# pointing north

Innovation Insights by EY

## Creating the future, one Canadian city at a time

Canadian CEOs are unreservedly optimistic about the future and across EY offices, we agree

## Telesat Lightspeed

Dan Goldberg leads Canadian tech in forging a new kind of national sovereignty



ISSUE 01



OUR EXPERT PANEL: A NEW ERA OF CANADIAN NATION BUILDING

BUILDING A STRONGER CANADA



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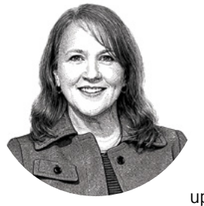

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**ey.com/ca**

# From Elbows Up to On Our Front Foot



## WHY *POINTING NORTH*

A compass pointing north does one simple thing. It anchors you in what is true: the direction that doesn't change when the world spins.

In a world where global markets move up and down, power shifts and certainty disappears, pointing north becomes both a bearing and an aspiration. For Canada, "north" is literal. Our geography. It's also symbolic: a reminder to look toward what moves the needle for our own economy, not someone else's.

If we focus on productivity, innovation, entrepreneurship and scale – relentlessly and with intent – the world will look toward Canada not as a polite participant, but a benchmark.

A leader. A builder. Pointing North is our way of saying: The only direction worth committing to is upward. And the only country responsible for Canada's future is Canada.

But that clarity is only the starting point. What matters now is follow through – turning conviction into capability, and intent into outcomes. It's about moving forward with purpose even when conditions are unsettled and aligning what we value with how.

## A NEW NORTH FOR CANADIAN INNOVATION

Canada has everything required to lead again: talent, stability, diversity, trusted institutions, global credibility, education and a generation of founders who no longer see global scale as another country's trait but rather, a Canadian possibility.

Our challenge, and opportunity, is to align those strengths with a new ambition. Volatility abroad has in some ways had a positive impact by creating a wake-up call at home. "Elbows up" may have been our first reaction. As we find new direction, we're moving from being in a defensive posture to being on our front foot.

For Canada, pointing north is a declaration against the gravitational pull that keeps so many Canadian ventures small without shedding the humility or values that make us who we are.



## CANADA AT ITS BEST

In 1995, I walked through the front doors at Corel as a young product manager as the world was about to change. That summer Windows 95 launched and hidden inside the OS was a quiet revolution: Windows Explorer. Professors and hobbyists had been living online for years, but when the browser came bundled with the operating system, the internet moved from campus hallways to kitchen tables.

At Corel, I saw Canada at its best: bold, inventive, uncharacteristically confident. Then at Nortel, we prototyped early internet products and asked: what do we want the internet to be? Just down highway 401 in Waterloo, Research In Motion was quietly building the Canadian invention that would change mobile communication globally: the BlackBerry.

For a moment, it felt like Canada was the centre of the innovation universe – leading in software, telecom and devices. And yet, as iconic as these technologies were, as globally admired as they became, we struggled to scale them. As Canadians, we played with our elbows up: defensive, protective, careful not to take too much space – even when taking space was a key to grow and expand. Global peers, particularly south of the border, played on their front foot, leaning into opportunity with urgency, aggression and unapologetic ambition.

## A NATION AT AN INFLECTION POINT

Today, Canada finds itself in an oddly familiar place as it was when I started in 1995: full of promise, yet underperforming at scale.

Yet, something else is happening. We've entered a sudden period of geopolitical unpredictability. Canada can no longer build its economic destiny by reacting to any other country's politics or policies.

That brings us to *Pointing North*, the title of this publication; a metaphor for what Canada must do next.

**ALYCIA CALVERT**
CHAIR & CEO,
EY CANADA

**WARREN TOMLIN**
MANAGING PARTNER, TMT,
EY CANADA

**#bebold #truenorthstrongandfearless #aheadbyacentury**

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> "Canada's edge is where deep science meets public purpose – in AI, quantum, health innovation and cleantech."
>
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## PN POINTS NORTH

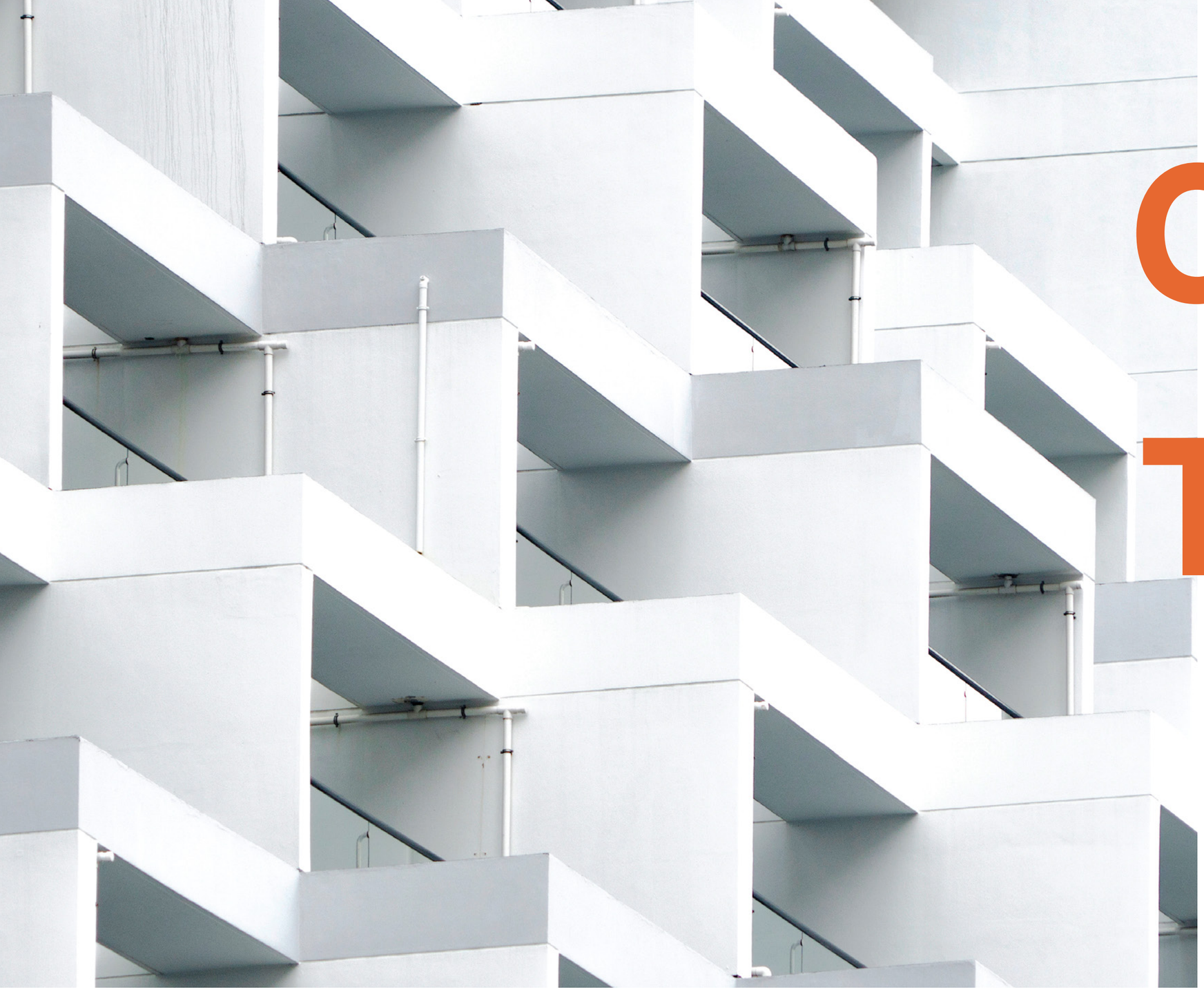
This is Canada's moment to think bigger and build bolder. Create collaboratively and innovate powerfully. Stay friendly, but compete fiercely. Pointing North exists to catalyze that shift.


20 Vancouver
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### Four AI-ready Horizons
Take a look at what it *really* means for leaders to become AI ready


pointing north



## CONFIDENT TO

# CONSTRUCTIVE

If it feels like now's the time to move on M&A, you're not alone. We asked EY's Hyong Kim what the global scene looks like and how to make the most of it.


**HYONG KIM**

EY GLOBAL AND EY AMERICAS TECHNOLOGY, MEDIA & ENTERTAINMENT, AND TELECOMMUNICATIONS LEADER

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> “I would remind people that technology is the engine of change. We can treat change like disruption and uncertainty, but it may actually be ‘the job’ or ‘the norm’ now.

**HYONG KIM**
EY Global and EY Americas
Technology, Media & Entertainment,
and Telecommunications Leader

**From your global vantage point, are there any M&A trends that offer reasons for optimism in 2026?**
I expect the technology, media and entertainment, and telecom (TMT) sectors to be more active in 2026. That drive will likely come from tech and AI infrastructure, as well as media and entertainment and telco transformation. When I look at our EY Deal Barometer from 2025, US M&A volume is projected to grow another 3% in 2026; deal value is expected to exceed $2 trillion. That tells me despite economic uncertainty and mixed signals, there’s still a strong foundation for growth in strategic M&A activity this year.

Several different factors are fueling this momentum. A few notable drivers include:

- **AI infrastructure supercycle:** The ongoing AI infrastructure supercycle is generating significant momentum in the TMT sector. This trend is facilitating capital flow and prompting companies to explore M&A as a means to accelerate time to market, enhance their technological capabilities and protect their existing customer bases.
- **Favourable economic environment:** We appear to be entering a rate-cutting cycle, accompanied by fiscal and monetary stimulus measures. These economic conditions create a favourable environment for M&A activity, as lower interest rates reduce the cost of capital and make financing deals more attractive.
- **Increased interest in megadeals:** From the regulatory perspective, there is a noticeable upswing in megadeals, as boards are becoming more willing to pursue transformative transactions. Clearer regulatory and antitrust guidelines are providing a more predictable framework for large-scale mergers, reducing the perceived risks associated with such deals.

We definitely saw some mega deals in 2025 — for example, Google and Wiz; SalesForce and Informatica — with buy-side activity focused on investments in AI software and infrastructure to increase scale and efficiency. The signals say if companies are ready to take bold, deliberate steps towards long-term growth, a window of opportunity remains open.

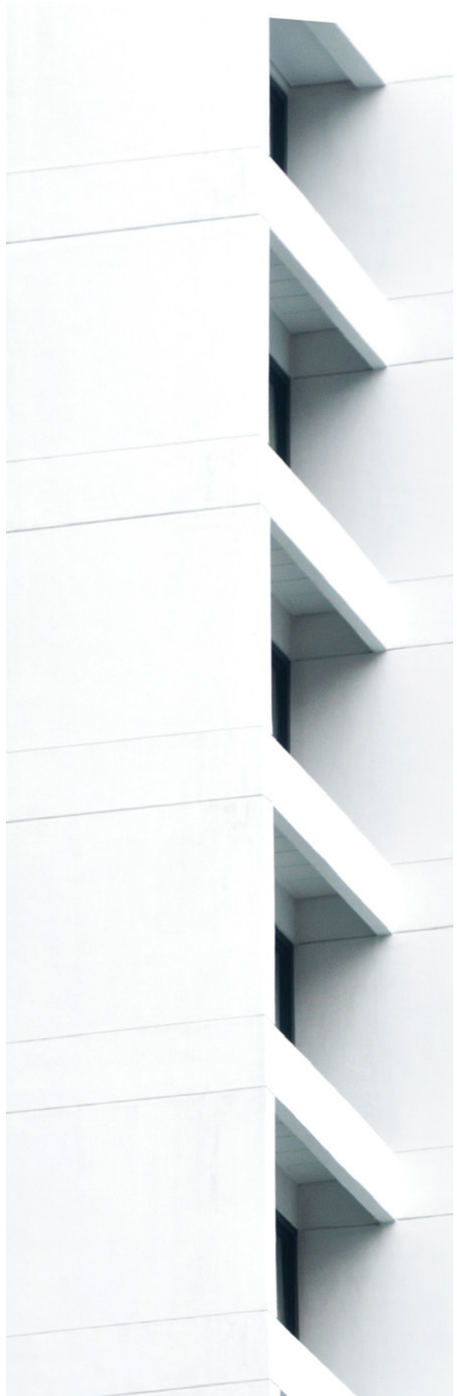
That said, the transformations and consolidations we’re seeing across media and entertainment, as well as telco, are very different. While media is moving towards consolidation — streamers and producers are cutting costs and chasing scale — telcos are more focused on reshaping the balance sheet. That includes monetizing towers, spectrum or wholesale assets and exploring partnerships to fund 5G as well as edge and AI cap-ex.

The nusmbers from the fall 2025 *EY-Parthenon CEO Outlook Survey* speak to that reality. Key trends are emerging that show signs of optimism for 2026.

**The survey highlights:**

- Increased confidence among CEOs, which could lead to more strategic investments and partnerships that drive growth.
- Companies are becoming more adept at navigating regulatory challenges.
- Deals are taking shape to focus on long-term transformation goals, rather than short-term gains.
- Key sectors such as technology, life sciences and clean energy are experiencing robust M&A activity.
- M&A activity is ticking upwards in regions like China, with strong interest in markets like the US, UK, Japan and Canada.
- Innovation is driving companies to seek partnerships that enhance their capabilities and accelerate product development.





**Are you seeing any cross-border deal activity, regulatory shifts or ecosystem moves that show markets are finding creative ways to unlock value?**
As of early 2026, we are experiencing significant realignment in the cross-border M&A market driven by creative structuring, strategic urgency and shifts in regulatory and economic landscapes aimed at unlocking value. This is reshaping how companies approach M&A and strategic partnerships, particularly in the context of three key factors: the race for AI capabilities, the complexities of geopolitical and regulatory environments, and the integration of diverse technologies within ecosystems.

The race for AI talent, intellectual property and infrastructure is the primary driver of strategic cross-border M&A. Companies are acquiring smaller, innovative firms to integrate comprehensive AI capabilities, moving beyond simple automation to generative and agentic AI. This trend is evident globally, with significant activity across the US, Europe and Asia.

Moreover, the convergence of telecommunications and technology sectors is prompting cross-border private capital, including private equity and debt funds, to invest heavily in telecommunications infrastructure — particularly in fibre, data centres and tower assets.

These investments are viewed as stable, long-term opportunities essential for supporting 5G, AI and cloud services worldwide. But funding these massive buildouts will take innovative deal structures.

Of course, some dealmaking focuses on building resilience against geopolitical and trade risks. This includes acquiring non-core assets to streamline operations or expanding into new, lower-risk markets to diversify supply chains and customer bases. Notably, Asia-Pacific buyers are increasingly investing in the Americas, as Asian chip giants begin building in the US.

Meanwhile, evolving cross-border data transfer regimes, particularly in regions like China and the EU, are prompting companies to invest in privacy-preserving technologies and AI safety frameworks, unlocking value by mitigating future legal risks and enabling efficient data flows.

Increased scrutiny of large-scale deals, especially in Big Tech and telecommunications, is also pushing companies towards creative deal structures.

**What advice would you give to global tech and industry leaders trying to keep their teams focused and positive in the face of ongoing uncertainty?**
I would remind people that technology is the engine of change. We can treat change like disruption and uncertainty, but it may actually be “the job” or “the norm” now. The TMT sectors are built on change and always focused on what’s next. Waiting for stability in TMT would be a mistake. So, I would say don’t focus on holding steady, but on mastering the pivot.

**The global tech sector has been through downturns before. Any lessons from past cycles that you think are especially relevant now?**
I think it’s important to point out that many tech companies are reporting record earnings, so characterizing the global tech sector as being in a downturn might not be fair or accurate. It’s more of a period of recalibration; there is clear concern the market may have gotten too far ahead of itself on AI valuations, and uncertainty related to geopolitical issues and tariffs put a damper on M&A and IPOs in early 2025. Still, many tech companies have demonstrated resilience fairly well by mitigating risks from trade issues.

We know from past experience that the tech sector operates in successive waves and while there are troughs, each wave is subsequently higher than the previous one. The big difference in the current wave is the reality of AI as both a productivity and efficiency disruptor and a revenue-generating innovator. We need to look at AI not merely as a new tool like in previous tech cycles, but as a fundamental shift.

# When It's Not Just About TECH

Random acts of modernization alone won't turn the latest tech trends into lasting value. Canadian business leaders looking to get the full potential out of tech need a willingness to adapt as they go.


**EY Canada perspectives led by**



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The greatest challenge with emerging technology isn't about the tech at all. Turning tech possibility into progress comes down to how ready we are to accept and embrace an operating environment that continually shifts beneath our feet.

"In 2026, what *isn't* tech?" says Albert Anelli, Managing Partner, Talent at EY Canada. "In this moment, we need to get back to basics if we're going to successfully integrate so much technology while recognizing that the tools themselves are new and evolving even as we put them into practice."

Anelli leads a cross-country practice of consultants who dive deep to understand an organization's DNA. With that insight, they work with clients to build digital transformation strategies that foster true, tech-based reinvention.

"Speed to market is critical right now. Any organization that wants to adopt emerging technologies must first recognize it's exactly that: emerging. It's going to change again and again and again," Anelli says. "The victor will be the business that has the transformation basics in check. That means the ability to adapt and move quickly without being reckless, to test and try new technologies and make changes along the way."

That goes for navigating the evolving regulatory landscape, too. It's not just the technology that's shifting. The governance frameworks and compliance requirements that support advanced tech are also taking shape in near-real time – one more reason to get comfortable operating in the unknown.

"The impact of emerging tech is going to be different than we think," explains Linda Williams.

As EY Canada Managing Partner for Clients & Industries, she sits on the professional services' firm's Executive Committee. Williams has helmed tech transformations for more than 30 years, and has played a leadership role in EY's own "client zero" approach to AI adoption since 2023.

"The better we are at improvising, getting comfortable and feeling safe testing out emerging technologies, the more capable we'll be of adapting our organizations for whatever's ahead," she says. "That flexibility will be a big determinant of the kind of value a business ultimately derives from embracing and adopting emerging tech."

Heading into 2025, EY pegged the ability to turn AI's promise into realistic revenues as the connective thread in the firm's *Top 10 Opportunities for Tech Companies* report. At the time, EY urged tech companies to move away from viewing AI as a capability applied to traditional business processes and instead fundamentally rethink and reinvent the business to operate in an AI-first era.

Fast forward to now, Williams says that theory still holds. But it's not just relevant for tech companies and not only applicable to AI.

"Businesses across Canada need to think bigger picture about AI and emerging technologies overall," explains Williams. "This is a chance to be thinking about how AI is a tool that can help us elevate our productivity not just within organizations, but as a country overall. In 2026, we need to be asking these larger questions about how to transform through AI, and act on the answers. That's how we start to make more of advanced and emerging technologies as they arise."

For Williams, that means thinking *beyond* AI and even agentic AI. What's next on the horizon?

Anelli agrees. "Whether that means upskilling different generations within the business, changing the way we integrate new grads into the company, refreshing product management overall… there's an internal and external impact to all of this that we have to consider."

At EY, Williams points to the firm's own AI adoption as a prime example. Since priming the business to embrace and adopt AI, including large-scale upskilling opportunities and major financial investments to build an in-house AI platform, the firm has achieved expotential productivity gains over several years. Some 83% of the firm's workforce has completed foundational AI learning; a further 81% have adopted the EY.ai EYQ platform.

"Embracing emerging tech and deriving ROI from its use takes a culture based on experimentation," she says. "Culture is part of the scaffolding required to really support widespread and lasting adoption. You need a culture that gives people room and resources to use AI for good, and to support their own productivity as Canadians. This helps us all have better career experiences and shift our behaviours over time. Fostering that culture is the first meaningful step towards really achieving AI's full potential."

