 Restated - $238,877) for contributions to the Plan.

12. Related party transactions

Innovate BC is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ended March 31, 2026, Innovate BC received $6,744,000 (2025 - $nil) in provincial funding from the Ministry of Finance, $9,789,677 (2025 - $15,368,000) in provincial funding from the Ministry of Jobs and Economic Growth, $2,400,000 (2025 - $2,220,000) in provincial funding from the Ministry of Agriculture and Food and $nil (2025 - $500,000) in provincial funding from the Ministry of Energy and Climate Solutions.

13. Expenses by object

The following is a summary of expenses by object:

Twelve months ended March 31	**2026**	2025
Program expenses and disbursements	**$ 22,462,846**	$ 23,523,984
Salaries and benefits	**4,254,077**	3,538,179
Office expenses and other costs	**556,639**	481,064
Rent	**369,239**	370,312
Contracted services	**200,050**	346,181
Amortization	**218,634**	50,507
Loss on disposal of assets	**2,399**	18,668
	$ 28,063,884	$ 28,328,895

14. Financial risk management

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligation resulting in a financial loss. For cash and cash equivalents and receivables, Innovate BC's credit risk is limited to the carrying value on the statement of financial position. Management does not believe that Innovate BC is subject to any significant concentration of credit risk. There have been no changes to the risk exposure from the prior year.

14. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that Innovate BC is not able to meet its financial obligations on a timely basis or at a reasonable cost. Innovate BC has established budget processes and regularly monitors cash flows to ensure the necessary funds are on hand to fulfill upcoming obligations. There have been no changes to the risk exposure from the prior year.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect Innovate BC's income. Innovate BC utilizes market risk management to control market risk exposures to within acceptable parameters while optimizing the return on risk. Innovate BC is exposed to market risk on its investments with BCI.

15. Fair value of financial instruments

Canadian public sector accounting standards define the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination.

The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Innovate BC's investments held at Vancouver City Savings Credit Union are Level 1 financial instruments.

Innovate BC's investments managed at BCI are categorized as:

As at March 31, 2026 **Fair value hierarchy**	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 100,252	$ -	$ -	$ 100,252
Fixed-income investments	2,600,018	14,198,116	-	16,798,134
Equity investments	-	25,370,713	-	25,370,713
Other financial investments	-	3,641,023	15,413,189	19,054,212
Derivatives	-	(101,108)	-	(101,108)
Total	$ 2,700,270	$ 43,108,744	$ 15,413,189	$ 61,222,203

15. Fair value of financial instruments (continued)

As at March 31, 2025 **Fair value hierarchy**		Level 1		Level 2		Level 3		Total
Cash and cash equivalents	$	4,511	$	-	$	-	$	4,511
Fixed-income investments		2,704,293		14,128,868		-		16,833,161
Equity investments		-		23,494,996		-		23,494,996
Other financial investments		-		3,705,696		14,075,214		17,780,910
Derivatives		-		(145,819)		-		(145,819)
Percent of total	$	2,708,804	$	41,183,741	$	14,075,214	$	57,967,759

The following shows the movement of financial assets where fair value has been determined based upon significant unobservable inputs (Level 3):

As at March 31		**2026**		2025
Balance, beginning of year	**$**	**14,075,214**	**$**	10,930,729
Total gains included in profit or loss		**97,253**		(418,530)
Purchases		**3,240,786**		4,405,251
Sales		**(2,000,064)**		(842,236)
Balance, end of year	**$**	**15,413,189**	**$**	14,075,214

16. Web Summit Host City Contingent Liability

Innovate BC has entered into contractual agreements with third parties that are organizing the Web Summit Vancouver conferences in May of 2026 and 2027. As a co-supporter of the conference, Innovate BC has agreed to provide a guarantee that the obligations to the organizer are fully met. The obligations include fixed payments ($1,400,000) to the organizer and contingent amounts tied to the attendance (up to $600,000). If one of the other parties fails to make its payments, Innovate BC could be obligated to provide support up to $2,000,000 per year in each of fiscal years ending March 31, 2027 and 2028. The amounts and likelihood of these payments occurring are not determinable as of the preparation of these financial statements, therefore no provision has been recorded.