

An aerial photograph showing numerous icebergs of various sizes floating in dark, open water. The icebergs are white and some have small pools of water on their surfaces. The background is a vast expanse of water with more distant icebergs visible.

BDC AND DEFENCE

Boosting SME competitiveness
to shape Canada's defence future



July 14, 2026

A COMMITMENT TO DEVELOPING CANADA'S DEFENCE ECOSYSTEM



FINANCING

A dedicated partner

Higher risk tolerance, flexible terms

Patient lender, stable, long-term funding

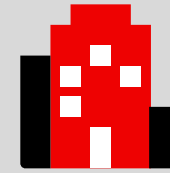


ADVISORY SERVICES

Preferential pricing for defence mandates

Tailored support

Experience helping clients in this industry



VENTURE CAPITAL

BDC is Canada's most active VC investor

➔ **StrongNorth Fund:** Investment in early-stage companies developing deep technologies with defence or dual-use applications

➔ **Fund Investments:** Targeted investments in private funds aligned with Canadian defence and sovereignty priorities

Existing investment funds are also exploring defence and dual-use opportunities

The Context: Canada's Defence Industrial Strategy (DIS)



The north star of the Defence team.

SECURITY, SOVEREIGNTY & PROSPERITY



Canada must **BUILD** at home first — **especially in key sovereign capabilities** — then **PARTNER** with allies to build together and **BUY** off-the-shelf only as a last resort under conditions that flow back into domestic industry.

Backed by **\$81.8B** in Budget 2025, DIS signals a generational commitment to Canadian defence sovereignty.

THE 5 PILLARS OF THE DIS

- | | | |
|---|---------------------------------|---|
| 1 | Renew Industry Relations | Long-term demand signals · Rapid accreditation of personnel & facilities · Regular industry engagement · Navigate government support |
| 2 | Procure Strategically | New Defence Investment Agency · BUILD–PARTNER–BUY framework · Canadian Champions · Modern ITB Policy · Streamlined procurement |
| 3 | Invest in Innovation | Defence R&D support · BOREALIS fast-track mechanism · SME/SMB sector development · Canadian IP ownership · Export promotion · Workforce development |
| 4 | Secure Supply Chains | Secure key CA assets & tech · Deepen domestic supply chains · Critical minerals access · Steel & aluminum · Medical countermeasures |
| 5 | Domestic Partners | Provinces & territories · Indigenous rights holders · Northern & Arctic partners · Distinctions-based action plan · Regional resilience |

10 KEY SOVEREIGN CAPABILITIES REQUIRING SUSTAINED FINANCING

AEROSPACE	SPECIALIZED MANUFACTURING	SPACE	AMMUNITION	UNCREWED & AUTONOMOUS SYSTEMS
IN-SERVICE SUPPORT	PERSONNEL PROTECTION	TRAINING & SIMULATION	SENSORS	DIGITAL SYSTEMS

WHY BDC?



1944

BDC is founded to help returning soldiers start businesses and convert wartime factories to civilian use

Pre-2025

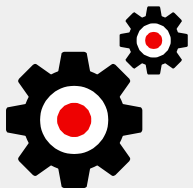
BDC has a modest presence in the defence sector

April 2025

BDC assesses Canada's defence and national security ecosystem amid geopolitical and economic shifts to increase its impact

Dec. 2025

BDC announces the creation of a platform to strengthen the defence & security ecosystem



This presents a new opportunity for entrepreneurs to enter the defence supply chain and maximise the potential of dual-use technologies

IS DEFENCE RIGHT FOR MY BUSINESS?



With the right capabilities, readiness, and long-term intent, SMEs can successfully expand into the defence market.

LABELS DON'T MATTER

The defence industry prioritizes businesses that can meet quality, traceability, cybersecurity, and delivery requirements reliably, repeatedly, and under constraint.

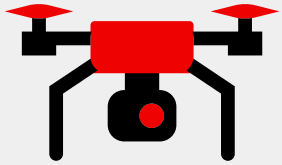
YOU MAY ALREADY BE WELL POSITIONED

Modern defence includes core strengths many businesses already have, such as risk awareness and clear processes.

A STRONG FIT FOR MANY SECTORS

Precision machining, advanced materials, automation, digital and embedded systems, AI, sensors, robotics, cybersecurity, data management, and more.

BACKING CANADIAN BUSINESSES READY TO BUILD THE FUTURE



ALREADY ACTIVE IN DEFENCE

- ➔ Businesses already supplying defence or security markets looking to scale and expand their operations.



LOOKING TO DIVERSIFY

- ➔ Companies in sectors adjacent to defence exploring opportunities in the defence ecosystem.



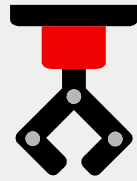
FUELLING INNOVATION

- ➔ Early-stage SMEs developing defence or dual-use technologies.

FINANCING



Access
working
capital



Purchase
equipment



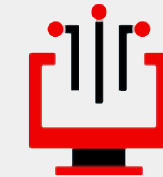
Start
a business



Buy a
business



Customized
solutions (ex:
Growth &
Transition Capital)



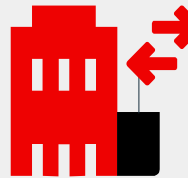
Invest in
technology



Invest
in real estate



Export
to new markets



Transfer
a business

Advisory Services



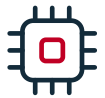
Strategy



**Growth, Marketing
& Sales**



Finance



Technology



Sustainability



Operations



**International
Expansion**



**Leadership
& People**



**Risk
& Compliance**



MEETING THE MOMENT TOGETHER



If you're building solutions that matter for Canada's defence and security, BDC is open for business.

Let's work together to build a more competitive, innovative, and resilient defense industrial base—and position Canada and Canadian businesses for decades to come.

QUESTIONS?





**LET'S POWER YOUR
BUSINESS GROWTH IN
THE DEFENCE SECTOR**