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ROGERS BUSINESS

**ERIC NAAMAN – DAMOTECH INC. TK**

EY Entrepreneur Of The Year 2025 Eastern Overall Award winner

Assuming full ownership in 2017, Eric built his business by asking: can innovative ideas make for safer workplaces?

He invested an amount exceeding the company's annual revenue into a state-of-the-art, LEED-certified facility. This milestone decision signalled a new era for Damotech. Eric transitioned the business from a component manufacturer into a tech-enabled safety platform. With an industry-first mindset, he integrated engineering services and proprietary software along with strategic partnerships to grow Damotech into North America's leader in warehouse rack safety.

Specializing in innovative repair, protection and inspection solutions, Damotech now serves hundreds of Fortune 500 clients, including Amazon, Target, Home Depot and Lowe's. Collaborative, engaged and community-minded: Damotech's recent $10 million automation upgrade tripled production capacity for repairs without expanding the plant's environmental footprint.

## Celebrating made-in-Canada tech entrepreneurs



**5,200** nominations

**3,400** finalists

**1,540** award recipients

**32** years

**1** powerfully connected entrepreneurial ecosystem

## Canada's EY Entrepreneur Of The Year®

We celebrate the entrepreneurs whose unbounded ambitions deliver innovation, growth and prosperity that transform our world.



▲ **CHARLES L'ECUYER** (centre) **– CES CORPORATION TK**

EY Entrepreneur Of The Year 2025 Prairies Overall Award winner

As AI, blockchain and high-performance computing became table stakes for enterprises in North America, Charles pioneered a new frontier for how we power progress. With sustainability as a guiding standard, Charles' low-waste manufacturing practices generate energy-efficient systems that reduce emissions. Creating hundreds of jobs across Canada and the United States, his organization works with communities, local governments and industry leaders to align business goals with broader economic and environmental ambitions. These innovative solutions make it possible for businesses to deploy scalable, high-tech computing environments at unprecedented speed.

# ONES TO WATCH



**Where does Canada's tech competitiveness stand today? How are tech companies primed to advance in the years ahead? It's not just the questions that count, but how we answer them, too.**

As stakeholders look for clarity on the state of tech in Canada, we took a snapshot of half a dozen tech leader boards and measurements to follow now.


**EY Canada perspectives led by**



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01

**TAP NETWORK** tapnetwork.ca

## Annual Tech Sector Salary and Total Rewards Survey

Compensation has an outsized impact on the ability to attract and retain in-demand talent that fuels Canadian competitiveness.

- Median salary increases of 3.5%.
- Fintech and Hardware Design, Development and Manufacturing sectors experienced significantly higher.
- Organizations are forecasting average headcount growth of 13% and salary increase budgets of 3.6%.

**8%** average turnover rate, down from a peak of 13% in 2022

*These findings suggest the tech sector is finding its equilibrium after years of rapid growth and adjustment. Organizations that succeed will be those that thoughtfully combine competitive compensation with meaningful benefits and flexible work arrangements.*

02

**CENTURY INITIATIVE** centuryinitiative.org

## Canada's Growth Playbook: 2025 National Scorecard

Produced annually, this report gathers third-party data from many different sources. The title this year is *Canada's growth engine is stalling*.

- Canada ranked 4th in early-stage entrepreneurship based on the Global Entrepreneurship Monitor's assessment of total entrepreneurial activity.
- Business spending on R&D is 1.07% of GDP, based on 2024 data.
- Canada is ranked 14th on the Global Innovation Index.

**12** Canada's ranking across 17 OECD countries in terms of productivity

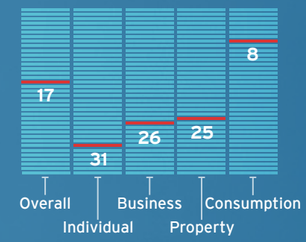
*Without stronger innovation, investment and firm growth, Canada risks continued declines in real GDP per capita and an eroding tax base to fund health care, infrastructure and retirement income as the population ages. Closing the gap requires structural change: more incentives for R&D and competition, greater support for scaling firms, and policies that better connect Canada's education and training systems to high-value employment opportunities.*

**TAX FOUNDATION** taxfoundation.org

## International Tax Competitive Index

Produced annually, the research shows how effective policies and practices align with strong economic development.

Canada's tax competitiveness across 38 OECD countries




*In 2024, Canada started to phase out full expensing for machinery and the accelerated investment incentive for buildings and adopted a digital services tax. By increasing its capital gains inclusion rate from half to two-thirds, Canada also hiked its top capital gains rate from 26.7 to 35.8 percent.*

03

RBC X

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04

## INFORMATION AND COMMUNICATIONS TECHNOLOGY COUNCIL (ICTC) ictc-ctic.ca

### Digital Economy Pulse

ICTC is a specialist in gathering labour market data for the technology community. This report delves into productivity and employment trends that directly relate to productivity.

- The ICT sector's productivity is 45% above the national average.
- Companies in Canada's digital economy report stronger revenue and greater confidence in future growth compared to firms in the general economy.
- ICT sector employers report looking for mid-level and senior staff with specialized skills and experience.

**In-demand ICT roles:**

software engineers
data scientists
computer and information systems managers
cybersecurity specialists

*The digital economy has continued to experience growth, and the rate has returned to pre-pandemic levels. Businesses in the digital economy have experienced better outcomes in terms of growth and productivity than the general economy.*

## ROBERT HALF roberthalf.com

### Building Future-forward Tech Teams

Robert Half is a recruiter, but its research blends a look at skill gaps and talent needs with other key performance indicators that influence competitiveness.

- 53% of technology leaders cited "technical debt" – the amount of old or legacy systems they continue to use and maintain – as an obstacle to achieving their strategic priorities.
- 42% have seen staffing challenges negatively affect projects.
- 47% cite cost as a barrier to implementing new technologies.

**56%** technology leaders say skill gaps are evident in AI and machine learning

*While these drivers all create a sense of urgency for organizations to transform digitally, the reality is that fundamental change – whereby companies become cloud-first, AI-enabled and data driven – can take years to achieve. And in the end, transformations never end because technologies and business landscapes constantly evolve employment opportunities.*

05

## INOVIA inovia.vc

### State of Canadian Software Report

Software is only one aspect of the tech sector, but it represents the playing field where a lot of startups compete with rivals in the US and beyond.

- There was a 25% increase in venture capital activity in 2024, fuelled by rounds involving firms such as Clio, Hostaway and Cohere.
- The number of deals announced in 2024 fell below 2023 levels, but the average deal size has significantly increased, with a 10% to 15% rise in qualified deal flow across both venture and growth stages.
- Total VC funding fell to $2.3b in 2024, a 21% decline from the prior year, and nearly 70% of capital concentrated across only three funds.

06

**4th** Canada's global rank in gen AI companies per capita and is a leader in AI talent concentration

*Amid global market stabilization and evolving US trade policies, Canadian tech companies emerged stronger… [there is] renewed optimism and an air of reacceleration as late-stage Canadian companies position themselves for M&A, secondaries and IPOs, potentially sparking a resurgence in liquidity and reinvestment cycles that could drive growth for years.*

49°16′48″N

# VANCOUVER

WELLSTAR AND HEALTHCARE DIGITIZATION

LEADING THE LEGAL SECTOR INTO THE CLOUD AND AI WITH CLIO

GENE BIOMEDICAL CARVES A PATHWAY IN PUBLIC HEALTH

NOVARC TECHNOLOGIES MAKES AI AND ROBOTICS AN EVERYDAY REALITY



**Q: Why Vancouver, why now?**

**A:** Vancouver's igniting all kinds of innovation. Organizations are scaling applied AI quickly, commercializing use cases for identity, legal and marketing. Websummit Vancouver saw thousands amplifying deal flow, and I'm thrilled that event is back in 2026. Some say ecosystem collaboration has struggled since the post-pandemic dip in startup funding. But the rapid acceleration of AI is empowering nontechnical founders to team across industries, making tech a sector and a competency.

> "Vancouver very much feels like a place where innovative ideas are converging and meaningful progress is taking shape.

**Q: What's next and why is Vancouver promising?**

**A:** Climate tech and cleantech have been high on Vancouver's radar. As government policy and ESG mandates evolve, carbon reduction, hydrogen and clean energy are becoming more important. As a hub for biotech, genomics and digital health, I expect Vancouver's ecosystem to grow in digital health and life sciences. For example, established SaaS organizations and startups are aggressively launching new AI applications right here. I hope to see more of that.

**Q: How can national priorities cultivate local growth?**

**A:** As the government looks to carve out a competitive edge in quantum networking, that can help the ecosystem. Same for Canada doubling down on defence.

## *Q&A with...*


**LOKESH CHAUDHRY**

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# VANCOUVER



## Leading Law Into the Future

**Clio founder Jack Newton on leading the legal sector into the cloud and AI.**

When you're trying to persuade lawyers to invest in new technology, Jack Newton has learned you'd better come prepared with some strong arguments.

Since cofounding Clio in 2008, Newton has helped modernize the legal sector by providing software and tools that let legal teams access practice management software from anywhere and collaborate with ease. Progress required a mindset shift within the industry.

"If you talked to a CIO at a big firm in 2008 about deploying the cloud in the law firm, they would say something approximating 'Over my dead body," Newton recalls. "By 2020 there was almost a complete 180 in terms of that attitude."

This evolution, along with Clio's decision to acquire legal intelligence provider Vlex in June 2025, has allowed Newton and his team to grow the company within the enterprise legal segment and deploy advanced AI capabilities. At the same time, Clio has remained mindful of the nuances that make law firms more cautious about tech.

"Lawyers have a very specific fiduciary duty to their clients to hold data they regard as confidential with the appropriate privacy protection. So the bar for lawyers is very high," he says. "If they run afoul of those expectations, they can be sanctioned by their law society or bar association or, worse, disbarred, and can potentially have legal action pursued against them."

Beyond security and privacy concerns, law firms have also been concerned about potential AI hallucinations. Newton focuses on educating the market, similar to the way he did in the early days of cloud computing, helping his customers take advantage of innovations that can enhance client value.

"We've got incredibly powerful platforms that can dramatically transform how legal work gets done," he says. "We now see being in the cloud as table stakes for any lawyer, and we're rapidly going to see AI become table stakes for any law firm that wants to be competitive as well."

## STRENGTHENING OUR HEALTH ECOSYSTEM, ONE TEST AT A TIME

Early detection can have a huge effect on treatment and patient outcomes. Gene Biomedical is making the process quicker and more accessible to Canadians.

Gene Biomedical's offerings include proprietary RNA and DNA biomarker detection technologies, which identify molecules that may be in a diseased state. Its technologies also allow it to work even in low concentrations. These capabilities enable detection within minutes at a pharmacy or clinic, rather than hours at a centralized lab.

"Healthcare begins with the right information," says Jessica Hu, Gene Biomedical's CEO. "Our purpose is simple: making high-quality testing available anytime, anywhere."

During the pandemic, Gene Biomedical launched SwiftSwab, Canada's first and only nationally approved and distributed Class IV self-test brand.

"We had to navigate Health Canada's highest level of regulatory approval, ensure pharmacists trusted the accuracy of a homegrown product and manage distribution at scale," Hu says.

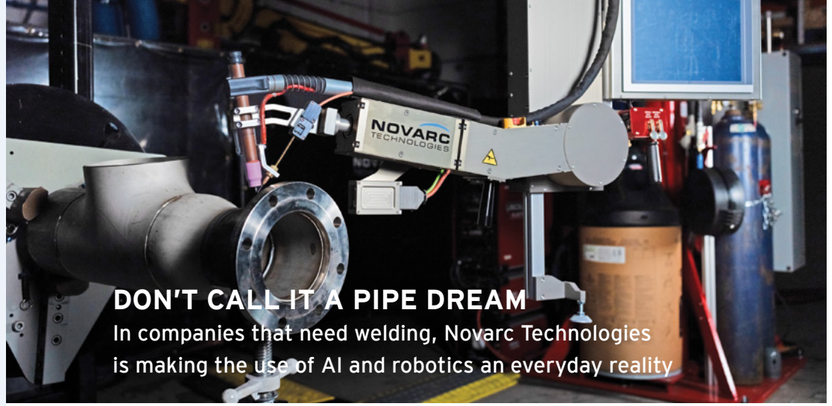
Though Gene Biomedical has expanded into facilities based in Vietnam, the company is committed to a "made in Canada" approach.

"By producing locally, we safeguard supply chain security, create Canadian jobs and ensure that Canada retains sovereignty over essential health technologies," she says.

> "Our purpose is simple: making high-quality testing available anytime, anywhere."
>
> **JESSICA HU**
> Biomedical's CEO

Hu uses a "market to lab" model, focusing first on patient, pharmacist and healthcare provider needs to bridge innovation with practicality. "This isn't just about supplying tests. We're shaping Canada's public health infrastructure."






## DON'T CALL IT A PIPE DREAM

**In companies that need welding, Novarc Technologies is making the use of AI and robotics an everyday reality**

49°16'48"N

If you think welding is just a matter of having the right tool in your hand, try doing it on a curved surface, like a pipe. You need just the right amount of heat and pressure to consider multiple methods based on the material. It's the job where you want an expert at the helm—and maybe a robotic helper.

Since 2014, Novarc Technologies has specialized in developing advanced robotic solutions for the welding industry that enhance both efficiency and quality. This includes SWR-TIPTIG, a cobot — or collaborative tool — that's designed specifically for pipe, pressure vessel and roll welding.

The ideal of robotics within industrial environments has a rich history, according to the firm's co-founder and CEO Soroush Karimzadeh. He pointed to Unimate, a robot that handled hot metal as far back as the 1960s.

However, welding is still sometimes thought of unfavourably, he adds, resulting in hundreds of thousands of welder vacancies in the US alone. Despite that, automation can never come at the expense of mistakes or shoddy work, and Karimzadeh admitted it's been a constant process of validating what Novarc can do for its target market.

The team recently introduced NovEye Autonomy (Gen 2) and more recently the SWR+TIPTIG Autonomy, pushing toward fully autonomous, high-precision TIG welding

Karimzadeh says showcasing the solution at an industry conference offered a glimpse into how much AI will allow welders to focus on more complex tasks.

"We were welding at the show and demonstrating that the operator really can walk away," he says. "This is an industry that needs to see to believe."

## The Rx for Digitization of Canada's Healthcare Sector Needs



Behind-the-scenes work is crucial to frontline health care delivery. WELLSTAR is closing gaps to integrate the system and reduce provider burnout.

The Vancouver business offers digital health solutions designed to streamline clinical workflows and reduce administrative overhead. These include AI-enabled apps for patient engagement, charting and decision support, secure messaging, online booking, intake tools and more.

WELLSTAR CEO Amir Javidan says the broad solution scope is necessary given the company serves everyone from independent clinics to large health systems across Canada. What's common? Providers are busy and not necessarily experts in areas that threaten to take their focus off patient care."Billing is pretty complicated. There's a whole ton of codes, rules and regulations around how they can submit to the government, and they're different across provinces," he explains. "Doctors will not realize the details and won't capture all the revenue they're owed."

Similarly, doctors and their teams may not be familiar with the latest ransomware variants. WELLSTAR's cybersecurity services let them operate with assurance that patient data is being adequately protected.

Health care is a sector where IT systems may have been set up without realizing how they would need to connect to each other and where old-school technologies such as fax machines remain the norm. Javidan said WELLSTAR uses the latest standards to orchestrate various pieces of the health care tech stack and allow for seamless performance.

"The solutions we're building are providing mission-critical capabilities to deliver care," he said. "It's pretty cool to be able to give time back to doctors so they can see more patients or build a more sustainable practice."



How can Canada's entrepreneurial ecosystem bet bigger on itself?

# Start up. Scale up. Stand out.

Unicorns are rare. They're also more common than Canadians may think.

Over the last decade, Canada has seen an uptick in ventures that scale to reach unicorn status, the $1-billion valuation threshold that signifies next-level growth and future possibility. Shopify hit the milestone in 2013, a decade after setting up shop in Ottawa in the long shadow of the dot-com bubble. Today, the tech giant brands itself as "the one commerce platform behind it all," inviting potential clients to explore its offerings and become "the next big thing."

That prospect resonates more and more with Canadian entrepreneurs. In 2025, the Global Entrepreneurship Monitor (GEM) found entrepreneurship is increasingly attractive to Canadian founders. The latest GEM numbers show entrepreneurial awareness and confidence are on the rise in Canada. Contrary to anecdotal stereotypes, GEM says Canada is on par with the US in terms of "awareness and entrepreneurial activities and aspirations."

Scan the market and that story rings true. Online robo-advisory and stock-trading platform Wealthsimple was born in Toronto in 2014. The business hit unicorn status just six years later. Staking solutions provider Figment did it in three. From coast to coast to coast, the names are increasingly familiar. Hopper. FreshBooks. Benevity.

Each made and scaled in Canada. Still, even as these businesses prove it's possible to scale up here, barriers exist. The same GEM report shows despite positive indicators, fear of failure continues to hold back new startups. And this trepidation is higher in Canada than in the US, Germany or Italy.

Darryl Margaux gets it. He started digital advertising business SearchKings in Scarborough, Ontario, 15 years ago. He's since grown the business from three to 135 employees, averaging between $40 million and $50 million in annual revenue.

"There's a mindset that says 'Is it going to be worth the investment?' And what I see today is you get stuck where you're not sure if you should make the investment," Margaux says. "To get to the level where you have 500 customers or 800 customers, you're going to need to invest."

**EY CANADA'S SID NAIR** is optimistic Canada can collectively overcome that hurdle to not only found more businesses here, but also enable them to scale. Like Margaux, he acknowledges some of that will come from a change in founders' thinking.

"As a startup you need to be scrappy and you need to be agile," says Nair, who leads EY's national Technology M&A practice. "As you scale there is a level of maturity that needs to come with it, because you are dealing with more sophisticated clients, and the implications of you getting things wrong are that much higher."

Nair says as tech leaders look to scale, mindsets must shift. "Founders will need to go from thinking like builders to becoming evangelists about what they've built. They must also rethink what scaling really means. Yes, it's about growth. But in today's ambiguous operating environment, founders will also want to frame the idea of 'scaling' in the context of market and end-customer diversification. It's one more way to manage risk."

That perspective emphasizes another dynamic: scale as a lever for independence, optionality and even sovereignty in some cases. "Everything is so interconnected, scaling takes on new meaning in this context," Nair adds.

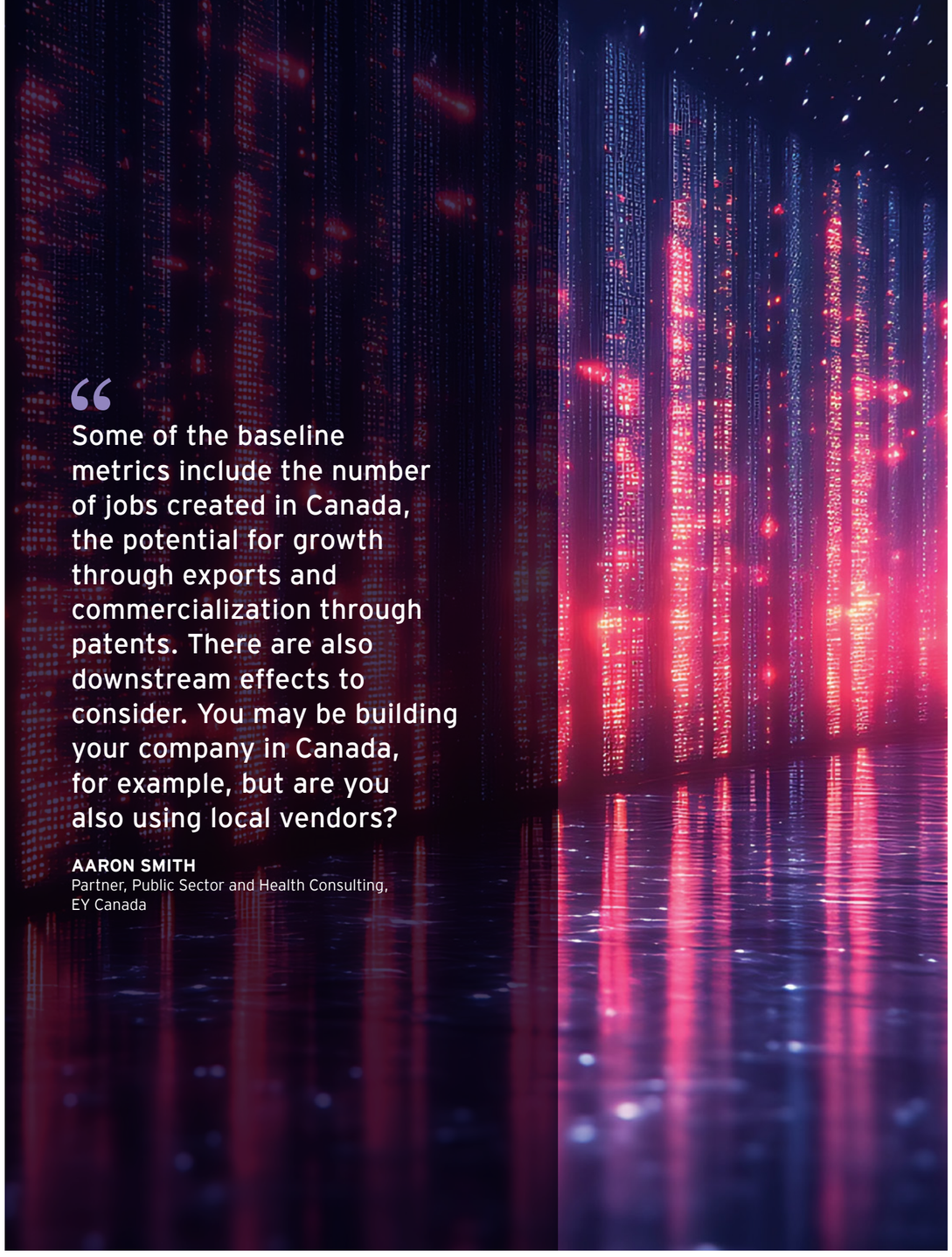
That said, cultivating a scale-up culture in Canada will require more than sheer determination. For Nair, that means public and private stakeholders working together to nurture an ecosystem for entrepreneurial success. By thinking Canadian-made, Canada can also help anchor stability, serve as a new channel for capital and enable founders to both sustain innovation and scale in complicated times.

Potential scale-ups also need local customers willing to take a chance on an emerging firm. That includes everyone from large-scale enterprises — let's say, a major Canadian bank — to government agencies and departments.

"It's going to take all of us, working together and empowering one another, to make sure Canadian businesses have what they need to scale up right here. It's not only the founder's responsibility. It's a willingness on all our parts to purposefully reinforce Canada as the world's premier entrepreneurial ecosystem, a place where you can found and scale a thriving business. That's what nation-building is all about."

**KAREN HASTIE,** founder of the Chamber Perks App, sees that potential, too. Hastie's firm began as a grassroots effort to help a local chamber of commerce support its business members. Since then, it's evolved into a Canada-wide tech platform supporting more than 20,000 businesses. Even with that track record, she knows continuing to scale will likely be an uphill battle.

Hastie launched her startup out of Sudbury, but says it has become more challenging to think locally. Operating outside of a major tech hub limits access to talent, available partners and even the ability to get media exposure.



> "Some of the baseline metrics include the number of jobs created in Canada, the potential for growth through exports and commercialization through patents. There are also downstream effects to consider. You may be building your company in Canada, for example, but are you also using local vendors?
>
> **AARON SMITH**
> Partner, Public Sector and Health Consulting, EY Canada

"If we want Fortune 500-level companies in Canada, we need a Fortune 500 level mindset in Canadians. Startup founders in smaller cities need access to mentorship, growth opportunities and platforms that would enable them to think big and step outside their comfort zone."

From her perspective, part of that must come from policy. "We need more government programs tailored to scale-ups, not just startups, be it grants or access to a network of bigger suppliers and vendors."

**BUT TO NAIR'S POINT,** that concept goes two ways. Programs like the federal SR&ED innovation incentive and the Industrial Research Assistance Program (IRAP) for tech innovation have existed for years. Yet entrepreneurial business leaders need to understand how they'll be evaluated as they apply for them, says Aaron Smith, Partner in EY's Public Sector and Health Consulting practice.

"Some of the baseline metrics include the number of jobs created in Canada, the potential for growth through exports and commercialization through patents. There are also downstream effects to consider. You may be building your company in Canada, for example, but are you also using local vendors?"

As nation-building efforts prioritize procurement at the provincial and national levels, opportunities will undoubtedly emerge for Canadian businesses at different stages of the growth journey. But that business-to-business angle will remain critical.

The EY Winning Women Program™ spots ambitious entrepreneurs and provides them with resources, network and access needed to unlock their full potential. Four Canadian startups were accepted into the program's North American class in 2025.

"From a biotech company specializing in next-gen molecular diagnostics to a proprietary human-centred design thinking model, puppy-therapy events and a wellness business and AI-enhanced veterinary services group: the Canadian entrepreneurs in this year's cohort are changing entire industries," says Vean Hung, EY Canada Entrepreneurial Winning Women Program Co-Leader. "What's unique about this program is it goes beyond recognition to surround high-potential entrepreneurs with the business network and resources they need to reach that next level of successful growth."

By providing connections and resources to think boldly and scale companies sustainably to their full potential, Hung sees the program as a key driver of a successful ecosystem. Program co-leader Cecile Van Niekerk points to other ways EY is applying a similar model to fuel Canadian progress.

"The connectivity we're creating through EY Entrepreneurial Winning Women and also, more broadly, our Entrepreneurs Access Network and the EY Canada Entrepreneur Of The Year program all work in concert to build bridges," Van Niekerk says. "I really believe that's essential. To scale up, entrepreneurs need strong networks within the founder community but also with other businesses, governments and potential customers. When we make those connection points, we can make exponential progress."

The kind of progress that scales Canadian ideas into unicorns on the global stage.


**EY Canada perspectives led by**



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# CALGARY

PURPOSEMED LEVELS THE PLAYING FIELD

FOSTERING FINANCIAL WELLNESS WITH ZAYZOON

SHOWPASS IS REIMAGINING EVENT EXPERIENCES



**Q: Why Calgary, why now?**

**A:** Cleantech innovation is definitely a key focus in our part of the country. With several Calgary-based companies receiving worldwide recognition for their cleantech innovations, the city continues to attract talent inspired by these local successes. Fintech is another area where Calgary is driving innovation and shining on the international stage. The focus on modernizing payment processes and driving efficiency is helping Calgary make its mark on innovation in the financial services sector.

> “The alliance between Alberta Innovates and Platform Calgary is another very positive signal that this city and Alberta are serious about being a destination of choice for tech entrepreneurs.

**Q: What's next and why is Calgary promising?**

**A:** Our entrepreneurial spirit is well supported by organizations like Platform Calgary, Creative Destruction Labs, Plug and Play Alberta, and Innovate Calgary at the University of Calgary. These groups are pouring programming and mentorship into the founder community here. This is opening up new pathways to collaboration. Private and public sector groups can forge alliances with academia and organizations like these to generate Canadian-made solutions in Calgary.

**Q: How can national priorities cultivate local growth?**

**A:** Calgary is well positioned to support the next era of Canadian nation-building. It's home to leading thinkers and builders in terms of energy, power, utilities. These innovators can help secure Canadian sovereignty by cultivating natural resources in ways that forge a better, cleaner future. We have to cultivate our strengths.

## *Q&A with...*


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# A Ticket to Rise

**Showpass' Lucas McCarthy and Tyler Vasselin are reimagining event experiences**

It all begins with a ticket: a night enjoying world-class theatre; belly laughs at a standup comedy show; singing along at an unforgettable concert.

Behind the scenes, though, there's always an event team making sure every aspect of that experience runs as expected. Showpass helps those teams succeed by providing what it calls an "event operating system" which is now used by more than 200,000 events across North America.

Beyond offering a ticketing system, Showpass has introduced features like Showpass Connect for broad distribution, According to Showpass founder and CEO Lucas McCarthy, the company has evolved in a similar way as tech giants like Shopify, which began as a provider of ecommerce transactions but now handles everything from building websites to inventory management.

"We get into the nitty gritty details of every single pain point of the business, from finance to operations and everything in between," he explains. "We bring that back to the product team and we say, 'Look, this is one of the biggest problems our clients are facing. Let's build it, roll it out to our thousands of clients and then we'll be able to monetize it.'"

Showpass's expertise isn't limited to technology. McCarthy employs an experiential division with a track record of building and launching successful events. The company also developed a financing tool that offers economic assessments and impact reports.

This helps determine where Showpass could help and specific considerations like the level of security an event might require.

Tyler Vasselin, Showpass's CFO, says the company wants to expand the scope of opportunity available to organizations that otherwise might not be able to participate.

"There's immense pressure in the space right now for organizations to run a successful event.It's like threading a needle," he says. "Everything has to be queued up to perfection to succeed financially, especially if they're not getting grants. And that's really one of the missions right now that drives us: if the event organizers in the mid-market don't have the tools to compete, there is no mid-market. There are no true arts and culture."

Building the business out of Calgary was a deliberate decision, McCarthy says, despite the risk of getting the cold shoulder from initial investors and customers. This has fuelled a decision to stay grounded in long-term thinking and being strategically disciplined about growth.

"If we had done this in Silicon Valley or New York, there would have been 14 other companies doing the exact same thing and it would have been very difficult," he says. "It's such an amazing feeling to know that you're being underestimated and, in a way, it is something that has actually created our ability to become a mainstay competitor in this market."

> "If we had done this in Silicon Valley or New York, there would have been 14 other companies doing the exact same thing and it would have been very difficult.
>
> **LUCAS MCCARTHY**
> Showpass founder and CEO







# Closing the Paycheque-to-Paycheque Gap

The car needs gas. But you also need groceries. There's not enough for both. This is when people might consider an emergency loan. Darcy Tuer is offering another option.

At ZayZoon, Tuer and his co-founders let employees withdraw a portion of earned wages any time, rather than waiting for standard pay cycles.

"We're actually seeing people not put food on the table because they don't get paid for another week," he says. "A huge driving factor for us is giving them flexibility on how they can get the liquidity they need."

ZayZoon partners with employers that integrate the platform into payroll systems at no cost. They're focused on businesses that tend to operate based on hourly wages, such as quick-service restaurants, transportation and manufacturing companies. Tuer says ZayZoon helps employers address traditional challenges in employee retention.

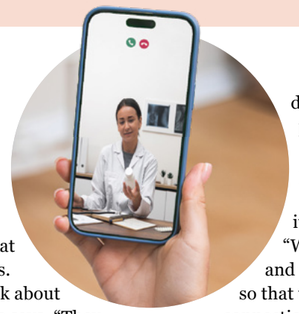
"A lot of those employers are being asked for money by their employees," he says. "They'll say, 'I can't make rent,' or they can't afford their insurance. So when we go to an employer, the pitch is pretty easy."

Already serving tens of thousands of people across Canada and the US, ZayZoon is evolving into a broader financial management platform. This includes the launch of its Perks Marketplace, which provides employers with a way to offer teams discounts and tools on insurance, gift cards for popular retailers and mental health services.

"They trust us, because we genuinely try to help," Tuer says. "And now we're providing more utility to help them connect in a better, genuine, helpful way with their most important assets, their employees."

## TELEHEALTH THAT FEELS HUMAN

**PurposeMed is levelling the playing field in terms of access to critical health services**



Freddie, Frida and Floria are fostering healthcare for all.

To help prevent HIV, for instance, patients can connect through GoFreddie.com to get PrEP consultations either online or in person. Frida offers similar services for those seeking diagnoses and treatment for ADHD. Floria Clinic provides connections to expert gender-affirming care and hormone therapy.

All three brands are owned and operated by PurposeMed, which is committed to improving access to care for underserved communities. For co-founder and CEO Pete MacLeod, this also means offering great patient experiences.

"People don't talk about our technology," he says. "They don't talk about how slick the product was. They talk about that meaningful experience where someone came and listened to them, heard their concerns and actually built trust."

MacLeod points out that access to care can differ greatly depending on factors such as gender identity, social status, income, ethnicity, sexual orientation or ability. PurposeMed offers a platform designed to eliminate friction points in the healthcare journey so clinicians can do less paperwork and focus on care.

"Virtual care only works if it feels deeply human," he says. "We've designed our technology and the experiences it delivers so that the focus can stay on the connection between the patient and the provider."

MacLeod says the fact PurposeMed was bootstrapped has allowed the team to pay greater attention to outcomes like how many people it has helped put on PrEP, or the number of HIV cases it helps prevent.

"Scaling a healthcare company is never just about growth," he says. "It's about strengthening quality, compliance and our culture at the same time."



> Organizations need to take a very employee-centric approach to digital labour, keeping people at the centre, solving for their needs and wants first and foremost.
>
> **CHARLOTTE SOBOLEWSKI**
> Partner, AI Leader, Consumer,
> Retail & Life Sciences, EY Canada

# DIGITAL LABOUR'S human touch

Canada's burgeoning digital labour movement is about to have a moment. Success depends on our collective ability to keep humans at the centre of the change — even as agentic AI and digital employees redefine the delivery ecosystem.

When leading Canadian tax directors gathered in a Montréal ballroom last spring, the buzz around digital labour was already making serious noise. Only 19% of those in the room — travelling from across the country to attend the annual EY Tax Leaders Forum — said AI was up and running at scale across their business. The vast majority remained at the earliest stages of AI consideration or targeted use. Even fewer had begun exploring agentic AI.

That didn't dim their enthusiasm.

The audience stayed engaged throughout live demos showing the ways an EY-created tax agent could be tailored to provide accurate guidance on a given topic, such as Canadian federal tax legislation, or integrate within the tax team to complement human work without adding headcount.

Attendees were curious about adapting their own workforce to reflect an increasingly hybrid model that blends human and digital employees.

"As organizations begin to embed agentic AI into everyday workflows, the critical shift is recognizing that humans and agents contribute in fundamentally different ways," says Charlotte Sobolewski, Partner, AI Leader, Consumer, Retail & Life Sciences, EY Canada. "Designing for that distinction is what enables a truly blended workforce — and where long-term value is created."

Drawing on her experience as an entrepreneur who built, scaled and sold a technology business, Sobolewski now helps clients operationalize EY-built platforms that enable agentic workflows and human–agent collaboration at scale. These platforms enable agentic workflows as well as human-agent collaboration.

She says the same kind of enthusiasm that bubbles up at events like the EY forum is increasingly common across disciplines and business functions. While the kinds of teams keen to integrate digital employees varies, Sobolewski believes successfully moving in this direction will depend on how well organizations embrace a common set of guiding principles — and understand the differences this shift will bring.

**28%**

organizations are positioned to turn AI deployment into high-value operations



nearly 9/10 employees now use AI at work

> “Leaders orchestrate five strategic capabilities to amplify each other. They lean into tech tension that laggards tend to avoid, and address them proactively.”
>
> **RICHARD SKIPPON**
> People Consulting Leader, EY Canada

“Change management has to be number one,” Sobolewski explains. “You need talent to understand what’s in [digital labour] for them. Organizations need to take a very employee-centric approach to digital labour, keeping people at the centre, solving for their needs and wants first and foremost.”

Research carried out jointly by the Saïd Business School at the University of Oxford and EY has repeatedly shown a similarly adaptive, people-centred view makes transformation programs, such as the move towards an increasingly digital workforce, more likely to succeed.

For example, 96% of transformation programs overall experience challenges that generate a turning point when the program has, or will, go off track. Navigating those moments by placing humans at the centre can double the likelihood that a transformation overperforms its KPIs (1.9×) and goals for speed (2.1×) of progress. In fact, grounding plans around people can significantly boost the chances of a transformation succeeding, improving performance by up to 12 times.

That human-focused strategy is key to cultivating a workforce and workplace culture capable of supporting AI adoption. In December 2025, the Canadian Chamber of Commerce reported that AI itself is becoming a “skills story,” with the link between education and AI adoption growing stronger over the course of the last 12 months.

That means gains will concentrate where talent is available. The Chamber’s Business Insights Quarterly analysis, based on survey responses from 15,000 Canadian employers, also showed retooling outweighs retrenchment. So far, firms in Canada cite AI-related workflow changes and training far more often than job losses.

But that’s only one piece of the puzzle. Organizations need to think beyond adopting AI and create a digital delivery ecosystem in which people feel comfortable working seamlessly with digital employees that stand in for humans co-workers. That’s what digital labour is all about.

“Businesses across Canada will need to get this initial transition right,” explains Massimo Marinelli, former EY Canada Managing Partner, Talent, who led the firm’s overarching talent strategy for more than 8,000 multidisciplinary employees. “This takes a now, next, beyond approach. While companies must help their people embrace advanced technology like AI today, they must simultaneously prepare the workforce and culture to incorporate this newer concept of digital employees.”

That will become even more important as easy-to-use platforms increasingly enable people with low to no development experience learn to create intelligent chatbots, agentic workflows and more.

“What does it mean to empower the democratization of technology, where teams start developing their own agents?” adds Marinelli. “Fostering that potential will take a business-driven conversation in partnership with HR. Organizations will need to consider capabilities, responsible use of tech and empowering employees as part of a bigger, workforce where humans and digital employees interact effectively in a trust-based culture.”






As the workforce transforms, he suggests we’ll also need to reframe agents as a new type of employee with their own set of nuanced needs. “Just like we take a lot of care and recruitment in onboarding, digital labour will require us to think about AI agent or digital employee onboarding and similar experiences to tee the entire team up for success.”

Of course, the widespread uptake of digital labour will likely reshape the definition of productivity and performance at work. Employers will need to explore beyond the more obvious impacts like AI-compressed timelines and faster task delivery times to reframe productivity outside of volume or speed.

For instance, how well are humans and machines collaborating to create meaningful, sustainable value? What could this mean for pacing, prioritization and performance expectations? And how can we support people in not only absorbing this change but in remaining engaged over the longer term?

These challenges feature prominently in the EY Work Reimagined 2025 survey. The report shows nearly 9 out of 10 employees now use AI at work, but only 28% of organizations are positioned to turn AI deployment into high-value outcomes. Why is that? When new technology lands on fragile talent foundations — weak culture, insufficient learning, misaligned rewards — productivity benefits lag by over 40%.

“In these cases, employees may be saving a bit of time, but without fundamental changes to how work gets done or how the business performs, the benefits tend to end there,” says Rich Skippon.

An EY Partner, Skippon leads the firm’s Workforce Advisory practice nationally. He says leading organizations don’t choose between AI and people. They prioritize both. “Leaders orchestrate five strategic capabilities to amplify each other. They lean into tech tension that laggards tend to avoid and address them proactively.”

To that end, the EY survey shows organizations achieving transformational results drill down to:

1. Create the right approach to recruiting and retaining talent.
2. Drive AI adoption at scale.
3. Build continuous learning into daily operations.
4. Reshape culture and workplace norms.
5. Align rewards with new behaviours and outcomes.

“It’s the culmination of those efforts that strengthens advanced technology and strong human foundations in tandem. That’s how you start to build a sustainable advantage in an agentic enterprise that supports human and digital employees to succeed,” Skippon adds.

By bringing people into change in this way, digital employees can help transcend even the most ambitious goals.

“The organizations that win with digital labour won’t be the ones that automate the most,” Sobolewski adds. “They’ll be the ones that redesign work so humans and agents amplify each other — responsibly and at scale. It’s tech plus people that can create this incredibly powerful outcome.”

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# UNAPOLOGETICALLY NORTH *(Sorry, not sorry)*

From ideation to innovation, a new era of Canadian nation-building starts now. **How will tech lead the way?**

*This fireside chat feature was written based on a blend of written submissions and live conversations. Some quotes have been condensed or edited for brevity and clarity.*

The numbers are big. Canada's federal 2025 budget tagged $343.3 million to strengthen the country's quantum ecosystem over the next five years. Within weeks, the federal government announced the first phase of the Canadian Quantum Champions Program, geared to anchor top quantum companies — and talent — right here, at home. And that's just one of many budget lines targeting homegrown innovation as a key lever in Canadian nation-building.

A three-year, $1 billion Venture and Growth Capital Catalyst Initiative will run through the Business Development Bank of Canada starting in 2026. Canada's innovation ecosystem will see a $180 million dollar extension of an existing intellectual property (IP) program in the spirit of securing, commercializing and deploying Canadian solutions on the global stage. Canada's Sovereign AI Cloud will feel the boost of $925.6 million to support a national sovereign compute strategy.

Tech is clearly high among nation-building priorities. Sovereignty, including digital sovereignty, AI, quantum capabilities and the infrastructure necessary to support these focus areas all stand to gain. While the response has been largely positive, some industry groups are looking for greater clarity around the holistic view.



> "Canada's edge is where deep science meets public purpose — in AI, quantum, health innovation and clean tech.
>
> **THE HONOURABLE EVAN SOLOMON**
> Minister of Artificial Intelligence and Digital Innovation

## Shaping Canada's future

**BENJAMIN BERGEN**, CEO, Canadian Venture Capital & Private Equity Association and former president of Canadian Council of Innovators

**THE HONOURABLE EVAN SOLOMON**, Minister of Artificial Intelligence and Digital Innovation

**SUSAN BISHOP**, Business Tax Incentives Leader, EY Canada, Chair, CPA Canada SR&ED Advisory Committee and member, CPA Canada Tax Advisory Group

**TO DRILL DOWN** into that vision, Warren Tomlin, EY Canada Managing Partner, Technology, Media & Entertainment, and Telecommunications, Steven Maynard, EY Canada Managing Partner, Government and Public Sector, and Janice Horne, Federal Account Leader, Partner, Markets, Government and Public Sector, connected with three leaders helping shape the future of this environment and empowering Canadian organizations to make the most of tech's undeniable turning point in the nation-building agenda.

The Honourable Evan Solomon is Canada's first-ever Minister of Artificial Intelligence and Digital Innovation. He's also forged a dynamic, 10-year career as an entrepreneur, launching and leading a venture that bridged tech and media to connect with Canadians.

Benjamin Bergen was president of the Council of Canadian Innovators (CCI) for nearly a decade and at the time of our interview, before becoming CEO of the Canadian Venture Capital & Private Equity Association (CVCA) at the start of 2026. With CVAC, Bergen is helping architect a $750 million early-growth-stage envelope of funding announced in the 2025 budget.

Susan Bishop leads EY's National Business Tax Incentives Practice. She has served on multiple advisory committees tied to the federal government's scientific research and experimental development (SR&ED) tax incentives program.

**WARREN TOMLIN** When we talk about building a national AI ecosystem, what does that really mean? What does that look like in practice, over time?

**EVAN SOLOMON** It's really about building a national innovation fabric and connecting social ingenuity with technical ingenuity. That means connecting the incredible research happening at Mila, Amii and Vector to companies in Calgary, Halifax and Saskatoon. The goal isn't just to have global centres of excellence. It's to make sure every region can participate in the digital economy. Nation-building means the next great AI or cleantech company can start anywhere, not just in Toronto or Montréal or Vancouver.

**BENJAMIN BERGEN** Companies are the engine of the economy. They're where innovation happens and where, ultimately wealth is created. And while Canada has had a really good understanding of invention and going out and creating ideas, we've struggled at commercialization and turning those ideas into products and services that can be sold here and globally. The role of government in this space is to build the winning conditions for firms to be successful and to make sure that it puts domestic firms at the centre of what makes Canada successful.

**SUSAN BISHOP** Two of the major hurdles facing Canadian companies are access to capital and access to markets. It is not enough to incentivize technology companies to develop technologies, but corporate Canada and the government must be incentivized to use and integrate these technologies, so that they may iterate and grow in Canada. This ability to scale will then also allow companies to prove their technology and generate revenue, reducing the risk for investees, enabling much-needed capital.

**STEVEN MAYNARD** So many announcements over the last few months address those building blocks. That said: where is Canada's edge?

**ES** Canada's edge is where deep science meets public purpose — in AI, quantum, health innovation and cleantech. Those are areas where we're already global leaders in research and where we can translate that into real economic strength. Our approach is simple: build globally competitive companies that can export our expertise, but ensure the critical infrastructure, from health data to compute power, stays under Canadian control. That's how we balance global opportunity with domestic effect.

If we want our companies to scale, we need three things: compute, capital and confidence. Compute, because innovation today runs on infrastructure. Capital, because scaling is where many Canadian firms stumble. And confidence, meaning we need to be the first customers of our own innovation. Through initiatives like the $300-million AI Compute Access Fund, $200-million Regional AI Initiative and AI-focused investments in our Global Innovation Clusters, we're closing those gaps. But we can't stop there, we need to keep talent flowing and make sure every region has access to the same opportunities.

This is not a government-only project, it's a whole-of-nation effort. Startups, research institutions, Indigenous communities, large industry, civil society — they all have a role. The Global Innovation Clusters are a perfect example of what works: they connect regions, sectors and ideas.

**JANICE HORNE** At EY, we've often cited the need for collaboration between public and private sectors as the key to progress. Whether solving for Canada's lack of housing or building up the entrepreneurial ecosystem — collaboration is big. What other factors do we need in place to take Canadian tech to the next level?

**BB** We have a lot of organizations and structures in this country that allow us to do amazing basic research, but then all of the actual ideas flow south of the border or overseas. Next, is that IP being commercialized: can we turn every dollar of research into ten dollars in sales?

The other challenge is about 50% of every SR&ED dollar goes to foreign multinationals that are Canadian in name only, meaning that we are subsidizing large foreign firms to the tune of billions of dollars a year. And if you ask the question, "Is that generating IP?" Yes, it is. But is it IP that gets retained here in Canada? The answer is no. We're not the US and we sometimes confuse ourselves in thinking that we are because we're so close to them.

**SB** We also need to spark more investment in research and development (R&D). Canadian companies are currently investing less in R&D than in the past. The Scientific Research and Experimental Development (SR&ED) Program, designed to encourage R&D in Canada, has been crucial to Canada's growth to date, but changing technological trends and globalization means the program must change. SR&ED requires enhancement to stimulate greater activity. This should be a key short-term priority for the government. Personally, I would love to see the government increase both the SR&ED tax credit rates and refundability to remain globally competitive. Canada was once an attractive location for R&D activities. We can get back there with the right incentives in place.

**ES** We have worldclass researchers and startups, but we're still catching up on adoption and on governments moving hand in hand with industry on that. Canadian firms need to know that their government is supporting them and helping to connect one another. We also need the infrastructure — the compute, the energy, the secure data systems — that let those companies scale here at home.

> "We know innovation is essential for organizations to thrive in today's dynamic and challenging global environment…
>
> **SUSAN BISHOP**
> SR&ED and Business Tax Incentives Leader, EY Canada

**WT** We've certainly seen government catalyze momentum through the kinds of initiatives launched over the last 12 months. What other legislative moves will be important here?

**BB** One of those conditions, for instance, is whether government money or policy is leading to the creation of intellectual property. For example, Denmark is continuing to have record growth in the EU because of smart decisions that they have made for the last 20 years. They said, 'We want to be world leaders in bio pharma. We want to be world leaders in it because we know it will make our citizens healthier. We know these products can be strategically sold across the world.' That's the kind of strategic thinking that you need with government and industry working collaboratively.

**SB** I think clarity comes into play here as well. Industry-specific guidance is essential. The CRA's guidance on eligibility doesn't align well with current areas of R&D, including AI, machine learning and cross-border projects. The government is talking a lot about red tape reduction, too and I couldn't agree more. Tech innovators need that shift to happen quickly. The SR&ED application process is time consuming and CRA reviews can be very lengthy. Bold ideas for simplification of both have been proposed and some successfully implemented in other countries, including a simplified method of claiming labour costs and a binding preapproval process. We need to effect change promptly in Canada.

**SM** It's been fascinating to see how Canadian consumers have shifted purchasing patterns in their own attempt to support nation-building over the last year. At a broader level, how can government use procurement to help Canada's tech ecosystem flourish?

**ES** Procurement is one of the most powerful tools government has and we have a plan to use it more strategically. When government becomes the first customer for Canadian innovation, that's when we help startups cross the so-called 'valley of death.' Our new Buy Canadian procurement will be government putting words into action and leading the way.

**SB** The government should also consider designing incentives to encourage larger, established Canadian companies to regularly outsource to and support smaller, more agile Canadian startups whenever possible, through R&D contracts, first client/customer initiatives, or capital investments. Revamping of government procurement — hospitals, defence, dual-use technologies — process to favour Canadian tech. Public pension fund investment into Canadian tech could also lead the way.

**JH** We've talked a lot about the parameters for success. Talent comes to mind as a bit of a question mark for me. How do make sure the ecosystem has the right people to thrive?

**ES** Canada's AI ecosystem is world class. Over 2,500 firms are developing AI products and we've built strong connective tissue through our institutes and clusters. We're scaling up through programs like Vector's Fast Lane, Mila's Entrepreneurship Lab and Amii's AI Startup Pitchbook, all of which help startups find customers and investors. We're also building the infrastructure side with the Sovereign AI Compute Strategy, a $2-billion plan that expands compute capacity, builds public supercomputing facilities and makes AI resources affordable for researchers and businesses. The next step is talent, supported through CIFAR's Canada AI Chairs and the national institutes, because compute and capital mean nothing without people to use them.

**SB** Canadians have historically excelled in idea generation and early-stage development. Our well-educated labour force and robust research culture at universities drive advancements in technology. Scaling tech companies and retaining them in Canada has always been a challenge. Key requirements for successful scale-up include access to financial and human capital.

Improving companies' productivity and competitiveness relies not only on the creation and adoption of innovative technologies but also on having a well-trained, educated workforce in Canada. Attracting and retaining tech talent is crucial in today's globally competitive and rapidly changing environment, especially given the aging population and the country's growth goals. Existing hiring and training incentives should be reviewed for effectiveness and potential enhancement.

**WT** What about collaboration across borders? Is there room for Canada to lead by teaming?

**ES** Sovereignty doesn't mean isolation. We'll continue to partner internationally, but we must have domestic capacity for our most critical digital infrastructure. That's why the Sovereign AI Compute Strategy is so important: it's how we make sure Canadian researchers and firms can build and train models here at home. You can't have digital sovereignty without physical infrastructure. That's why we're also working on a sovereign cloud strategy and modern privacy laws to protect Canadians' data and their trust.

Canadian innovation should serve the world, but it must start at home.

We ran a national consultation sprint in November 2025 to inform our new AI Strategy, bringing together founders, academics and civil-society leaders to help define what 'AI for All' really means. The vision is simple: build globally competitive firms that grow from Canadian roots, powered by Canadian values.

**JH** Any thoughts on what we can learn from the rest of the world?

**BB** We have to pick some areas where we can dominate, where we've got some natural advantages, and then we've got to build the right apparatuses around them to capture that wealth. Because they realized that this is where one of their real opportunities lies. Denmark has also been heavily investing in quantum, because quantum is going to completely revolutionize how biopharma is done.

**$343.3m**
tagged in Canada's Budget 2025 to strengthen the quantum ecosystem

**$1b**
Venture and Growth Capital Catalyst Initiative over three years (through BDC)

**$180m**
added to existing intellectual property program

**$925.6m**
added to Canada's Sovereign AI Cloud to support a national compute strategy

> "The other challenge is about 50% of every SR&ED dollar goes to foreign multinationals that are Canadian in name only, meaning that we are subsidizing large foreign firms to the tune of billions of dollars a year.
>
> **BENJAMIN BERGEN**
> CEO, Canadian Venture Capital & Private Equity Association

**SM** All told, how will we know these steps are working?

**ES** We'll measure success by outcomes that matter: more Canadian firms scaling up, more homegrown IP staying in Canada, more jobs in regions that have historically been left out, and a clear return on public investment. The goal is a Canada that doesn't just participate in the digital economy but defines parts of it. That's the measure of true competitiveness.

**SB** We know innovation is essential for organizations to thrive in today's dynamic and challenging global environment, creating sustainable future value for Canadians for generations to come. Increase in job creation in the tech sector as well as capital raised by companies that remain Canadian, and the creation of more Canadian IP, will be good signs we're moving in the right direction.

**WT** Tell me: what's your Pointing North wish for Canada's tech ecosystem this year and into the future?

**ES** Starting *Shift* magazine at the beginning of my career, it was about translating big ideas in technology into something people could actually use and trust. That's really Canada's story too — we've always had incredible ideas, but the next step is commercializing them. My experience taught me that innovation isn't just about invention — it's about storytelling, adoption and scale. Canada needs to build the conditions for our entrepreneurs to thrive: access to capital, access to customers and confidence that our own products can compete globally.


**EY Canada perspectives led by**



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# WATERLOO REGION

GRAPHITE VENTURES INVESTS IN INDUSTRY DISRUPTORS

PRECISON AND QUALITY WITH INTELLIJOINT SURGICAL

MEDTECH IN WATERLOO GETS A BOOSTER



**Q: Why Waterloo Region, why now?**

**A:** Innovation incubators are driving opportunities. Many tie back to health and medical technology. Canada has a looming health care affordability crisis. The need to address this is creating amazing opportunities for innovation-focused health care collaboration between the University of Waterloo, Waterloo Regional Health Network, Cambridge Memorial Hospital and innovators like Medical Innovation Xchange, Velocity, Communitech, KW4, Cambridge-North Dumfries Ontario Health Teams and the Can Health Network. Like much of the country, Waterloo region is benefiting from rapid adoption of AI. As Communitech's new CEO Sheldon McCormick summarized, "… we have incredibly diverse tech ecosystems and talent to build from." That's such a benefit for organizations looking to cultivate Canadian innovation alongside likeminded potential alliances and stakeholders.

> "Collectively, we need to continue to focus on setting the foundations on which Waterloo Region startups can scale globally while continuing to call Canada home.

**Q: What's next and why is Waterloo Region promising?**

**A:** Waterloo Region has a robust innovation ecosystem. In addition to Communitech, Medical Innovation Xchange and Velocity, the Accelerator Centre, Boundless Accelerator and Catalyst Commons, we have the right attitude and belief in the ecosystem's potential. That can take Waterloo Region, and the founders who choose this area, far.

**Q: How can national priorities cultivate local growth?**

**A:** The region is well known for being a leader in security. We are already home to such companies as BlackBerry, MagnetForensics, OpenText, Arctic Wolf and eSentire and many others with the potential to support defence modernization. As Canada prioritizes this, Waterloo Region companies are uniquely positioned to help shape the future of defence overall.

## *Q&A with…*


**TIM ROLLINS**

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# Supporting Waterloo's Medtech Momentum

**Graphite Ventures is actively investing in industry disruptors**

Steve Currie likens Waterloo's ecosystem growth to a barn-raising, storied community events where neighbours came together around projects one family could never accomplish alone.

As Vice President at Graphite Ventures, Currie's in a strong position to help support innovative startups by providing capital and strategic guidance to help businesses grow. A dedicated seed partner, Graphite has supported hundreds of Canadian business-to-business founders through the proven pathways of early commercialization. Currie says identifying a promising medtech startup is the same as those operating in other sectors: he looks for a growth mindset and genuine innovation.

"We do recognize that in health and medtech, sometimes it takes a little bit longer to come to market and to get rolling," Currie says. "We will often provide some coaching and guidance and connections to help them along the way. We track them as early as we can so that we can provide that."

This means Graphite not only offers direct mentorship to founders, but draws on its network to make introductions to relevant experts and even potential customers.

"Young companies don't often have all the resources they need, and we want to help them grow as quickly as they can and not reinvent the wheel," he says.

Currie advises founders and startups to use those introductions as a starting point for developing their own set of contacts and partnerships that will help propel them from an initial launch. There are plenty of rising medtech startups across Waterloo, he says, that are more than ready to see others succeed and disrupt the market.

"There's a real set sense within the community that you shouldn't be doing this alone," he says, "that you can benefit from the support of others."



## A HEALTHY PROGNOSIS FOR THE MEDTECH SECTOR'S FUTURE

The City of Waterloo and the Accelerator Centre have partnered to launch a new program to help more than 45 medtech startups excel within the local ecosystem. This includes helping startups reach crucial milestones – like first-round funding — and commercializing newly developed technologies.

The partnership aims to create more than 100 skilled jobs in digital health while fostering partnerships between startups, health organizations and academia.

The program builds upon the momentum of a planned acute-care hospital at the David Johnston Research & Technology Park at the University of Waterloo.







# Bringing Greater Precision and Quality to Orthopedic Care

Armen Bakirtzian learned firsthand about the lack of bespoke solutions for hip and knee operations. His dad was an orthopedic surgeon and, in many ways, the ideal customer for Intellijoint Surgical.

Before Bakirtzian set out to disrupt the market, surgeons like his dad were required to adapt existing products or technologies meant for spinal or brain surgeries for hip operations. Not anymore. Bakirtzian cofounded Intellijoint HIP, a surgeon-controlled navigation tool for total hip arthroplasty (THA) that's been used in more than 75,000 surgeries worldwide.

"Maybe we were a little bit naive at the time," Bakirtzian says. "It's quite difficult to create a brand-new surgical navigation technology from scratch, but ultimately, I think the market is responding in a really positive way."

To make sure the tech connected with a range of implant systems, Bakirtzian's team looked for commonalities in the market. Next, they considered whether it would attach via magnets or other means.

The goal? Offer a linear, easy-to-learn workflow that surgeons can adapt for individual surgeries.

"Surgeons told us, 'Hey, don't slow me down. Don't add time to my surgery. Don't make it very difficult to use. Don't make me change my implants,'" he says. "Those were the reasons they hadn't adopted other technologies that were already available. Because we built that list of requirements from surgeons, their fingerprints were all over the foundational elements of our system and our product."

The company expanded with Intellijoint VIEW, a web-based preoperative planning tool for both hip and knee arthroplasty. Bakirtzian says it offers surgeons real-time information like patient imagery to make critical decisions, like where to place a socket or cup for an optimal outcome.

"We don't necessarily give them a destination. We tell them where they are [in the process of operating]," he explains. "It's a patient-specific surgical targeting system that creates a plan for each individual patient. That plan then gets elegantly transferred to our navigation systems in surgery to help the surgeon deliver it."

Intellijoint has become an anchor of the Medical Innovation Xchange in Kitchener–Waterloo, which will help propel startups with equally innovative approaches to transform patient care.

# Local Insights From Tim Rollins

WATERLOO OFFICE MANAGING PARTNER AND TAX PARTNER

**What are some success stories that represent leading innovation, strong execution, or setting examples others could follow?**

Given the rapid adoption of AI, the University of Waterloo and Communitech are squarely focused on capitalizing on Waterloo Region's unique capabilities to become a global leader in the field.

**How do you see your region evolving from an ecosystem perspective?**

Waterloo Region is well known for being a leader in security, being home to such companies as Magnet Forensics Inc., BlackBerry, OpenText, eSentire, Artic Wolf and many, many others. With the recent announcements regarding commitments to Canada's defence modernization, the region is uniquely positioned to collaborate with the federal government as well. It's also a hotbed of health care innovation activity and I can see that continuing to define the ecosystem's success going forward.



# Different Futures Start With *Differentiated* Thinking

## EY leaders talk next steps for tech in a shifting world order

This is Canada's moment. Tech innovators. Ecosystem players. Entrepreneurial founders. There's never been a better time to take bold steps and get things done.

Granted, times are irrefutably complex.

In Davos, Canadian Prime Minister Mark Carney issued clear calls to action. His rallying cry urged Canada — and likeminded countries — to find the opportunities layered within trade upheaval, geopolitical uncertainty and macroeconomic disruption. Across the country, business leaders and other stakeholders largely responded with pride and enthusiasm, albeit laced with a fair degree of trepidation: it's hard not to worry about what happens next.

At EY, leaders across sectors and service lines are resolute in their advice to clients, including tech's biggest names and industrious entrepreneurs: keep going.

But there's more to global expansion than localization. It demands strategy. For tech companies in particular, setting up cloud infrastructure, navigating complex IP rules, customer privacy rules and navigating unfamiliar tax frameworks for software subscriptions will require granular understanding of local laws and trade deals.

## What do they recommend?



**MAURICIO ZELAYA**

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**AS LEADERS DELIBERATE ABOUT CAPITAL DEPLOYMENT**, backing Canadian projects and diversifying relationships, the economics are clear for Mauricio Zelaya. He sees the question of diversification playing out across two key fronts: supply chains and export destinations.

**"What we've seen is more of a diversification-based question. It means not shifting completely away from the US, just being less reliant. You're balancing, from a supply chain perspective, costs with reliability. This isn't about abandoning the US market, but proactively managing exposure to risk. Organizations that strike that balance can tap into wide-ranging possibilities, driven by a strategic mix of nation-building opportunities at home and working relationships, pathways and destinations abroad. Once you get the muscle memory to be able to do that, you're going to be able to go faster each time you access one of those new markets and build it as a core part of your overall business model."**

**AS FOR CANADA?**
At a higher level, Zelaya hopes to see nation-building programs make processes seamless for Canadian companies aiming to seize opportunities in this environment.



> "By focusing on what we excel at and relying on others to fill in the gaps, we minimize risks and create exponential value. This approach opens markets in ways that a single company might struggle to achieve on its own.
>
> **ARRYN BLUMBERG**
> Senior Manager, Technology,
> Media & Entertainment, and Telecommunications &
> Co-Lead of EY-Shopify Global Alliance
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**SHANE DUNN**

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**PIVOTING TO NEW MARKETS IS ESSENTIAL.** Shane Dunn says it's also possible. Focusing on the right pillars can help Canadian firms ready to seize the moment and branch out now.

**"The levers that companies have opportunities to work on are really three big buckets: origins of goods, classification of goods and value declared when the goods cross the border. Origin can be quite straightforward. It comes down to how much of the product was grown or created here in Canada and how much comes from activities in other countries. But what gets complicated is the classification of the goods. Companies may need more rigour in their process to navigate that effectively and avoid much higher tariffs than intended, or even risk products being seized at borders."**

With the clock-ticking down on the Canada-United States-Mexico Agreement (CUSMA), which is set to expire later this spring), Dunn also stresses the importance of understanding free trade agreement nuances here and around the world.

"There are specific rules of origin linked to classification of the goods. Those rules of origin need to be identified. It's a time-consuming process that is difficult to automate. As some products are more sophisticated from a manufacturing perspective, businesses here will need to really drill down into their understanding to manage risks."

**AS FOR CANADA?**
Dunn would love to see the country continue dismantling barriers to international diversification, empowering businesses to go beyond survival and maximize this moment's potential.

**ACHIEVING WORKFORCE RESILIENCE REQUIRES A DIVERSIFIED TALENT STRATEGY.** As the world around us continues to change at lightning speed, withAI, geopolitical uncertainty and an ever-evolving regulatory landscape, tech companies need to get critical areas of growth right.

**"Overreliance on one geography or population carries risk. I remain optimistic. As companies are conducting impact analysis on how AI will reshape their workforce and what talent and skills they need, and where they need them, business leaders need to contemplate what's really going to make their business most resilient in this market. That includes understanding more about complex cross-border regulatory compliance requirements and developing a more integrated, multifaceted talent strategy to successfully navigate uncertainty while continuing to achieve sustainable growth."**

**AS FOR CANADA?**
As Prime Minister Carney said in his Davos speech, 'Allies will diversify to hedge against uncertainty.' Serag thinks Canada is well positioned to weather the uncertainty and be a place of choice for multinational companies looking to expand and access a global talent hub within their region, comparable time zones, language and corporate culture. Canadian businesses need additional incentives to shift our strategic posture and fuel economic growth. Serag says she is hoping to see those kinds of nation-building programs continue to emphasize this priority.



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# TORONTO

QUANTO
ON WORKPLACE
AUTOMATION

MAVERIX PRIVATE
EQUITY: SOVEREIGNTY
AT STAKE

CPAs FUEL
THE FUTURE



**Q: Why Toronto, why now?**
**A:** Of course, AI is a standout. But like anything, it's the way a business focuses on AI and makes the most of its potential that will count. For example, I think Toronto's ecosystem is primed to deploy AI to innovate within cleantech, fintech and biotech.

> "Megatrends aren't just trending; they're converging. These shifts are forcing us to shake up traditional thinking and challenge assumptions about industry operations, consumer decisions and societal pillars.

**Q: What's next and why is Toronto promising?**
**A:** Longevity is such an important megatrend. In a lot of ways, it reflects the convergence of many aspects of business and life. We're already seeing interesting partnerships bring together academics and entrepreneurs to address longevity at scale. That includes the collaborations between the University of Toronto and the Vector Institute, Schulich School of Business and Tech Stars Toronto, University Health Network and SickKids and University of Toronto. The list goes on. What might have been unlikely partnerships in the past are now emerging to transform AI's potential into viable commercial solutions and ventures that improve wellness and life. That's a remarkable trend likely to continue to generate positive outcomes.

**Q: How can national priorities cultivate local growth?**
**A:** The focus on access to capital and red tape reduction could help Toronto startups scale to later stages of company growth. The initiatives and investment funds announced most recently will help founders retain top talent in Toronto and expand their businesses here at home.

## *Q&A with...*


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## When Soverignty is at Stake

**Maverix Private Equity Founder and Managing Partner John Ruffolo is that rare VC who combines industry expertise with a passion for his country**

When John Ruffolo says "it's the best of times and the worst of times," he's offering a way for Canada's tech sector to confront the current moment and emerge more successful than ever.

Ruffolo says despite massive trade unrest, the word sovereignty has been used more often at the highest levels of government in the past year than in the past decade. Ruffolo considers that a good thing.

"People didn't really appreciate or understand what (sovereignty) really meant until the new guy in the White House made it very, very clear to us what happens when you don't control your own destiny," Ruffolo said during a podcast with the *Ottawa Business Journal*.

Ruffolo is helping lead entrepreneurs along that path via Toronto-based Maverix, which is focused on technology-enabled growth and disruption by investing in firms with between $10 million and $100 million in revenue. It is also notable for looking beyond tech startups and instead supporting legacy businesses in areas such as health care, financial services and retail.

He draws on a long track record with OMERS Ventures, where he was instrumental to early investments in Shopify and Hootsuite. He believes sovereignty is really about control, whether that's our supply chains, data, energy or the money that supports digital transformation.

"We really need to help incentivize capital pools to keep their capital in Canada because that, in and of itself, is going to be a sovereignty issue," Ruffolo says. "If you want to have sovereign businesses, you need to have your sovereign capital, which basically means capital controlled under Canadian laws to remain in Canada."

> "The new guy in the White House made it very, very clear to us what happens when you don't control your own destiny.
>
> **JOHN RUFFOLO**
> Founder, Maverix Private Equity

## Quanto's Leap

**A Toronto startup aims to do for accounting what Zapier did for workflow automation**

Small businesses owners are famous for wearing multiple hats, from salesperson to marketer to customer service representative. When that juggling act includes accounting, Toronto-based startup Quanto is ready to jump in.

Speaking at the 2025 Elevate Festival in a pitch competition, founding member Dhruvi Shah cited research showing that the average small and medium-sized business (SMB) takes an average of six days to close the books. Some 60% use manual spreadsheets to do so. Not surprisingly, she said 40% of SMBs describe bookkeeping as their biggest trouble spot.

Quanto offers agentic AI that can take on many common bookkeeping and accounting tasks for SMBs instead. It can also serve small accounting firms that want to grow and scale their business without the traditional overhead such as hiring a large staff.

Shah described Quanto as a "Zapier for accounting firms," referring to the workflow automation platform renowned for its ability to connect to myriad web applications. Similarly, Quanto can import data from existing tools SMBs and accounting firms know and trust, including QuickBooks, PayPal, Shopify and more.

While Quanto's AI agents can tackle bank reconciliation, detect cash discrepancies and other tasks, Shah said humans are kept in the loop by authorizing significant changes in process.

As a CPA herself, Shah said AI will be critical for advancing the accounting profession and allowing those who use platforms like Quanto to make better decisions. "Every number tells a story," she said.





## Teeing Up Tech: CPAs Evolve the Profession to Fuel the Future

**EY's Zahid Fazal and Stuart Hutchinson on what AI will mean for the finance function**

Stuart Hutchinson has always seen his profession as a catalyst for change. A chartered professional accountant (CPA), he leads EY Canada's Digital and Innovation initiatives within audit and assurance. He's passionately merging CPA knowledge with advanced technologies to evolve the way Canadian companies carry out audits and derive business-critical intel.

"**As CPAs, we really work at the crossroads of business transformation,**" Hutchinson says. "**Over the decades, we've changed the way we audit – embracing digital, data analytics and all the possibilities that came with it. The digital audit has opened up new ways to understand what's happening in a business in real time. Now, we're pushing innovation forward and helping Canadian clients tap the upsides of AI.**"

Zahid Fazal is EY Canada's Managing Partner, Assurance, and a CPA. He brings a forward-looking perspective to the finance function, helping organizations harness AI and emerging technologies to enhance trust, elevate decision-making and build more resilient performance.

Fazal says part of that evolution has meant being willing to go first. In 2022, EY announced an investment of over US$1 billion globally in its next-generation Assurance technology platform. In addition, they've allocated an initial US$1.4 billion investment with a vision to become the leading AI-powered professional services organization.

"**Scaling AI's full potential for clients really required us to be our own client zero. In 2025, more than 75% of EY professionals in Canada were AI literate. That in-house capability allows us to put ourselves in clients' shoes and really understand what it will take for them to not only employ AI, but to do so in ways that have a net positive impact on productivity, competitiveness, resilience, society and growth over the long term,**" Fazal says.

Those principles apply to his work innovating the audit in particular. While Hutchinson underlines the ways AI can free people up to focus on higher-value, less manual tasks, he says the real value is much farther reaching.

"The AI-backed tools we're using on the audit today allow us to more quickly zero in on areas of focus. We are going beyond summarizing accounting and auditing guidance to enable our teams to perform their work differently. This helps people make better decisions, especially in volatile and uncertain times."

Grounded on a humans-in-the-loop approach, everything EY develops aims to keep people involved. Solutions are CPA led, with their irreplaceable judgment, experience and skills at the forefront, and a supercharged AI foundation at its core.

"As CPAs, we have a duty to uphold trust and confidence in the capital markets," Fazal says. "Operating at the leading edge of change, we're connecting tech-driven strategies for excellence with CPA expertise and digital innovation. This can help Canadian organizations succeed — and this evolution is just beginning."



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“I love this country. Sometimes we can be a little too parochial or not as ambitious as we should be. But now it feels like the stars are aligning. The network we’re building could be a great calling card. I’d love to see Canada have more global companies with global reach.

**DAN GOLDBERG** CEO, Telesat

# INNOVATING AT *LIGHTSPEED*

Telesat CEO **Dan Goldberg** leads the Canadian tech business forging a new kind of national sovereignty

When Canada talks about digital sovereignty, Telesat is redefining the conversation. One of the world’s largest and most successful global satellite operators, they also happen to be one of Canada’s most strategically important tech companies. For more than five decades, Telesat’s built the infrastructure that underpins secure communications across Canada and the globe. Established by Parliament in 1969, the company cemented itself as an innovation leader early on, launching the world’s first commercial domestic communications satellite into geostationary earth orbit (GEO) in the 1970s.

It’s a company undeniably built for this moment.

As geopolitical tensions intensify — particularly in the Arctic, where secure, sovereign communications have become a national priority — the Government of Canada has turned to Telesat as a strategic partner in strengthening continental defence and sovereignty through the Enhanced Satellite Communications Project – Polar (ESCP-P). The program reflects Canada’s broader push to modernize NORAD capabilities and expand secure, resilient northern communications.

Dan Goldberg’s leadership has shaped this positioning. As CEO since 2006, he’s helped Telesat transition from a legacy GEO operator to a forward-looking, innovation-driven company, accelerating its move into lower earth orbit (LEO) through Telesat Lightspeed — one of the most advanced enterprise-class LEO constellations in development.

Since listing on the Nasdaq and Toronto Stock Exchange in 2021, the innovation has just kept on coming. From its partnership with MDA Space to manufacturing Telesat Lightspeed to an expanding role in building sovereign digital infrastructure for Canada: as digital sovereignty, Arctic security and global competitiveness converge, Telesat is emerging as a national asset with global effect.

Against that backdrop, we sat down with Goldberg to explore how the organization is reinventing itself, what he thinks of Canada's evolving digital sovereignty agenda and what it means to build the next generation of national telecommunications infrastructure right here at home.

**BRIAN PETERSON (EY Partner)** **Telesat Lightspeed has been heralded as the largest space program in Canadian history, positioning us as a strategic partner in global communications that supports those working in defence, northern Arctic operations, enterprise networks and allied government infrastructure.**

**Getting there saw Telesat evolve from GEOs into LEOs. That's the kind of agility we have typically seen with much smaller tech companies.**

**How did you maintain Telesat's culture as you grew and how important has mindset been in driving the next wave of Telesat's growth?**

**DAN GOLDBERG** When people call Telesat the oldest startup in Canada, I think that's right. We've been around for decades, but we've had to reinvent ourselves again and again. This industry doesn't change all at once — it shifts over years — so you either anticipate where it's going or you get left behind.

When we leaned into LEO, there was a lot of skepticism, but we had a strong conviction that customers needed faster, more resilient, low-latency connectivity. That meant pushing a challenger mindset into a very disciplined, engineering-driven culture. We had to move with urgency, rethink our plans more than once and stay focused on execution, especially through things like supply chain disruptions and COVID.

What's helped us is a combination of experience and healthy paranoia. We've always been innovators and intensely customer focused. That's how Telesat has succeeded for 50 years and it's how we're approaching this next chapter: seeing the opportunity early and executing with discipline.

**WARREN TOMLIN (EY Partner)** **I think many people tend to see space programs as focused on tomorrow. But Telesat has this rich history going back so many years. How do you balance the past and the future as you reinvent and relaunch?**

**DG** It's a very methodical industry. It's very risk averse. But then competitors come along with a sort of 'move fast and break things' kind of mentality. We had to inject that sense of urgency without unmooring ourselves from the past and our DNA.

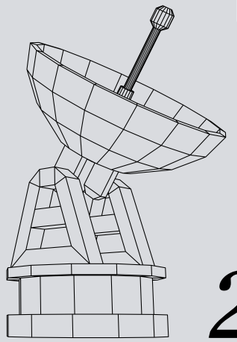
On one hand, we benefit from maturity and longstanding customer relationships. On the other, our industry is being disrupted. We've had to rechart a new path.

## The path to digital sovereignty: *A Canadian story unfolding in real time*



### 1969

Parliament establishes **Telesat Canada** with a mandate to provide satellite communications services to Canada



### 1970s

**1972**

Anik A1 launches, the world's first commercial domestic communications satellite in geostationary orbit

Telesat establishes co-locates two satellites in a single orbital slot for the first time, now a widely used industry practice

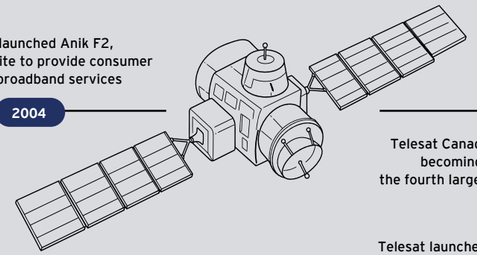
**1978**

Telesat launches the first commercial Ku-band satellite on which was offered the first direct-to-home (DTH) television service



**1981**

### 1980s



Telesat launched Anik F2, the first satellite to provide consumer Ka-band broadband services

**2004**

**2007**

Telesat Canada and Loral Skynet merge, becoming **Telesat Corporation**, the fourth largest FSS operator in the world

Telesat launched Telstar 11N, the first satellite to provide Ku-band coverage of the Atlantic Ocean from the Arctic Circle to the Equator

**2009**



**2019**

Telesat celebrates the achievements that have shaped the global satellite communications industry for 50 years

### 2000s



Anik G1 launches, the first commercial satellite with substantial X-band coverage of the Pacific

**2013**




**2015**

Telstar 12 VANTAGE launches, their first high throughput satellites (HTS)

### 2010s

**2018**

Telesat launches its Phase 1 LEO satellite – the start of a new broadband constellation to transform global communications



**2026**

First two Telesat Lightspeed pathfinder satellites expected to launch

Telesat U.S. Services, is selected for Blackjack Track B research, development and in-orbit demonstration for LEO satellite

**2020**

**2021**

Telesat Corporation goes public on Nasdaq and TSX markets

**2023**

Telesat contracts MDA as prime satellite manufacturer for the world's most advanced, enterprise-class LEO network, Telesat Lightspeed

World-first direct 5G connection to low Earth orbit satellite

**2024**

**2025**

Telesat enters partnership with Government of Canada to design, develop and deliver MILSATCOM architecture for ESCP-P

### 2020s

> We've always had deep engineering roots in this country and a lot of the innovation we're known for globally was born here.
>
> **DAN GOLDBERG** CEO, Telesat

**BP** **Telesat Lightspeed comprises 198 state-of-the-art LEO satellites. Aimed at large commercial and institutional users, we know it's already attracting interest from customers ahead of the upcoming launch. How do you bring something so big and game-changing to fruition?**

**DG** Telesat's history is full of industry firsts, and that legacy matters because it shows we've always adapted ahead of the market. But you can't rely on what you did decades ago in an industry that shifts every year.

What I've said before is that this next chapter is both a continuation of who we've always been and a willingness to break from past models when the market changes. Moving from GEO to LEO is the best example — it meant challenging our own assumptions, rethinking long-held designs and putting urgency into a very disciplined engineering culture.

The balance is simple: we use our history as a foundation, but we don't let it slow us down. We honour what got us here, but we stay focused on where customers and technology are going, not where they've been.

**WT** **It's exciting to see you innovating right here at home, both by partnering with MDA Space and also investing. Telesat's new $25-million campus in Gatineau, Quebec will create new intellectual property (IP) and jobs right here in Canada. What does that Canadian presence mean to you?**

**DG** What matters most to me about building here in Canada is that it reflects who we are as a company. We've always had deep engineering roots in this country, and a lot of the innovation we're known for globally was born here. So, when we made the decision to expand our footprint — whether through Telesat Lightspeed or the Gatineau campus — it wasn't just about facilities. It was about anchoring the next generation of intellectual property in Canada and creating the kind of high-value jobs that keep that expertise here.

I've said before that projects like Telesat Lightspeed only work when you have the right talent, the right partners and the right ecosystem around you. Canada has all of that. Our partnership with MDA is a great example. They've been involved in some of the most advanced space programs in the world. Collaborating with them strengthens the entire domestic space sector.

The Canadian presence isn't symbolic. It's strategic. It ensures that as we build out capabilities that will support governments, enterprises and critical national infrastructure, we're doing it with Canadian technology, Canadian talent and Canadian leadership. That's something I'm incredibly proud of.

**BP** **Looking ahead, Canada might represent only a portion of Telesat's revenue. Do you foresee considerable interest from aerospace, the public sector and other industries?**

**DG** Canada will always be core to who we are, but the demand for Telesat Lightspeed is truly global. I've said before that our customer base has long been international and B2B, including telcos, mobility, aviation, maritime and governments, and those sectors are expanding as LEO becomes real.

We're also seeing stronger than expected interest from allied governments and enterprise networks that need secure, high-performance connectivity. So yes, over time, international markets will represent a much larger share of our revenue. That's exactly why we built Telesat Lightspeed to meet enterprise and government-grade requirements anywhere in the world, not just in Canada.

**WT** **Alright, one final question. Digital sovereignty is core to nation-building in 2026. What does that mean for Telesat and other innovators?**

**DG** I love this country. Sometimes we can be a little too parochial or not as ambitious as we should be. But now it feels like the stars are aligning. The network we're building could be a great calling card. I'd love to see Canada have more global companies with global reach.


**EY Canada perspectives led by**



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# OTTAWA

TACTIQL AND THE DIGITAL SOLDIER

H2L TO IMPROVE MILITARY TRAINING

INVEST OTTAWA AND THE TECH SECTOR

QUANTO ON WORKPLACE AUTOMATION



**Q: Why Ottawa, why now?**

**A:** Over the last two decades, we've really seen Ottawa evolve from Silicon Valley North to a hotbed for integrated, tech-driven commerce. Amazing startups have changed the way the world operates, from Shopify to Fullscript and others now evolving the AI space. Ottawa's swagger is evolving and taking on a new vibe from what we've seen in the past. In the federal government's backyard, this region is the ideal place to keep creating, testing and evolving emerging technologies with one of the biggest buyers in Canada. There are a lot of opportunities for founders and builders ready to connect those dots and take innovation further.

> "I believe your next great innovation may just come from Ottawa. That's an exciting proposition for this ecosystem and the country.

**Q: What's next and why is Ottawa promising?**

**A:** There's a very positive tension between innovation and startups here in Ottawa. Layer in the fact that Ottawa startups can make the government more innovative, and the government can give Ottawa startups access to market that they don't have, and there's a unique dynamic here that can spur so much progress.

**Q: How can national priorities cultivate local growth?**

**A:** There's been a lot said about Canadian sovereignty and the importance of having one national economy. In Ottawa, we have this rare chance to help fuel that shift. We have the skills, talent and entrepreneurial grit to create solutions for markets outside our city limits, right across Canada and the world.

*Q&A with...*


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# Setting the Strategic Direction

## Invest Ottawa's **Sonya Shorey** on unifying Canada's defence tech sector

The line "We stand on guard for thee" in Canada's national anthem may take on new meaning as Ottawa seeks to become the leader in defence technology.

As 2025 wound down, the National Capital Region ramped up collaboration with Invest Ottawa, unveiling a comprehensive strategy aimed at affirming the region as Canada's centre for defence innovation. They're aiming to attract $3 billion in public-private investments for defence-related innovations over the next five years.

Canada has promised NATO it will spend 5% of GDP — $150 billion — on defence by 2035. According to Sonya Shorey, Invest Ottawa CEO, that can only be accomplished through significant contributions from companies working on new products and services that will be adopted by military and public safety organizations.

Invest Ottawa got involved early, Shorey said, by convening stakeholders around the potential for defence tech and the market's needs.

"We've hosted a multitude of roundtables, particularly in areas like defence, public safety and security, where we see a really important and lucrative and impactful opportunity for Ottawa as a national defence innovation hub," she says.

Among the strategy's pillars are a commitment to help firms secure R&D mandates and subcontracts within national recapitalization programs, drive new research programs and build sovereign, secure infrastructure.

"We have the largest cluster in the country, and we have all kinds of defence, public safety and security companies with expertise in drones, advanced robotics, AI and a multitude of other technologies that are critical to supporting this particular sector and equipping our forces with the capabilities they need," she says.



## EASE DOES IT

### H2L is bringing dynamic scenario modelling to improve military training

Success on the battlefield requires as much preparation as possible, but it's traditionally been difficult for teams to know what they will encounter. H2 Analytics is changing that by making it easy to create data-rich training exercises.

Established in 2017, H2 has created a platform dubbed Exercise Architect Suite (EASE). The platform simulates conditions military or law enforcement personnel will experience when on the job.

These realistic scenarios support everyone from those in the field to those running a command post. The platform has already supported the Canadian Armed Forces, national security agencies and allied partners with more than 50 training exercises. The company has since expanded into the Middle East.




## STANDING ON GUARD

### How the capital city is gearing up for a boom in defence tech

Long a hub for defence technology, Ottawa is already seeing significant growth as companies look to capitalize on the federal government's renewed commitment to defence.

Among first movers: Thales Canada, a subsidiary of the French defence giant. Consolidating its local footprint, Thales is moving workers from three offices into a new 112,000-square-foot facility in Kanata. The company's expansion – which includes plans to hire dozens of new employees over the next year – reflects growing demand for its defence, digital identity and cybersecurity products, says Carla Salci, Thales Canada Vice President of Strategy and Government Relations.

Similarly, Norway-based multinational Kongsberg is expanding its Kanata office and hiring. The company's Canadian arm, founded in Ottawa in 1992 as Gallium Visual Systems, develops its flagship TerraLens geospatial visualization software here. It has expanded its product offerings to include software for drone navigation and simulation training for clients that include the Canadian Armed Forces.

Ottawa's Area X.O is also seeing more activity. The 1,850-acre facility is equipped with 5G networks and a 16-kilometre test track, making it an ideal proving ground for autonomous vehicles, drones and other next-generation defence and security products.

### SEMICONDUCTOR INVESTMENT

A renewed push to strengthen Canada's high-tech supply chain, especially in semiconductors and accelerator in memory (AiM), is also reshaping the market.

Ranovus, a local leader in optical semiconductor manufacturing, announced a $100-million investment in its Ottawa facility, a project that will develop and scale advanced optical semiconductors for next-generation AI infrastructure. That's expected to create 125 high-tech jobs, more than doubling the company's current workforce. Ranovus's specialized technology, which uses light to enable faster data transfer, is crucial for improving the efficiency of data centres powering modern AI and machine learning systems.

The National Research Council has engaged an external advisor to explore options for enhancing the Canadian Photonics Fabrication Centre (CPFC). As Canada's only end-to-end indium phosphide wafer fabrication facility, the centre is a key asset for domestic R&D and manufacturing.

Some have suggested the CPFC could be a "future AI hardware champion" and reinforce Ottawa's longstanding reputation as a global hub for photonics and semiconductor innovation.

# Arming the Digital Soldier

## TACTIQL is making sense of defence's need for data



**TACTIQL's Michael Nelson**

For some startups, the target customer is a consumer or large enterprise. For Michael Nelson, it's a digital soldier.

TACTIQL launched in 2022 with a software platform dubbed Fulcrum that acts as a "digital translator" of multi-modal sensor data, Nelson explains in a video introduction to the company.

"The evolution of tech is no longer driven by the military but by industry. Our armed forces must find new and innovative ways to keep up," he says. "Commercial technologies can integrate industry into the way we fight, but most are not interoperable with in-service military systems."

Fulcrum is designed to "make things work," Nelson says, allowing soldiers to focus on their mission rather than technological complexity.

TACTIQL has already sold into the Canadian Armed Forces and Department of National Defence. It also secured a significant international win with the Defence Innovation Accelerator for the North Atlantic (DIANA), beating out 2,600 proposals to access NATO test centres.




# INNOVATED BY CANADA

Quiet. Modest. Understated. Canadian business culture trended in that direction for years. But in a volatile market, business leaders say it's time for Canada to shift gears and get louder — much louder.

**ERIN BURY EMBRACED CANADIAN** positioning when building Willful, the estate planning platform she co-founded in 2017.

"Being focused on Canada has only been an opportunity for us," Bury says. "We have great partnerships with folks, like a US-based estate planning startup, because they're firmly only in the US and we're firmly only in Canada. That opens up partnership opportunities across borders."

Willful actively sought Canadian vendors and software providers in light of shifting trade dynamics. That operational philosophy is now core to the company she's grown alongside her husband. They've created a simple, affordable, tech-driven way for people to prepare wills and power of attorney documents. They're proud of how Willful continues to foster Canada's tech ecosystem.

> "But we must also continue to create a business-friendly environment. That means cutting down red tape, regulatory complexity and the way we do business and then sharing that progress vocally with the world.
>
> **SHAWN SIGESMUND**
> Consulting Market Leader, Technology, Media & Entertainment, and Telecommunications, EY Canada

"When possible, we've tried to redirect spending to Canadian alternatives," Bury says. "We use Ada, which is a Canadian AI chatbot provider that powers our chatbot."

That's a vision EY Canada's Dr. Lance Mortlock can get behind. Managing Partner of the firm's Industrial & Energy Practice, he's also authored two books on building business resilience and success in spite of volatility. Mortlock sees how effectively Canada has honed its reputation as a resource-based economy. He is also quick to point out the ways tech founders, as well as private and public sector allies, can transform Canada's brand as an innovation hub in similarly compelling ways.

"This country should be powerful," Mortlock says. "Other nations look at us and see we've got the muscles and minerals needed for electrification. We have a very intelligent, well-educated workforce. Oil, gas, uranium. There are so many reasons we can drive the shift from made-in-Canada to innovated-in-Canada. I am optimistic about that. But we have to set out with purpose and intentionally invest in the tech ecosystem nationally to realize that potential."

At the foundational level, Canada has a strong footing to support innovative growth. The country ranked 14th in the 2024 Global Innovation Index — the nation's strongest performance in more than a decade. Universities here came fourth globally for quality, giving companies a competitive edge.

Canada's multinational enterprises generate four out of five high-tech patents from domestic entities, demonstrating significant intellectual property development. What's more, the country is rich with AI leadership and established AI development hubs in Toronto, Montréal and Edmonton.

Industry-defining tech success stories show us that potential is real. Shopify released its first platform in 2006, igniting a Canadian-fuelled, global shift in how merchants everywhere buy and sell goods. The business reimagined essential internet infrastructure for commerce, becoming a leader in developing unified customer experiences. Fast forward to November 2025, and Shopify merchants generated a record-breaking $14.6b in Black Friday Cyber Monday sales.

The question remains: what will it take to scale Canada's next Shopify — and the one after that? From fragmentation to collaboration, Canada needs a bolder dialogue around tech.

Stakeholders nationwide have been forging connections to strengthen the tech ecosystem for years. Consider NEXT Canada. For nearly two decades, the organization has linked next-generation entrepreneurial talent with the networks, tools and capital needed to succeed. As a pillar sponsor, EY invested on day one, providing funding as well as critical mentorship, volunteerism and relationship-building support. The firm works with a host of other networks, such as Communitech, in the same way, going beyond fundraising to bridge tech entrepreneurs with the support needed to innovate and scale.

Cross-sector efforts like these reinforce progress across Canada. Still, many say the system itself needs a clearer, more consistent story to attract vital attention and investments needed to take homegrown innovation to the next level.

Tyler Hamilton is a Senior Director of Climate at MaRS, North America's largest urban innovation hub. He guides climate-related activities for ventures, corporate partners and investors, including the flagship Mission from MaRS program. Hamilton says it's difficult to position Canada's ecosystem effectively in the absence of a coordinating national organization that can shape the national message on tech innovation.

"It's challenging to come up with a singular Canadian narrative or identity, because different regions of Canada are very different [in terms of] areas of focus, even different types of entrepreneurial culture, comparing Alberta to Ontario to Nova Scotia," Hamilton says.

By comparison, Israel, Estonia and Singapore attract investment by rallying around unified "startup nation," "digital society" and "smart nation 2.0" campaigns and offices, respectively. Hamilton sees an upside to that approach, noting Canada ranks second globally for cleantech companies even though he views the sector as lesser known on an international scale. To Hamilton, fragmented messaging causes that kind of success to get lost in the shuffle.

"The Canadian ethos is understated," adds Caroline Colongo, the EY Canada Partner who leads the firm's Business Consulting practice. "Canada has everything it takes to shine on the global stage. With our talent, innovation and resilience, we must boldly showcase our strengths and attract opportunities from around the world."

Colongo points to client Constellation Software as a valuable Canadian success story — the kind she'd like the world to know more about. Constellation acquires, manages and builds industry-specific software businesses that provide specialized, mission-critical solutions to address a customer's particular needs. "This is one of the most successful tech companies, and people don't even realize this innovation is happening in Canada. I think we need a clearer, collective story about the innovation happening here to encourage even more of this remarkable work."

Fellow EY Canada Partner Shawn Sigesmund underscores the same need. As a national leader in the firm's Technology Consulting group, Sigesmund believes eliminating messaging silos and fostering greater connectivity across Canadian geographies can encourage more innovation, full stop. "There's an opportunity for CEOs and leadership teams to be much more visible behind the Canadian flag and promote the next OpenText."

A vibrant story that highlights the upsides of building in Canada — from Willful to Shopify and everyone in between — is only one piece of the puzzle. Sigesmund is quick to stress the need for a strong Canadian tech narrative backed by an equally strong funding environment and culture of entrepreneurship.

"We have to talk more about what's happening here, that's for sure," Sigesmund says. "But we must also continue to create a business-friendly environment. That means cutting down red tape, regulatory complexity and the way we do business and then sharing that progress vocally with the world."

> "Canada has everything it takes to shine on the global stage. With our talent, innovation and resilience, we must boldly showcase our strengths and attract opportunities from around the world."
>
> **CAROLINE COLONGO**
>
> Partner, Business Consulting, EY Canada



> "Other nations look at us and see we've got the mining and minerals needed for electrification. We have a very intelligent, well-educated workforce. Oil, gas, uranium. There are so many reasons we can drive the shift from made in Canada to innovated in Canada."
>
> **DR. LANCE MORTLOCK**
> Managing Partner, Industries & Energy, EY Canada

## FINDING THE DOLLARS AND CENTS TO PUSH CANADIAN TECH FOUNDERS FORWARD

Over the last four years, major global and national geopolitical events have reshaped pre-seed and seed funding in Canada. In 2025, the Canadian Venture Capital and Private Equity Association (CVCA) found investment activity has dropped since post-pandemic high points.

Historically, Canada saw an average 184 deals annually from 2016 to 2020. The average amount invested was $287m throughout that time. After peaking at 387 deals, averaging $1b, from 2021 to 2023, both the number and size of deals declined.

More broadly, research and development in Canada declined from 1.87% of GDP in 2022 to 1.81% in 2024. This is well below G7 and OECD averages. High-tech patent applications dropped 41.9% between 2012 and 2019, and domestic venture capital markets deteriorated, with a 34% decline in funding and widening return gaps.

Capital flows make that competitiveness gap even more stark. Canada attracted $2.15b in VC funding in the first half of 2025, while the US attracted $162b, representing a ratio far exceeding population differences.

"As a country, we need to really push on how we attract capital, how we demonstrate that we're open for business," Mortlock says. "We need to go on a road trip to say: bring your capital to Canada. Invest in our companies, and there'll be a return."

For Sigesmund, 2026 represents a purposeful chance make that kind of progress. With nation-building the star of Canada's 2025 federal budget, the government is doubling down on AI, quantum compute and other tech-oriented initiatives.

Opportunities exist and Sigesmund says it's time to ramp up the noise around that Canadian possibility for entrepreneurs here as well as founders and investors from other parts of the world.

"Access has traditionally been easier outside of Canada," Sigesmund says. "But this is a real chance, with the public and private sectors working together to eliminate some of the barriers and attract even more interest. As that progress unfolds, we've got to share that message and really tell the world: Canada is the best place to invest in innovation."

**EY Canada perspectives led by**



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45°30′40″N

# MONTRÉAL

HVAC OPTIMIZATION WITH **BRAINBOX AI**

**QUÉBEC TECH BOOSTS ECONOMIC DEVELOPMENT**

**Wrk GETS THE JOB DONE**

**Q: Why Montréal, why now?**

**A:** There are strong synergies between Montréal startups and larger research centres. Increasing support from the provincial government is encouraging innovation here, too. For example, climate goals and infrastructure investments are fuelling founders to support the energy transition and develop clean technologies.

> From the global perspective, Montréal continues to be a global hub for applied AI, especially in the health and infrastructure space.

**Q: What's next and why is Montréal promising?**

**A:** Quantum – which is talked about more and more at the provincial and national levels – is also finding its footing in Montréal, and Québec overall. The local ecosystem is attracting tremendous talent and considerable investments in quantum computing and advanced sensors, with strong alliances emerging between the university community and startup founders.

**Q: How can national priorities cultivate local growth?**

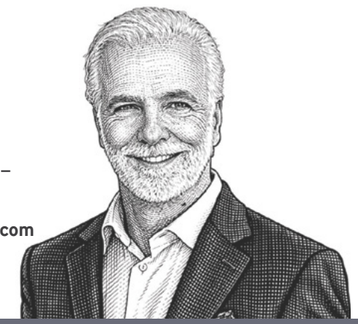
**A:** Strategic infrastructure investments can definitely be a good thing for entrepreneurial businesses and founders in Montréal and Québec City. As the government focuses on digital networks, clean energy and smart transportation, tech startups here will definitely have opportunities to explore. I also see possibilities from the regulatory and procurement standpoints. Streamlining regulatory processes and expanding access to public markets helps young companies reach commercial opportunities more easily. Going back to the relationships between Québec universities and business founders, I think that increased funding for research centres and public-private partnerships could also boost collaborative innovation here.

## *Q&A with...*


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## Come Together, Right Now

**Québec Tech's Richard Chénier on rallying the startup ecosystem to boost economic development through commercial growth**

Richard Chénier is firmly rooted in Quebec. But when he thinks about the future of tech sector, he looks much farther afield.

As the general manager of Quebec Tech, Chénier is leading an organization dedicated to promoting and supporting the local innovation ecosystem.

"We did an analysis and observed that maybe a quarter of our startups are related to life sciences, whether that's digital health, making medical devices or AI and robotics," he said. "But when we looked at the profile of our funders, especially VCs, we had maybe one or two funding startups, but only later stage. It's like having a lot of hockey players without an arena."

Quebec Tech is changing that by providing programs and resources for startups at the early , export-ready and scaleup stages. In 2024, the group received $800,000 in non-repayable contributions from Canada Economic Development (CED) as part of a $16-million regional support package. Quebec Tech also manages the province's $9-million pledge to help young startups expand nationally.

"Until a few years ago, the one thing we didn't have was a kind of umbrella group with a strategic vision for how we can create better conditions for our startups," Chénier says. "It is absolutely possible to do here what Korea did, what Sweden did, what Estonia did to establish and fast-track their tech sectors."

Part of Québec Tech's approach means shifting away from continuous R&D investment. Instead, they're working to determine what kind of value a solution can deliver for 80% of potential customers. "If you are always personalizing your solution for each client, it's impossible to scale," Chénier explains.

Québec Tech aims to be a unifying force that coordinates between startups and VCs, incubators and accelerators to foster more meaningful relationships. That's one of the reasons Québec Tech is now part of a broader innovation mandate with the Québec Strategy for Research and Investment in Innovation (SQRI²).

"Startups are usually looking for clients, market fit, funding, expertise, a talent pool and strategic infrastructure," he says. "We're trying to align all these stakeholders to work better together as a community that supports our startups.



## BrainBox AI is Energizing the Commercial Real Estate Sector, One Temperature Adjustment at a Time



Jean Simon Venne, CTO

If you're among those who can take your building's HVAC system for granted, you might have BrainBox AI to thank.

As co-founder and CTO Jean-Simon Venne learned working in the sector, retrofitting HVAC systems to an existing building's needs can work — but will ultimately require updates. He created BrainBox AI to meet that need. Given HVAC technicians are in limited supply, Venne's solutions allows systems to operate more autonomously.

"It's a bit like an F1 car: you need to continuously fine-tune the engine," he explains. "You could have the best driver in the world, but if you don't have the mechanical crew fine-tuning all of the settings of the car, you're not going to win the race."

For example, BrainBox AI can forecast whether a room's temperature will change in a few hours and make the necessary adjustments in real time. This keeps buildings comfortable and empowers owners to save on energy costs.

"When you start to use AI, you're flipping from reactive control to predictive control," he says. "The beauty of AI is it's giving you that prediction, and an accurate one."

BrainBox AI's ARIA platform was selected among TIME Magazine's Best Inventions of 2024, and the company now serves more than 14,000 commercial buildings worldwide. Despite its global success and an acquisition by Trane Technologies, the company is committed to keeping functions like R&D in Montréal, Venne says.

"When you look at deep learning and many other early breakthroughs in AI, all that was invented in Canada," he says. "We want to continue pushing the envelope in terms of what AI can do, but we will be doing it here."

> "The beauty of AI is it's giving you that prediction, and an accurate one."
>
> **JEAN SIMON VENNE**
> Chief Technology Officer, BrainBox AI



Wrk co-founders David Li and Mohannad El-Barachi

## AUTOMATION THAT MAKES SENSE FOR SMBs

**Wrk AI-powered workflows are getting the job done for growing firms**

Two startups in, serial entrepreneur Mohannad El-Barachi realized AI-driven business platforms on offer weren't working for mid-sized firms like his.

El-Barachi set out to transform that blank space into his next opportunity, Wrk. Specializing in AI-driven workflow automation software and business solutions, Wrk offers products tailored specifically to mid-sized companies.

By breaking workflows down into tasks that can be delegated to people or machines, his products offer these businesses a clear lift: the ability to ramp up operations and meet the needs of a growing client base without necessarily incurring the cost of additional headcount.

"The system would figure out this bit could be done by a human, this bit could be done by an [application programming interface], and this bit could be done by a third-party consultant," he says. "What we learned through it is that everybody thinks their processes are custom, but the reality is, the building blocks of a process are all more or less the same."

Wrk now also offers flow-charting capabilities. Users can drag and drop steps they want, irrespective of how they get delivered. With cross-industry applicability, Wrk use cases span everything from automating donor management to mitigating compliance requirements, offering real-time health reporting and reducing administrative load.

"Obviously [AI] is going to help major organizations become a lot more efficient, but it can also enable small and medium-sized businesses to now compete more aggressively and take market share away from those larger players in the space," he says. "That's the mission that we're targeting."

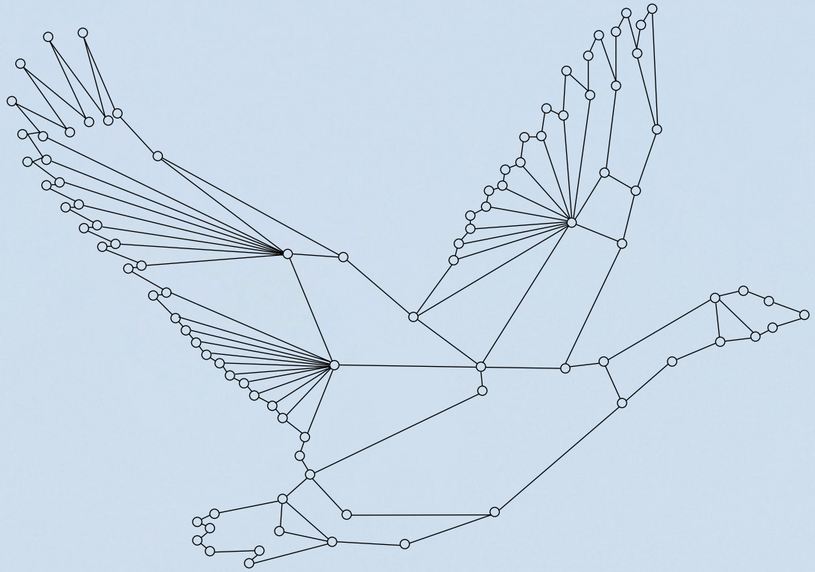
> "AI can also enable small and medium-sized businesses to now compete more aggressively.
>
> **MOHANNAD EL-BARACHI**
> Co-founders, Wrk

# DISRUPTIVE HEADWINDS / ENTREPRENEURIAL TAILWINDS

What if disruption isn't the challenge, but the chance?







**CANADIAN FOUNDERS FACE A SWIRLING LANDSCAPE OF COMPLEXITY.** Even so, there are opportunities layered in the kind of disruption the world's experiencing now. In many ways, tapping that potential requires a fresh perspective.

"Founders have traditionally focused on being better, faster and cheaper [than the competition]," explains Biren Agnihotri, EY Canada Chief Technology Officer. "I think now is the time to move to a focus on being smarter, resilient and strategic."

Recent Business Development Bank of Canada research shows while typical entrepreneurial stressors like work-life balance, inflation and high interest rates are all down year over year, others are growing. World events or crises were up 10 points in 2025, affecting stress and anxiety levels for some 37% of entrepreneurs. Also on the rise: economic or political uncertainty, up five points to affect 47% of those surveyed, and managing cash flow or profitability, up four points, unnerving 50% of entrepreneurs.

> The right ecosystem can help founders adapt as conditions change. You cannot build everything by yourself.

**SYLVAIN GOLSSE**
EY Global Trade Leader, EY Canada

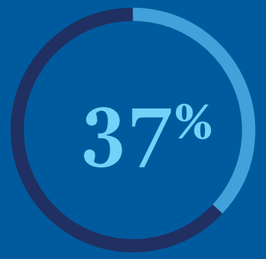
Agnihotri says this complexity brings renewed need for entrepreneurs to embrace much more agile ways of thinking, planning and working. “The winners will be those with the ability to pivot, launch a new product, enter into a new market or adopt a new technology.”

Dramatic changes to trade and tariff regimes, geopolitical upheaval and economic uncertainty defined 2025. But this came on the heels of a five-year cycle. From 2020 to now, businesses in all sectors have navigated the mainstreaming of generative artificial intelligence (gen AI), extreme weather events, supply chain shocks, the Great Resignation and a global pandemic. That rollercoaster ride has moved global economies — and the entrepreneurs who drive them — into an operating environment that’s at once non-linear, accelerated, volatile and interconnected (NAVI).

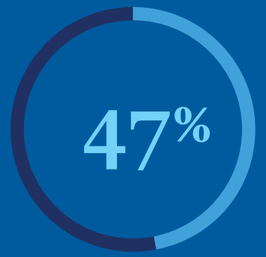
A core megatrend in 2025, this NAVI world requires leaders to adapt future-back planning, scanning the environment more widely and considering the interconnections between disparate forces like tech, geopolitics and sustainability. To Agnihotri’s point, founders must now plan for not just one, but multiple visions of the future. Doing so bakes adaptability right into the venture, enabling entrepreneurs to correct course more quickly and jump on opportunities.

Paul Tucker agrees. As EY Canada Managing Partner, Consulting, he leads a national practice group of more than 3,000 consultants dedicated to helping clients grow, optimize operations and manage change. Supporting organizations at every stage of the growth journey, he underlines the importance of taking a bigger and broader approach about where opportunities lie and preparing for a handful of potential pathways to profitability.

“From my perspective, looking at the current geopolitical environment and the rapid pace of technological change, especially with AI, we need to adopt new approaches, get companies and solutions out more quickly and look beyond our traditional, easy path — such as Silicon Valley,” says Tucker. “There may be other areas we need to explore now.”




anxiety levels for entrepreneurs due to world events or crises




feel the effects of economic or political uncertainty

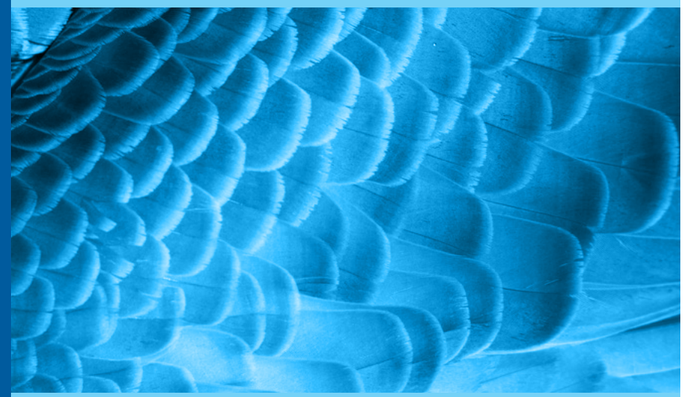



of entrepreneurs are feeling unnerved about cashflow or profitability



> From my perspective, looking at the current geopolitical environment and the rapid pace of technological change, especially with AI, we need to adopt new approaches, get companies and solutions out more quickly and look beyond our traditional, easy path — such as Silicon Valley. There may be other areas we need to explore now.

**PAUL TUCKER**
Managing Partner, Consulting, EY Canada



> The winners will be those with the ability to pivot, launch a new product, enter into a new market or adopt a new technology.

**BIREN AGNIHOTRI**
Chief Technology Officer, EY Canada

## GREATER RISKS CAN RAMP UP THE POTENTIAL FOR GREATER REWARDS

Granted, forging ahead in the face of so much uncertainty can be daunting for even the most optimistic founder. This year’s Global Entrepreneurship Monitor shows while more people agree it’s becoming easier to start a business, the fear of failure increasingly holds them back.

On the flip side, the Monitor highlights a number of environmental factors essential to supporting entrepreneurship: improved regulatory frameworks, favourable tax policies, engaged public/private ecosystems and incentivized investments. Many of these are already gaining traction in Canada.

Ahead of Canada’s federal 2025 budget, the Business Council of Canada joined a chorus of industry and other voices, calling for the government to commit to a pro-growth structural reform agenda. By the end of the year, the federal government launched a Major Projects Office to prioritize nation-building projects in Canada’s interest. Among those priorities are meaningful focus on AI, quantum computing and advanced technologies, along with streamlined processes and less red tape to get projects off the ground. The budget also proposed investments like $1b in funding to launch a new Venture and Growth Capital Catalyst Initiative and enhancements to the Scientific Research & Experimental Development (SRED) program, among other initiatives.

Those building blocks lend themselves to fostering the kind of environment entrepreneurs require to move forward despite disruption. For Sonya Shorey’s part, keeping informed of updates like these is like topping up fuel in the founder’s tank. Shorey is President and CEO of Invest Ottawa, the lead economy development agency for knowledge-based industries in Canda’s capital.

With more than 25 years of leadership experience in tech, entrepreneurship and investment, Shorey’s seen her fair share of economic cycles and disruptive forces. She says a founder’s understanding of how each change impacts the business and presents opportunity is hugely important to long-term success.

“It’s very unpredictable in the current environment, especially to the south of us,” says Shorey. “Being agile, always on guard, and staying on top of the latest information and how it impacts the business has become almost a standard part of their operating model.”

To that end, tech founders who set fear aside and capitalize on these possibilities may just find tumult can be a stepping stone to sustainable growth.

## THEORY TO ACTION: NEXT STEPS FOR CANADA'S TECH FOUNDERS

A bold mindset is only one piece of the puzzle. To adapt effectively and make progress in spite of so much volatility, founders will need to do things differently going forward. For example, the entrepreneurial ecosystem becomes increasingly important in challenging times. As entrepreneurs home in on multiple futures and paths, new ways to collaborate — even with previously unlikely partners — may be a linchpin to momentum.

"You need to consider who you will work with, both geopolitically and in terms of technology focus. What's the long-term view? Not everyone has the answer, but maybe look for partnerships with organizations or companies that are more mature," says Sylvain Golsse, EY Canada National Global Trade Leader.

Over the last year in particular, Golsse has worked with organizations of all sizes and stages to mitigate the downsides of trade disruption and unearth new growth channels. He says reframing collaboration can be a good way to withstand unpredictable business conditions.

"I think the world is changing so fast that [resilience] is about the ability to partner with an ecosystem," he says. "The right ecosystem can help founders adapt as conditions change. You cannot build everything by yourself."

Golsse suggests founders focus less on looking for fast cash and more on ways to bring two to three different entities together, collectively betting on where the market is heading. That doesn't eliminate the need to secure funding; rather, this is about prioritizing partnerships on an equal footing with cash.

"It might be interesting to explore nontraditional funding and look for companies with strong leadership and good fundamentals, supporting each other through growth."

While every founder will view financing through their own unique lens — with some bootstrapping to maintain full control and others looking to private equity, venture capital or debt instruments to scale quickly — choosing the right option for the right reasons counts for a lot. There's no one-size-fits-all approach to thriving in a NAVI world. That thinking extends to the way entrepreneurs access capital.

Agnihotri believes founders should consider which funding options position the business to recover from a financial challenge within 30 days — not months or years. "You need to start double-clicking on your business and see how much you are exposed, and where you are exposed."

They may also want to reconsider traditional metrics that no longer serve the business well. For example, achieving a certain level of monthly recurring revenue (MRR) may be difficult with tariffs changing every other month and economic headwinds continuing to blow. If that's the case, it's time to rethink measurement overall.

Doing so can foster the flexibility entrepreneurial businesses need to seize the upsides of disruption. Canadian research shows that during upheavals like the pandemic, new entrepreneurs were more motivated to start up a business out of necessity than opportunity.

From some of the world's largest automotive manufacturers that were founded during a recession early in the 20th century, to leading tech platforms launched in the gloom of the early 2000s tech bubble: some of today's biggest brands trace their roots back to adversity. In Canada, the EY Entrepreneur Of The Year® Awards program has received 5,000 nominations since 1994. Many of those businesses were founded in uncertain times.

Plusgrade is one of them. Tech founder Ken Harris faced plenty of skepticism when establishing Plusgrade in 2009, as the financial crisis cast a long shadow over markets. He pushed ahead regardless, using technology to democratize travel through a revolutionary, white-label upgrade solution that integrates directly into airline booking systems.

By 2023, Plusgrade was generating over $5b in annual revenues. A year later, Harris was named Canada's Entrepreneur Of The Year 2024. He's set a new standard for 200 travel brands in 60 countries.

That entrepreneurial grit gets EY's Tucker excited about the future of tech in Canada, no matter what the broader environment has in store. He works with companies across the country to drive growth and spur innovative opportunities. And he's betting on Canadian founders.

"What I love about Canadian ingenuity is our collective drive. We simply don't give up," Tucker says. "We have a chance to take the massive amount of change the market's experienced in recent years and turn this into Canada's moment. When Canadian entrepreneurs pair the right strategy and tech with inspirational people leadership, extraordinary results emerge."


**EY Canada perspectives led by**



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# HALIFAX

SANDPIPER VENTURES
UNLOCKS CAPITAL
AND INNOVATION

FOUNDER-FIRST
FOCUS AT **VOLTA**

TESTING
THE WATERS
WITH **COVE**



**Q: Why Halifax, why now?**

**A:** Halifax sits at the intersection of things that matter more today than they did even five years ago: sovereignty, security, oceans, energy and resilience. What's changed is that national priorities have shifted towards exactly the capabilities Halifax already has. We have a deep naval presence, a modern shipbuilding and sustainment base, world-class ocean science and a growing technology sector that understands how to work in complex, regulated environments. Halifax is well positioned for this moment because we don't have to start from scratch. The talent is here. The institutions are here. The partnerships are already working.

> "Place, policy and purpose are aligned and that creates real opportunity for Halifax to contribute at scale.

**Q: What's next and why is Halifax promising?**

**A:** Defence and ocean innovation are not isolated sectors; they're platforms. Technologies developed for naval operations, undersea awareness, autonomy AI and advanced materials are increasingly dual use, with applications in climate monitoring, critical infrastructure, shipping and energy. Talent is another part of the story. Halifax has always been good at attracting people. We're getting better at keeping them. Affordable growth, meaningful work and a sense that what you're building matters is a powerful combination.

**Q: How can national priorities cultivate local growth?**

**A:** The most effective growth doesn't come from one-off funding or symbolic investments. It comes from alignment. When procurement, innovation policy, workforce development and regional agencies pull in the same direction, you create the conditions for companies to take real risks, invest locally and think long term. Place, policy and purpose are aligned and that creates real opportunity for Halifax to contribute at scale.

## *Q&A with...*


**PAMELA ACHENBACH**

EY CANADA
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## Getting Started!

**Matt Cooper** on how Volta brings startup leaders together in person to help them execute

Matt Cooper kept hearing the same thing from peers in the founder community: accelerator and training programs are great, but they end after 12 weeks or so, leaving folks wondering what to do next.

Volta, where Cooper is now CEO, answers that question by providing co-working space, mentorship and workshops to help local, early-stage companies grow and scale AI businesses. The big difference? Volta emphasizes a founder-first approach rather than a traditional, cohort-based educational offering.

"We wanted to complement that and give founders a way to take the theory and execute on it, and there are very few places that do that," Cooper says. "All our staff have been founders or have led growth at VC-backed startups, and that means they've been in the shoes of the people they're helping."

Volta has launched initiatives together with organizations like Dalhousie University and Halifax Partnership. Cooper underscores the importance of aligning with experts capable of addressing the specific needs of an AI startup, as opposed to one manufacturing medical devices or new computer hardware, for example.

That includes focusing on the value of in-person connection. Volta has welcomed residents to its Armoyan Centre innovation hub since 2023 — a space intentionally designed for founders to meet in common spaces, not siloed wings.

"It's only been two years," he says, "and we're already starting to get to capacity."

> "All our staff have been founders or have led growth at VC-backed startups, and that means that they've been in the shoes of the people that they're helping.
>
> **MATT COOPER**
> CEO, Volta



## Sandpiper Ventures Disrupting the VC Environment, One Women-Led Startup at a Time

On Canada's east coast, innovative startups like DeNova are reimagining the shoreline — and with it, the future of the region.

DeNova's business is developing a way to convert greenhouse gases (GHGs) into high-quality protein. Just below the surface, Sandpiper Ventures provides essential support: DeNova secured $6.5 million in Series A funding thanks in part to Sandpiper's strategic advice on unlocking a debt facility to support working capital, cap table structuring and more.

Sandpiper was built on the belief that investing in women-led innovation is a powerful lever for economic growth, social resilience and systems-level change. The team played a key part in guiding DeNova's capital finance plan for its first plant implementation.

"We arbitrage one of the last mispriced markets in venture capital," Cathy Bennett, Sandpiper co-founder says. "This is about hands-on value creation."

Sandpiper has active board roles in more than 75% of the companies it funds. Bennett says the VC helps drive areas such as governance, commercialization and early liquidity preparation beyond regular reporting. They invest in women building tools to solve real challenges for real communities.

"[There have been] perceptions that Halifax firms are grant reliant, in niche or long-cycle sectors," she says, adding that a lack of high-profile exits have added to the challenge.

"These barriers are steadily being overcome, however, as founders prove both traction and capital efficiency in sectors where Halifax has global advantages."

Bennett says Sandpiper is particularly bullish on the outlook for Halifax's tech sector over the next three to five years.

"I'd love to see stronger links with national and international investors, and more opportunities for startups to land anchor customers through local procurement and corporate partnerships," she says. "The ecosystem can provide a solid runway for companies to scale globally from Halifax."






Melanie Nadeau, CEO

## AN IN-DEPTH APPROACH TO DEEP TECH

COVE helps founders, investors and customers test the waters with new ideas

COVE describes itself as "where innovation advances high-impact solutions from seabed to space." The facility is more than ready to welcome and accelerate the next wave of deep-tech innovators.

Perched on Halifax Harbour, COVE is housed in a former Canadian Coast Guard facility. With traditional office space, prototyping workshops, labs and deep-water piers, COVE offers a unique environment, bolstered by programs for networking, mentorship and entrepreneurial funding.

Bridging physical infrastructure and industry expertise, COVE helps entrepreneurs who work in complex, often harsh environments where study equipment is critical. That's in addition to the high capital requirements and corresponding risks.

"When we think about the programming and services we offer, we're really trying to reduce those risks and accelerate the ability for our clients to reduce costs," says Melanie Nadeau, COVE's CEO. "And because of all the companies and partners we work with, we can do that at scale."

COVE primarily serves small and medium-sized enterprises, startups and established companies in the marine and defence sectors, including those focused on dual-use technology, climate solutions, energy and offshore infrastructure.

What does that look like in action? Stella Maris: a test bed for marine instrumentation that includes a dockside testing area, a shoreside operations centre and 24-hour access to a data portal.

"It allows companies to fast-track their technology development as it relates to sensor, video cameras or underwater acoustic noise technologies," Nadeau explains. "It means that [startups] don't have to go and charter a boat or vessel to do that in the water."

On COVE Demo Day in June, more than 500 people can often be found demonstrating equipment on, or in, the water.

"Whether you're an investor or a potential customer, they can interact with that equipment. It's not on a trade show floor," she says.




# THE FOUR AI-READY HORIZONS

**How leaders can move from pilots to progress**

It's 2026, and we don't have an AI technology problem. We have a leadership opportunity. The challenge is not deploying models and agents. Rather, we need to get AI out of PowerPoints, demos and proofs of concept and into how the business runs. Much has been said about AI over the past few years. Wherever leaders fall on the spectrum, from doom to boom, one truth is unavoidable: resisting AI will be as ineffective as trying to hold back the tide.

Going forward, the intelligence advantage will belong to leaders who avoid false choices such as humans or machines, speed or safety, innovation or responsibility. Instead, they'll design for the power of *and*.

That advantage will only go to organizations that are genuinely AI ready.

**BECOMING AI READY IS NOT A MILESTONE, BUT A CONDITION BUILT OVER TIME**

Like oxygen, intelligence will become increasingly ambient, unnoticed when it's present and immediately felt when it's not.

**The problem:**
Many organizations measure AI progress through pilots, deployments or use cases. The real test is whether adoption becomes genuine work or stays trapped in pilot theatre.

**The insight:**
AI will not replace leaders, but it will expose whether leadership is built on good judgment or authority.

**The plan:**
Use the four AI-ready (AIR) horizons

| H1 | H2 | H3 | H4 |
|---|---|---|---|
| **AIM** | **ALIGN** | **ACT** | **ASSURE** |
| AI mindset | Builds foundations | Changes real work | Earns trust |

**Emerging tech is exactly that: emerging**

For decades, leaders have been told that the next breakthrough will be "the one," the technology that changes everything. In my experience, one of the greatest challenges of emerging tech is rarely the technology itself, but our willingness to accept that the technology is, in fact, emerging.

The arrival of AI has triggered a familiar panic. We saw it when the internet arrived, when digital photography threatened film, when streaming reshaped music and entertainment. Entire industries feared collapse. But history shows that most industries didn't vanish. They evolved. The winners were those that embraced and reimagined, not those that resisted.

AI differs in a more fundamental way. Previous technologies changed what organizations could do. AI changes how organizations think. It reshapes how intelligence is produced, distributed and trusted, and in doing so AI alters how judgment is formed and defended.

Earlier in my career at IBM, I led the North America Labs as the company pushed the boundaries of machine intelligence, just as Watson's appearance on Jeopardy! revealed what AI could do. Internally, we spoke less about AI and more about augmented intelligence. That wasn't semantics. It was more about what would remain scarce once augmented intelligence truly arrived: creativity, curiosity and leadership judgment.

For leaders, the question now lands plainly. Are we AI ready?

**The AI-ready (AIR) horizons**

Most organizations struggle with AI not because they lack ambition, but because they lack a clear way to see where they are and whatkind of leadership work is required next. The AI-ready horizons offer a practical way to make that visible.

# H1

## AIM – AI MINDSET

Every AI effort begins with assumptions about intelligence itself. Is AI a replacement for human work or an augmentation of it? Is judgment something to automate away, or reinforced with better insight?

Many organizations approach AI with the same anxiety that greeted earlier revolutions. They fear replacement, fixate on risk or rush toward superficial adoption. A strong **AIM** helps leaders and teams hold both curiosity and caution by treating intelligence as a collaborator, not a threat.

Organizations with a weak **AIM** swing between hype and fear and remain trapped in demonstrations. **AIM** shapes whether people trust AI enough to use it, but not so much that they give up responsibility.

**AIM**

**What leaders believe about intelligence determines how it is used.**

- Frames AI as augmentation, not replacement.
- Clarifies where judgement must remain huma.
- Prevents oscillation between hype and fear.

**Mindset decides whether intelligence is absorbed or resisted.**

# H2

## ALIGN – BUILD FOUNDATIONS

**ALIGN** is where intent meets reality. Mindset alone is insufficient. Belief without alignment quickly collapses into frustration. **ALIGN** reflects how coherently data, platforms, architecture, operating model and talent are oriented around how intelligence is meant to be used across the organization.

Most AI failures attributed to "model performance" are readiness failures: fragmented data, brittle pipelines, unclear access and controls, and systems built for yesterday's questions. Becoming AI ready does not require perfect data or pristine architecture. It does require foundations designed for reuse, learning and change.

Increasingly, **ALIGN** also includes commercial readiness. Many organizations still struggle to price AI-driven offerings, define sustainable economics, and bring intelligent products to market in ways customers trust or understand. Without alignment between technology, operating model and go-to-market strategy, even technically successful AI initiatives fail to scale.

**ALIGN**

**Intelligence cannot move through broken foundations.**

- Data platforms built for reuse, not demos.
- Architecture designed for learning, not stability.
- Readiness felt only when it's missing.

**Belief without readiness collapses into frustration.**

# H3

## ACT – ACTIVATION AND CONTINUOUS TRANSFORMATION

If **AIM** is orientation and ALIGN is enablement, **ACT** is where it becomes real. This is where AI stops being something the organization experiments with and starts becoming something it works with.

**ACT** is not execution in the traditional sense. It is ongoing organizational rewiring. Roles change. Decisions move closer to the edge. Feedback loops shorten. New frictions emerge, not because the technology fails, but because work itself is being reshaped.

Activation often exposes latent anxiety. As with early internet initiatives, AI can trigger fear-driven behaviours: short-term fixes, avoidance of real change, or an obsession with metrics over meaningful adoption. Many organizations stall by treating activation as rollout. They deploy the tool, train the users and move on. But AI does not stabilize that way. It continues to learn, shift and influence behaviour.

If the operating model doesn't change, neither will the AI, no matter how good the demo is.

**ACT**

**This is where ways of working actually change.**

- Roles, decisions and workflows are reviewed.
- Transformation becomes continuous, not episodic.
- Anxiety surfaces not because AI fails, but because work shifts.

**AI doesn't roll out. It reshapes.**

# H4

## ASSURE – TRUST BY DESIGN

As AI becomes embedded in decisions that matter — financial, operational and human — the question of trust can no longer be deferred. **ASSURE** reflects the mechanisms through which confidence is earned over time: accountability, transparency, explainability and responsible use in practice, not just policy.

**ASSURE** is not a brake on innovation. It is what allows innovation to scale. Speed without trust creates fragility. Trust without use creates irrelevance. Organizations that treat assurance as a late-stage compliance exercise often find themselves either slowing down unnecessarily or moving so fast that they lose credibility.

Trust is not something you apply to AI. It is something AI earns through use, and something leaders protect through clear intent.

**ASSURE**

**Scale depends on confidence, not speed.**

- Accountability stays human.
- Decisions remain explainable.
- Trust is earned through use, not policy.

**Without trust, intelligence stalls or breaks legitimacy.**

## WHY AI READY (AIR), NOT A MATURITY MODEL?

Most AI frameworks promise progress through stages such as crawl, walk, run, the same framing often used for digital transformation. That logic assumes stability, with predictable paths, and a future state that can be defined in advance. Intelligence does not behave that way.

AI shows up unevenly, learns continuously and reshapes work as it's being adopted. AI readiness, therefore, is not a level to be achieved. It's a condition to be built and sustained.

Over time, intelligence will become less visible, not more. It will embed itself into workflows, decisions and judgment.

The AI readiness horizons are designed for that reality. They are not meant to declare organizations "finished," but to help leaders see where alignment is strong, where it's brittle and where attention is required next.

## HOW LEADERS SHOULD USE THE AI READY (AIR) HORIZONS

For CEOs and boards, the horizons are not a technical assessment. They are a leadership diagnostic. Used well, they don't prescribe solutions; they surface leadership gaps.

- **AIM asks:** Do we share a clear view of how intelligence should shape judgement, accountability and decision-making, or are we reacting tactically to tools and trends?
- **ALIGN asks:** Are our data, platforms, operating model and talent coherently oriented towards that intent, or are we funding disconnected efforts that cannot scale?
- **ACT asks:** Is intelligence changing how work gets done, or is it still trapped in pilots, demos and PowerPoint?
- **ASSURE asks:** As intelligence moves closer to decisions that matter, have we designed trust into the system, or are we relying on policy after the fact?

Most organizations are not behind on AI because they lack ambition. They are behind because these four questions are being answered inconsistently, in different parts of the enterprise and at different speeds. The AI readiness horizons make those gaps visible, without pretending they can be closed all at once.

Leaders who struggle with AI often treat it as an external force to adopt, resist or regulate. Leaders who succeed treat it as an internal capability that reshapes how intelligence is produced, shared and used, and how judgment is exercised and owned.

> "The organizations that win will not be the ones with the best models. They will bethe ones that adapt.
>
> **WARREN TOMLIN**
> Managing Partner, Technology, Media & Entertainment, and Telecommunications, EY Canada

## WHAT THIS MEANS FOR LEADERS

Learning to live with intelligence does not require predicting the future of AI. It requires building organizations that remain coherent as intelligence becomes ambient and embedded in everyday decisions.

AI will not replace leaders. But it will expose whether leadership is grounded in judgment or propped up by authority.

Looking back, the language of augmented intelligence feels less like a historical nuance and more like an unfinished lesson. The word artificial once created distance between human intelligence and machine capability, between what we trusted and what we feared. As intelligence becomes embedded in decisions that matter, that distance is collapsing.

The organizations that win will not be the ones with the best models. They will be the ones that adapt. The internet did not reward companies that simply "went online." It rewarded those that changed how decisions were made and how value was created. It punished the ones too rigid to evolve. AI will do the same.

The advantage will belong to organizations that move beyond pilot theatre into real work and design for the power of human judgement and machine capability, speed and safety, innovation and responsibility.

In the age of intelligent machines, the most enduring advantage may still be creativity, curiosity and thoughtful leadership. That's not something intelligence replaces: it's something intelligence reveals.

## EY Canada perspectives



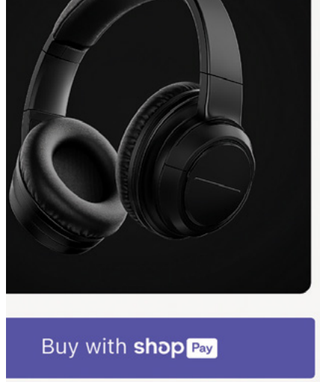

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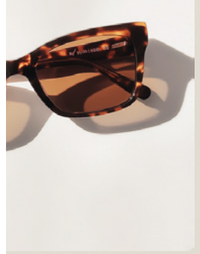


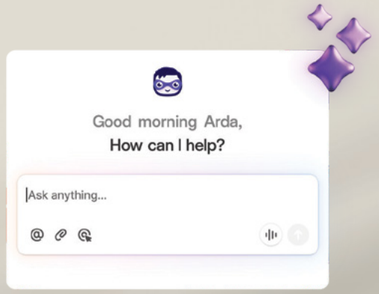

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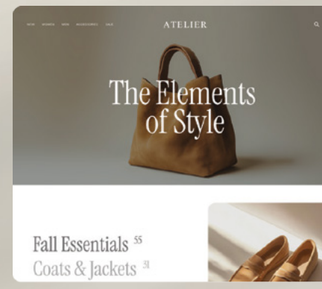


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# Grounds for Hope



**As we close this edition of *Pointing North***, one truth stands out: Canada's innovation story is being shaped not by any single actor, but by the collective choices we make together. Collaboration between industry, government and entrepreneurs remains the foundation of progress – not as an abstract ideal, but as a practical necessity in a world defined by rapid change.

The past year underscored just how quickly global conditions can shift. In 2025, Canadian technology leaders navigated protectionist trade measures, shifting geopolitical landscapes and relentless pressure to scale and compete globally. These challenges continue to shape the environment leaders face in 2026.

Yet even amid these headwinds, there are real grounds for hope. Founders are building companies in the face of uncertainty. Scaleups are pushing through growth plateaus. And a new generation of innovators is choosing to stay, invest and build in Canada. Their ambition strengthens not only individual enterprises, but the resilience and competitiveness of our broader innovation ecosystem.

Earlier this year, Prime Minister Mark Carney used his address at the World Economic Forum to highlight a "rupture in the world order" and the growing responsibility of middle powers such as Canada to respond with clarity and confidence. Taken together, the Prime Minister's message and the realities facing Canadian firms point to an unmistakable conclusion: leaders can no longer separate global volatility from domestic decision making. The same forces he described on the world stage are now shaping Canada's policy landscape and the conditions under which businesses must compete.

As we move into the second quarter of 2026, attention is shifting from intent to impact. After a year defined by change and policy recalibration, the focus for leaders is now on outcomes. The question is no longer whether governments and regulators acted, but whether those actions are delivering meaningful results for innovation, investment and scale in an increasingly fragmented global economy.

Programs such as the enhanced Scientific Research and Experimental Development (SR&ED) tax incentive reflect important efforts to adapt to new realities. But alignment alone is no longer enough. Progress now depends on execution, measurement and a willingness to be bold – to assess what is working, confront what is not and introduce new measures or pivots where outcomes fall short. In a competitive world, standing still is not a choice.

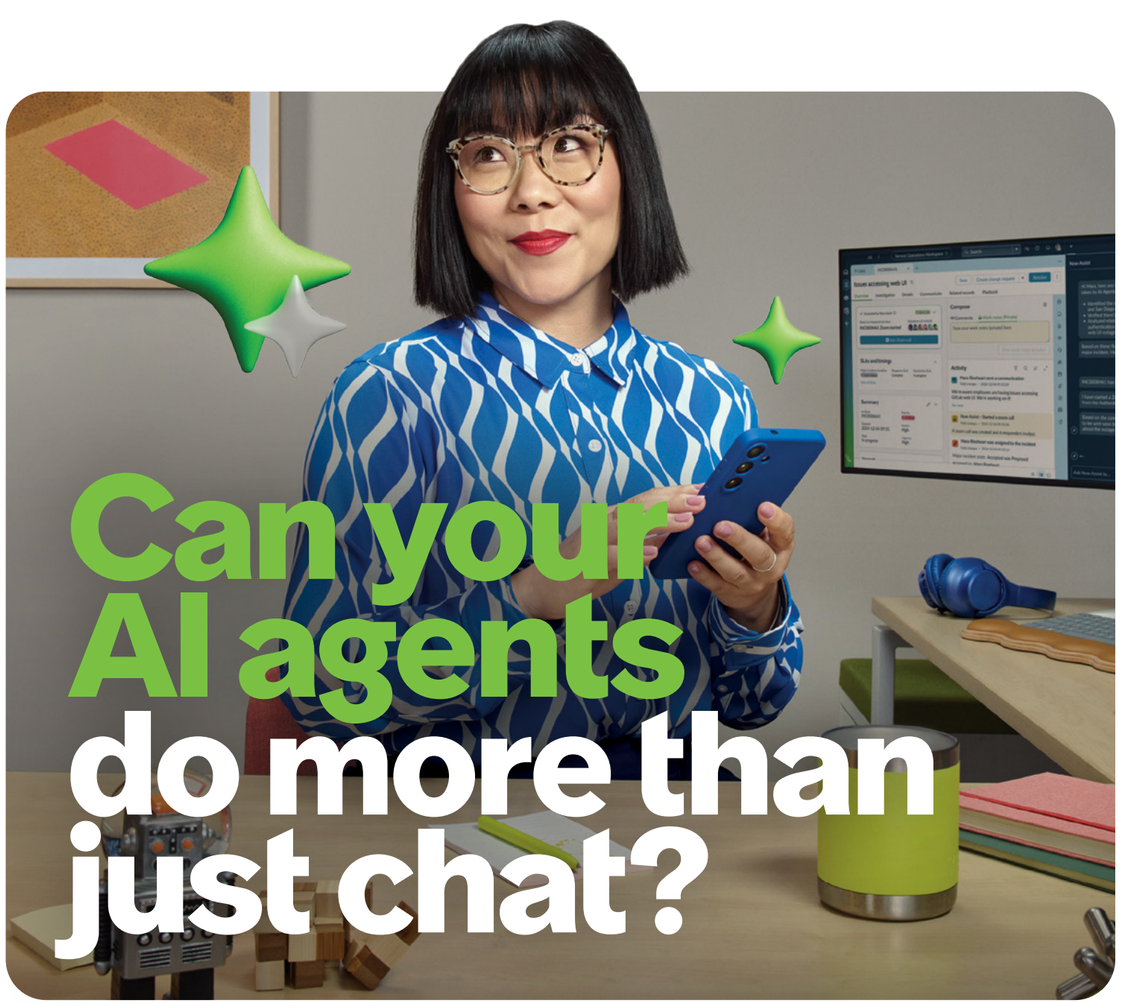
That imperative will only intensify as Canada prepares for the scheduled 2026 review of the Canada–United States–Mexico Agreement. For founders and scaleups, CUSMA represents more than a trade framework. It is a determinant of market access, competitiveness and the ability to protect and commercialize Canadian innovation. The months ahead will test whether Canada can translate shared ambition into durable advantages that allow its companies to scale and compete globally.

At the same time, Canada's future success depends on looking beyond any single agreement. To thrive in the digital economy, we must continue building new ecosystems, investing in homegrown talent and presenting to the world an environment where businesses – and families – can succeed.

We must also be clear eyed about where progress remains uneven. While 2025 delivered meaningful momentum, long term competitiveness will require sustained action: reducing internal trade barriers, modernizing regulations, expanding support for capital investment and accelerating the commercialization of Canadian intellectual property.

As 2026 unfolds, Canada's innovation story is still being written. The stories in this issue reflect the ambition of a tech community that is increasingly confident, outward looking and determined to lead. EY is proud to help foster this national dialogue – bringing perspectives to the table, encouraging bold thinking and supporting the leaders who are shaping what comes next.

Let's keep pointing north. Asking better questions, welcoming new voices and committing to helping strengthen Canada's competitiveness. By continuing to collaborate across the tech ecosystem – from founders and scaleups to investors and policymakers – we can turn innovation into impact and ensure Canadian ideas don't just emerge, but scale and succeed globally.




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